



# TOWN OF BAY BULLS

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<b>Title: Collections Policy &amp; Procedures</b>	<b>Public</b>
<b>Department: Finance</b>	<b>Policy Number: TBB-004-CN</b>
<b>Approval Date: December 9, 2019</b>	<b>Implementation Date: January 1, 2020</b>
<b>Revised Approval Date: July 15, 2020</b>	<b>Revised Implementation Date: July 16, 2020</b>

## OBJECTIVE/PURPOSE

The Town of Bay Bulls recognizes the importance of having a collection policy for accounts receivable that incorporates acceptable business practices and is applied in a fair and consistent manner.

The policy is intended to:

- ensure that the Town of Bay Bulls can effectively manage accounts receivable, including collection procedures to minimize amounts owing to the municipality;
- provide consistent and equitable treatment to debtors and communication on amounts owing;
- ensure that reasonable and appropriate collection action is taken.

## DEFINITIONS

“Municipality” means the Town of Bay Bulls.

“Debtor” means a property owner or business owner that is being charged taxes by the Town of Bay Bulls.

## SCOPE

Municipal staff assigned to the administration and collection of accounts receivable shall adhere to the policy and procedures detailed herein.

The Town of Bay Bulls has the authority to assign accounts to a third party for collection on behalf of the municipality.

## PAYMENTS

Payments may be made in the form of cash, cheque, debit or credit card.

Cheques that are returned from the bank as non-sufficient funds will result in an NSF charge of \$40.00. If there are two cheques returned from the bank within a single calendar year, no further cheques will be accepted as payment.



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## STATEMENT OF ACCOUNT

Statements will be issued to debtors on a quarterly basis when a balance is owing on the account. Once the account has been paid in full, statements will be issued only at the request of the account holder.

## INTEREST ON ACCOUNTS

Municipal taxes are considered in arrears on June 1st of the calendar year. Simple interest will be charged on all account balances at a rate of 2% per month, or 24% per annum, except when a debtor, as a part of the Interest Relief Program, has made a payment arrangement to pay the account in full by November 30<sup>th</sup> of the calendar year.

The Interest Relief Program is available to all tax debtors when a written payment arrangement has been made to pay the account in full by November 30<sup>th</sup> of the calendar year. If the debtor defaults on the agreed payment schedule, interest will be reapplied to the account retroactive to January 1<sup>st</sup> of the tax year. See Appendix A - Interest Relief Payment Arrangement Form.

## TAX DISCOUNT

The Town of Bay Bulls offers an 8% discount to residential property owners who pay their account in full by April 30<sup>th</sup> of the calendar year.

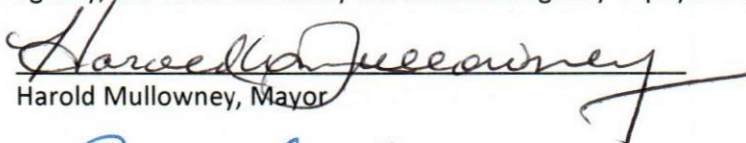
## COLLECTION ACTION

Municipal taxes are considered in arrears on June 1<sup>st</sup> of the calendar year. Debtors will receive a notice in June if their account is in arrears and a payment arrangement has not been made.

A second notice will be sent in October to those accounts remaining outstanding.

Accounts not paid in full by November 30<sup>th</sup> of the calendar year will be sent to a private collection agency for recovery. The debtor will receive notification that the account has been sent to a third party for collection.

Should the debtor make payments directly to the Town after the account has been sent to a collection agency, the Town will notify the collection agency of payments received.

  
Harold Mallowney, Mayor

  
Jennifer Aspell, Town Manager



# TOWN OF BAY BULLS

## Interest Relief Program Payment Arrangement Form

Date: \_\_\_\_\_

Account Number: \_\_\_\_\_

Name of Account Holder: \_\_\_\_\_

Commercial Entity (if applicable): \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

Total Amount Owing: \$ \_\_\_\_\_

Payment Method:      Cash/Debit    Cheque (post dated cheques are required)    Credit Card

Credit Card Number: \_\_\_\_\_                      Expiry: \_\_\_\_\_

Payment Dates (please specify the day and month for each payment):

\_\_\_\_\_

Payment Amount (please indicate the amount to be paid on the date(s) specified above):

\$ \_\_\_\_\_

\_\_\_\_\_  
Account Holder (please print)

\_\_\_\_\_  
Account Holder Signature

\_\_\_\_\_  
Jennifer Aspell, Town Manager

**To qualify for the Interest Relief Program, accounts must be paid in full by November 30<sup>th</sup> of the calendar year. Failure to honour the payment schedule will result in interest being applied to the account. Simple interest on arrears will be applied at 2% per month or 24% per annum.**