



**City of  
Lloydminster**

***Policy***

<b>Policy Title:</b>	Accounts Receivable Policy	<b>Policy Number:</b>	134-15
<b>Date of Adoption:</b>	January 22, 2024	<b>Motion Number:</b>	13-2024
<b>Date of Amendment:</b>		<b>Motion Number:</b>	

**1. Purpose:**

- 1.1 To establish guidelines for Customer accounts, invoicing, payments, collection, and write-off of uncollectible amounts.

**2. Objective:**

- 2.1 To provide guidelines that will facilitate timely, accurate, consistent, and properly authorized issuance of Accounts Receivables that in turn support efficient and effective collection of said receivables.

**3. Definitions:**

<b>Accounts Receivable</b>	Money owed for goods or services rendered by the City.
<b>Administration</b>	An employee or Contract employee of the City of Lloydminster.
<b>Allowance for Doubtful Accounts</b>	A reduction to Accounts Receivable for accounts that are likely uncollectible.
<b>City</b>	The corporation of the City of Lloydminster.
<b>Customer</b>	A person, company, organization, or society that is supplied goods and/or services by the City for a fee.
<b>Customer Account</b>	Single centralized placed to manage all invoicing information about a Customer.
<b>Customer Relationship Manager</b>	The member of Administration who has the closest relationship to the Customer.
<b>Finance Charge</b>	A fee imposed on an outstanding invoice over thirty (30) days from the invoice date.
<b>Invoice</b>	A document outlining the amount of money due from a Customer in exchange for goods supplied or services rendered by the City and the payment terms.
<b>Member of Council</b>	An individual elected pursuant to <i>The Local Government Election Act</i> (Saskatchewan) as a member of Council.

<b>Overdue Invoice</b>	An invoice is due upon issuance and becomes overdue upon the first month end that the invoice is more than 30 days old.
<b>Uncollectible</b>	An account which cannot be collected due to the circumstances of the debtor.
<b>Vendor</b>	A person, company, organization, or society that is supplying goods and/or services to the City for a fee.
<b>Write Off</b>	An adjustment to remove an unpaid amount from the Customer's account.

**4. Scope**

- 4.1 This Policy applies to all members of Council and Administration.
- 4.2 This Policy applies to all general Accounts Receivable except those that are governed by legislation, agreement, or another policy or bylaw (ie property tax, business licence, utility billing, etc.)

**5. Responsibilities**

- 5.1. Council is responsible for approving this Policy and any amendments.
- 5.2. The City Manager is responsible for implementing this Policy and approving related procedures.
- 5.3. The Finance Department is responsible for:
  - 5.3.1. the overall administration and compliance monitoring of this Policy;
  - 5.3.2. providing support to City departments to invoice, collect, and coordinate Customer Accounts.
  - 5.3.3. making recommendations to the City Manager of necessary policy or procedure amendments.
- 5.4. Customer Relationship Managers or delegates are responsible for:
  - 5.4.1. invoicing, collection activities, and coordinating with their respective Customers.

**6. Customer Accounts**

- 6.1. Customer Accounts must include all relevant information to invoice and contact Customers.

- 6.2. The creation and management of Customer Accounts will be administered by the Finance department.

## **7. Invoices, Adjustments and Statements**

- 7.1. All invoices must be created at the earliest opportunity, which will be no later than 30 days after providing goods or services by the issuing department, or in accordance with any agreement or contract with the Customer.
- 7.2. All invoices must reflect accurate fees for goods and services provided to Customers in accordance with the respective bylaw, policy, or other document.
- 7.3. The issuing department will maintain supporting information for invoices according to the "*Records Management Bylaw*".
- 7.4. Department supervisors or managers are responsible for authorizing invoices prior to submitting to the Customer.
- 7.5. Adjustments because of error or omission will be created as soon as discovered, verified, and authorized by the originating department and Finance Manager. Finance charges will be adjusted accordingly.
- 7.6. Statements will be generated by the Finance Department within the first five (5) business days of the month.

## **8. Finance Charges**

- 8.1. Finance Charges will be applied in accordance with the "*Finance Charge Policy*".
- 8.2. The Chief Financial Officer or delegate has the authority to exempt Customers from finance charges.

## **9. Payments**

- 9.1. Payments are due on issuance. Customers have thirty (30) days to pay from the Invoice date before Finance Charges are applied.
- 9.2. The acceptable payment methods for invoices are cash, debit card, credit card, and cheque.
- 9.3. Notwithstanding 9.2, cash, debit card, and cheque are the only accepted payment methods for property tax payments.

- 9.4. If payment in foreign currency results in an exchange gain or loss greater than thirty-five dollars (\$35), the amount will be applied to the Customer's account.

## **10. Managing Credit Balances**

- 10.1. Periodically the Finance department will review Customer Accounts for credit balances.
- 10.2. Credit balances may be applied to any other amounts owing to the City from the Customer.
- 10.3. Credit balances over 12 months old will be refunded to the Customer if greater than ten dollars (\$10).

## **11. Collection of Overdue Invoices**

- 11.1. The collection process for Overdue Invoices is as follows:
  - 11.1.1. 60 – 90 days – Finance Department sends collection notice to Customer;
  - 11.1.2. 90 - 120 days – Finance Department sends collection notice to Customer;
  - 11.1.3. Over 120 days – Customer accounts are eligible to be sent to a private collection agency.
- 11.2. The Chief Financial Officer or delegate has the authority to exempt Customers from being sent to a private collection agency.
- 11.3. The Customer Relationship Manager is responsible for supporting the collection process and maintaining Customer relationships.
- 11.4. If the Customer is also a Vendor, amounts receivable from a Customer will be reduced by amounts payable by the City.
- 11.5. The City will work with Customers to create payment plans.
- 11.6. The City may refuse service to Customers who have outstanding balances owing, in accordance with all City policies and bylaws.

## **12. Allowance for Doubtful Accounts:**

- 12.1. An allowance for doubtful accounts will be established annually to reflect the amount of the City's Accounts Receivables that the Chief Financial Officer or delegate estimates will be Uncollectible.

### 13. Write-offs

- 13.1. A Customer Account may be considered Uncollectible after all reasonable and appropriate collection action has been taken (per Section 11).
- 13.2. Write-offs are authorized as follows:

<b>Amount of Write Off</b>	<b>Approval</b>
\$0 - \$50	Senior Finance Manager
\$51 - \$200	Chief Financial Officer
\$200 - \$1,000	City Manager
\$1,000+	Council

- 13.3. Delinquent Customers with amounts written off will be tracked for ten (10) years from time of write off. If the Customer has future dealings with the City within this ten (10) year period, the previous unpaid balance will be required to be repaid before any further City services are provided.

### 14. Penalty:

- 14.1. Any staff member found to be in violation of this policy may be subjected to a disciplinary action. Such action may be dependent upon the nature of the breach of this policy; discipline may range from a verbal warning to dismissal with cause.
- 14.2. Any Member of Council found to be in violation of this policy may be dealt with utilizing the "*Council Code of Ethics Bylaw*" or provisions of "*The Lloydminster Charter*."