

 <p>Governance Policy</p>	<p>Collection of Overdue Debts (excluding rates and water)</p> <p>ADOPTED BY: Council</p> <p>DATE ADOPTED: 21 May 2008</p> <p>SPONSOR: Financial Controller SUPPORT SERVICES</p>
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Policy Statement

1. Council requires all overdue debt to be collected as quickly and as efficiently as possible. Costs of collection, the circumstances of the debtor, and whether or not any concession that might be considered could create precedence for future similar cases, must all be taken into account when determining the appropriate collection process.
2. Follow up of overdue debt should commence within 28 days of the debt becoming overdue. This will be by telephone, email, letter or any other form of communication considered appropriate to the circumstances.
3. If payment is not received in response to an initial approach by staff, further communication may take place except that once the debt remains unpaid for two months after the end of the month in which the debt is incurred, a formal letter advising legal or other action will take place must be sent within 14 days. (This letter should allow seven days for payment before the stated action is taken.)
4. Management in their discretion may use any method legally available to Council to collect overdue debt and can include the use of agencies such as solicitors, debt collection companies, and Tribunals.
5. Council delegates authority to the Chief Executive to take all steps required to recover any debt including legal action, but excluding High Court action. The Chief Executive may delegate any responsibilities, powers, or duties under this policy, except where specifically excluded within this policy, to any officer of the Council.
6. Staff with the appropriate delegated authority from the Chief Executive may enter into “arrangements to pay” with any debtor at their discretion if this becomes the preferred method of ensuring payment and avoids unnecessary hardship to the debtor.
7. Any debts of a non-regulatory nature may be written off by an officer with delegated authority if, in their view, the costs of collection outweigh the value of the debt. Any such write-offs are to be reported to the Audit Committee at their first meeting following the end of the financial year.
8. The Chief Executive only, may authorise mediation, if the value of the debt and the complexity of the issues are considered large enough to warrant the cost involved.
9. Staff will at all times respect the privacy of individuals and communicate in a courteous and professional manner. At the same time, staff have the right to terminate conversations with any debtor who becomes abusive or threatening.

Measurement and Review

The effectiveness of this policy can be measured by comparing the value of overdue debt in relation to total general revenues of Council at various intervals.

The policy will be reviewed every three years commencing February 2011.