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RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES:	Provision for Doubtful Debts Policy Financial Management Policy Relevant Debt Collection Procedures
RELATED LEGISLATION:	Local Government Act 1989 Australian Taxation Legislation
EVIDENCE OF APPROVAL:	



Signed by Chief Executive Officer

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Policy documents are amended from time to time, therefore you should not rely on a printed copy being the current version. Please consult the policies on the Loddon Shire website (Council Policies) or Intranet (Organisational Policies) to ensure that the version you are using is up to date.

This document is available in alternative formats (e.g. larger font) if requested.

1 PURPOSE

The purpose of this policy is to provide guidance to the accounts receivable staff of the Loddon Shire Council to ensure sound credit management and recovery of sundry debtors in a timely manner.

2 SCOPE

This policy applies to Council staff responsible for creating invoices and recovering outstanding sundry debtors.

This policy does not apply to Council staff involved with rates and rate related debtors (refer to the Rates Policy and the Financial Hardship Policy).

3 POLICY

Payment of certificates, permits and fees are payable at the time of service and/or delivery where possible.

Council will operate effective billing and debt collection processes including the efficient management of accounts receivable and related credit management, when a sundry debtor charge is raised.

Council debtors will be managed in accordance with this policy and where applicable the Overdue Debtor Accounts Procedures.

Debts will be recognised at the time services are provided. The tax invoice will contain sufficient information so that the debtor can recognise the transactions included on the invoice and reconcile the debt if required.

The provision of credit is not automatic and credit can be suspended or withdrawn based on compliance with trading terms.

3.1 Responsibility for raising debtor invoices

General sundry debtor invoices are processed by staff at the Wedderburn Office. Home and Community Care (HACC) and pre-school debtor accounts are processed at the Serpentine Office.

3.2 Trading terms

Trading terms are strictly 30 days from date of invoice.

3.3 Collection of debts

3.3.1 Procedures

Procedures, appropriate to the type and age of the debt to be collected, will be established for the collection of amounts due to Council.

3.3.2 Payment arrangements

Payment arrangements must be duly noted and authorised by a responsible officer. Defaulted arrangements will activate enforcement.

3.3.3 Recovery of outstanding debts

In the event of default or failure of recovery procedures, processes will be implemented through Council's preferred supplier of debt collection services in accordance with the relevant service level agreement for that service provider.

No recovery actions will commence without satisfactory proof of debt.

3.3.4 'Securing' unsecured debts

Depending on the circumstances, Council will attempt to 'secure' unsecured debt by either obtaining directors guarantee (credit application), or other arrangement. If no security can be obtained, then proactive management of credit limit will be undertaken.

3.4 **Provision for doubtful debts – debt write off**

Management of doubtful debts and the write off of debts is outlined in the Provision for Doubtful Debts and Writing Off Bad Debts Policy.

3.5 **Reporting**

Finance staff will prepare a report for the Manager Financial Services and Financial Accountant at the end of each month. The report will contain the reconciliation between the general debtor ledger and the Debtors Trial Balance and detail the amount outstanding into terms of current, 30 days, 60 days and 90+ days.

The reconciliation will also contain a schedule detailing follow up action for those outstanding debtors exceeding trading terms and the status of any special arrangements currently in place.

Where appropriate, service managers will also be advised of these outstanding accounts.

3.6 **Heritage interest free loan scheme**

Refer to the Community Support Policy for details.

Loans will be managed on Council's Sundry Debtor system.

3.7 **Community interest free loan scheme**

Refer to the Community Support Policy for details.

Loans will be managed on Council's Sundry Debtor system.

3.8 **Taxation**

Council will comply with its taxation and legislative obligations.

GST applies to all invoices except in circumstances where the goods and/or services are not subject to GST.

3.9 Confidentiality

Confidentiality is paramount and staff members are required to abide by the Staff and Contractors Code of Conduct.

4 DEFINITIONS OF TERMS OR ABBREVIATIONS USED

Term	Definition
HACC	Home and Community Care
GST	Goods and Services Tax

5 HUMAN RIGHTS STATEMENT

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act. Loddon Shire Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee Health and Safety Representatives in any workplace change that may affect the health and safety of any of its employees.

6 REVIEW

The Manager Financial Services will review this policy for any necessary amendments no later than 2 years after adoption of this current version.