



## COUNCIL POLICY

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### Debt Recovery

<b>Policy No:</b>	2.11
<b>Policy Subject:</b>	Debt Recovery
<b>Objective:</b>	To outline clear and appropriate debt recovery procedures which will be undertaken by the Shire of Katanning and to ensure effective control over all invoiced debts owed to Council whilst being sympathetic to those ratepayers and debtors suffering genuine financial hardship.
<b>Policy Statement:</b>	This policy sets the parameters for Rates and Sundry Debtors Charges, Write Offs and the Recovery Process

#### **Rates – Outstanding Amounts**

- 1.1 Amounts outstanding after the due date for payment will be followed up within 14 days of the due date with a Final Notice.
- 1.2 Fourteen days after the Final Notice is issued, a Shire of Katanning reminder letter will be issued giving seven days to arrange payment.
- 1.3 Following this seven day period, Councils Debt Collection agency will be instructed to send a Notice of Intention to Issue a General Procedure Claim demanding payment and warning that legal action may commence if payment or a suitable arrangement is not made within seven days.
- 1.4 After this seven day period has lapsed:
  - i. Contact is to be made by telephone, where possible, in order to seek payment or a special arrangement. If this action is unsuccessful, accounts may then be forwarded to the Shire's Debt Collection agency for legal action to commence.
  - ii. Legal action will commence with the issuing of Court proceedings (General Procedure Claim) in accordance with S6.56 of the Local Government Act 1995.
- 1.5 Ratepayers who are unable to pay rates and charges by the due date either because of reasons beyond their control or because payment would cause undue hardship, may apply to enter into an agreement to make periodic payments subject to the following:
  - i. The Chief Executive Officer is to endorse the arrangement.

- ii. Special arrangements will be for regular instalments with the debt to be finalised by 30 June of the financial year where possible.

### **Sundry Debtors**

- 2.1 Sundry debtor accounts become overdue if not paid within 30 days of issuing of the account.
- 2.2 On becoming overdue, a statement is to be issued requesting immediate payment
- 2.3 Fourteen days after the statement is issued, contact is to be made by telephone, where possible, in order to seek payment and to advise that the provision of credit facilities will cease in seven days.
- 2.4 After this seven day period has lapsed, the Shire may stop the provision of credit facilities to debtors. Recovery action through the courts may also be taken unless the debtor enters into and complies with an overdue payment agreement. Any such agreement will not exceed six months unless exceptional circumstances exist.
- 2.5 The Chief Executive Officer may determine other suitable treatment options to deal with sundry debtors in the case of demonstrated hardship or other situations.

### **Write-off of small amounts**

To assist with the maintenance of the Council rate record and Sundry Debtors and to ensure employee resources are effectively utilised, any penalty interest amount outstanding at the end of the financial year of less than \$20.00 may be written off at the discretion of the Chief Executive Officer. This writeoff is only to occur where all other property rates, rubbish charges, levies and sundry debts have been paid in full.

<b>Resolution No:</b>	Committee Ordinary Council	A304/96 FC209/96
<b>Resolution Date:</b>	22 February 1996	
<b>Amended:</b>	26 November 2003 22 October 2008 28 October 2011 22 October 2014 27 March 2018	OC79/04 OC49/09 OC29/12 OC/106/14 OC29/18
<b>Source:</b>	Manager of Finance	
<b>Date of Review:</b>	October annually	
<b>Review Responsibility:</b>	Executive Manager Finance & Administration	