

SMOKY LAKE COUNTY



Title: Accounts Receivable Collection	Policy No.: 02-02
Section: 08	Page No.: 1 of 2

Legislation Reference:	Alberta Provincial Statutes.
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Purpose:	To minimize the cost of collecting Accounts Receivable and to provide a consistent means of accounts collections.
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Policy Statement and Guidelines:

1. Extending Credit:

- 1.1 Smoky Lake County Departments that provide goods or services on a credit basis are required to ensure that all transactions of this nature flow through Accounts Receivable.
- 1.2 All accounts receivable invoices will bear the notation:

*All accounts are due and payable in thirty (30) days.
Interest will be charged at one and a half percent (1.5%) per month
on all overdue accounts.*
- 1.3 Customers are directed to send all payments directly to the administration office.
- 1.4 To improve Smoky Lake County's legal position for account collection, it is recommended that a formal contract or written agreement be signed with the customer, whenever possible.
- 1.5 Smoky Lake County's standard term of payment is 30 days from the invoice date.

2. Collection of Accounts Receivable:

- 2.1 Each month, administration will send monthly statements showing the outstanding balance due.
- 2.2 If a receivable account is not paid within 90 days:
 - 2.2.1 The customer is sent a reminder letter.
 - 2.2.2 The receivable account may be charged to the tax roll where permitted by the *Municipal Government Act*, and/or any relevant County Bylaws and Policies.
 - 2.2.3 Further credit privileges **may** be revoked.

Title: Accounts Receivable Collection	Policy No.: 02-02
Section: 08	Page No.: 2 of 2

Policy Statement and Guidelines:

3. Cancellation of Accounts Receivable Penalties:

3.1 Total unpaid interest or penalty charges on an accounts receivable account may be cancelled, if circumstances warrant, in accordance with the following authority levels:

Cashiers at the time of payment	up to \$ 5.00
Managers	up to \$ 100.00
Chief Administrative Officer	up to \$ 500.00

3.2 The write-off of interest and penalty charges in excess of \$500.00 require Council approval for cancellation.

4. Uncollectible Accounts:

4.1 If it is deemed to be in the best interest of Smoky Lake County, further collection efforts will be undertaken and may include legal action, if necessary. This decision must be Council approved.

4.2 If an account is deemed to be uncollectible and thereby written-off by Council, the uncollected accounts receivable balance will be charged back to the departments where the charges originated.

5. Exception to the Policy:

5.1 Natural Gas and Environmental Operations Services are the only **exceptions** to this policy. Collections of accounts receivable are governed under Bylaw.

	Date	Resolution Number
Approved	December 19, 2002	# 131-02 - Page # 7441
Amended	September 23, 2010	# 897-10 - Page # 9457
Amended		

