



Policy No: **3.6**  
Approved by Council: **February 2019**  
Next Review Date: **February 2021**  
Responsible Officer: **Manager Finance**

Minute No: **C125/3-19**  
ECM File No: **12.84**  
Version: **4.0**

## Sundry Debt Management Policy

<b>POLICY STATEMENT:</b>	1.1 To provide fair and consistent guidelines for the recovery of outstanding Sundry Debts to Council
<b>OBJECTIVE:</b>	2.1 To ensure all debts owed to Council that are not paid by the due date are followed up and recovered within specified time frames. 2.2 To establish the procedures to be followed when a debt becomes overdue.
<b>SCOPE:</b>	3.1 This policy applies to all Sundry Debts owed to Council.
<b>PROCEDURE (POLICY DETAIL):</b>	<p><b>Sundry Debts</b></p> <p>4.1 Council undertakes to issue GST compliant Tax Invoices as soon as practicable following the debt being realised. Finance staff will ensure that invoices are correctly addressed and contain sufficient information for the debtor to understand the charge and the due date.</p> <p>4.2 Payment terms default to Government Terms, i.e payment due 30 days after the end of the month of the date of the invoice. Any exceptions are documented in Debtor specific Agreements.</p> <p>4.3 Interest charges are applied to outstanding invoices at the end of next month following the due date. Interest is charged at the rate set by Council on a yearly basis and detailed in the Fees and Charges Register. Interest shall be applied on all overdue Sundry Debts unless otherwise authorised.</p> <p>4.4 Council will not commence Legal Action without taking all reasonable steps to establish a payment arrangement or negotiate settlement of the outstanding debt.</p> <p>4.5 The Council has provided a delegation to the General Manager to enter into arrangements with debtors for extended payment plans.</p> <p><b>Outstanding Sundry Debts</b></p> <p>4.6 <b>1 – 30 Days Past Due</b> Courtesy call/email to debtor to ensure invoice has been received and to remind them that interest charges will be applied if the debt is still outstanding at the end of the month.</p> <p>4.7 <b>31- 60 Days Past Due</b> Letter/email to debtor advising them formally that interest has been applied and will continue to be applied if the outstanding amount is not paid and that legal action may be taken without further notice.</p> <p>4.8 <b>61 – 90 Days Past Due</b> Letter sent to Debtor advising them that debt recovery and/or legal action will commence if the outstanding amount is not paid by a required date.</p> <p>4.9 <b>&gt; 90 Days</b> The debt may be referred to Council’s Collection Agency and legal action may be taken. Should the debt be in connection with an Abatement Notice the debt may be transferred to the Property Rates as allowed under Section 201 (5) of the Local Government Act 1993.</p> <p><b>Bad Debts</b> Bad debts can only be written off in accordance with Section 76 of the Local Government Act 1993</p>

	<p>Recommendations for the write off of a bad debt will be made to the General Manager following discussion with the Department responsible for raising the debt. The General Manager has Delegated Authority to write off any Sundry Debtor bad debt to the amount of \$5,000.</p> <p>In all cases before a debt is written off staff are to ensure that all reasonable attempts have been made to recover the debt and there are no reasonable prospects of recovering the debt or determine that the costs of recovery are likely to equal or exceed the amount to be recovered.</p> <p>Bad debts over the amount of \$5,000 will be referred to Council for a decision. A report will also be provided to Council listing details of any bad debts written off.</p>
<b>GUIDELINES:</b>	<p>5.1 All requests outside the scope of this policy are to be referred to Council.</p> <p>5.2 All bad debts written off will be in accordance with Section 76 of the Local Government Act 1993 and will be reported to Council.</p>
<b>COMMUNICATION:</b>	<p>6.1 Members of the public</p> <p>6.2 Kingborough Councillors</p> <p>6.3 Kingborough Council Staff</p>
<b>LEGISLATION:</b>	<p>7.1 The Local Government Act 1993</p>