



PROVISION FOR DOUBTFUL DEBTS AND WRITING OFF BAD DEBTS POLICY

DOCUMENT TYPE: Council policy

DOCUMENT STATUS: Approved

POLICY OWNER POSITION: Financial Accountant

INTERNAL COMMITTEE ENDORSEMENT: Not applicable

APPROVED BY: Council

DATE ADOPTED: 24/07/2018

VERSION NUMBER: 3

REVIEW DATE: 24/07/2020

DATE RESCINDED:

RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES: Levels of Authority delegations

RELATED LEGISLATION: Local Government Act 1989

EVIDENCE OF APPROVAL:


Signed by Chief Executive Officer

FILE LOCATION: K:\EXECUTIVE\Strategies policies and procedures\Policies - adopted PDF and Word\POL Provision for Doubtful Debts and writing off Bad Debts v3.docx

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.

PROVISION FOR DOUBTFUL DEBTS AND WRITING OFF BAD DEBTS POLICY

1 PURPOSE

This policy sets the principles for variations of the provision for doubtful debts and write-off of bad debts.

2 SCOPE

The authorisation is limited to the Chief Executive Officer (CEO).

3 POLICY

Council delegates authority to the Chief Executive Officer, on receipt of advice from the Director Corporate Services, to:

- a) vary the provision for doubtful debts to such an amount as is required in the opinion of the CEO, and
- b) write off bad debts against the provision for doubtful debts up to a value of \$1,000 in an individual case, and \$5,000 in aggregate per financial year.

Any amounts above the threshold will be submitted to Council at an Ordinary Meeting for consideration. This must occur prior to 30 June in the relevant financial year in order to comply with end of financial year audit requirements.

4 DEFINITIONS OF TERMS OR ABBREVIATIONS USED

Term	Definition
Provision for doubtful debts	An amount in the Financial Statements to cater for the possibility that some debtors will not meet their obligation to pay Council charges.
Bad debts	The amount of a debt for which all reasonable steps to collect have been exhausted and the debt is not worth further pursuit.

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