



# Sundry Debt Management Policy

<b>Policy No:</b>	3.6
<b>Approved by Council:</b>	April 2024
<b>New Review Date:</b>	April 2028
<b>Minute No:</b>	C96/7-2024
<b>ECM File No:</b>	12.84
<b>Version:</b>	5.0
<b>Responsible Officer:</b>	Manager Finance
<b>Strategic Plan Reference:</b>	2.1 Service provision meets the current and future requirements of residents and visitors.

### 1. POLICY STATEMENTS

1.1 To provide fair and consistent guidelines for the recovery of outstanding Sundry Debts to Council.

### 2. OBJECTIVE

2.1 To ensure all debts owed to Council that are not paid by the due date are followed up and recovered in a fair and consistent manner.

2.2 To minimise the level of outstanding sundry debts.

### 3. SCOPE

3.1 This policy applies to all Sundry Debts owed to Council.

### 4. PROCEDURE (POLICY DETAIL)

#### 4.1 Sundry Debts

4.1.1 Council will issue GST compliant Tax Invoices as soon as practicable following the debt being realised.

4.1.2 Payment terms are payment due 30 days after the end of the month of the date of the invoice. Any exceptions are documented in Debtor specific Agreements.

4.1.3 Interest charges may be 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. The General Manager has discretion in the application of penalty and interest charges to assist the collection of outstanding debts.

4.1.4 Council will not commence Legal Action without taking all reasonable steps to establish a payment arrangement or negotiate settlement of the outstanding debt.

4.1.5 The Council has provided a delegation to the General Manager to enter into arrangements with debtors for extended payment plans.

4.1.6 Unpaid debts of over 90 days may be subject to legal action or referral to Debt Collection. 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*.

#### 4.2 Bad Debts

4.2.1 Bad debts can only be written off in accordance with Section 76 of the *Local Government Act 1993*.

4.2.2 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.

4.2.3 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.

4.2.4 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 over \$500.

### **5. GUIDELINES**

- 5.1 All requests outside the scope of this policy are to be referred to Council.
- 5.2 All bad debts written off will be in accordance with Section 76 of the *Local Government Act 1993* and debt write offs over \$500 will be reported to Council.

### **6. COMMUNICATION**

- 6.1 Members of the public
- 6.2 Kingborough Councillors
- 6.3 Kingborough Council Staff

### **7. LEGISLATION**

- 7.1 *Local Government Act 1993.*