

### **Background and Issues**

It is important to ensure that money owed to the Shire of Manjimup is collected in a consistent and timely manner. The collection of debts is necessary to achieve a balanced budget and to facilitate cash flow in the organisation.

### **Objectives**

1. To provide guidelines for staff that assist in ensuring any monies owing to Council are collected in a consistent and timely manner.
2. To provide debtors with clear guidelines relating to outstanding monies.

### **Area of Application**

Applied to all debts owed to the Shire of Manjimup.

### **Policy Measures**

#### **Outstanding Monies**

1. All monies owed to the Shire of Manjimup for any fee or charge raised under Sections 6.16 and 6.17 of the Local Government Act, or any reimbursement that is due to the Shire, are deemed to be overdue following a period of thirty-five (35) days from the date of the original invoice.
2. At the expiration of the thirty-five (35) day period, the Shire shall issue one statement giving the debtor a further fourteen (14) days to rectify the debt and advising the debtors that any further line of credit will be withdrawn if payment is not forthcoming, and / or an arrangement made to pay off the debt (refer below).
3. At the expiration of the fourteen (14) day period, if a payment has not been forthcoming, then the Shire will withdraw all further line of credit until the debt has been paid in full, an arrangement has been made to pay off the debt (refer below), or is the subject of another agreement.

In the occurrence that the line of credit includes the Shire paying utility charges on behalf of another organisation, then that utility may be disconnected until payment is forthcoming. The debtor is liable for all re-connection costs should this procedure be put in place. Any disconnection of utility will require the approval of Council.

4. In addition to withdrawing its line of credit, Shire Officers will refer all debtors with amounts outstanding for a period greater than forty-two (42) days to its debt collection agency for follow up action.
5. All costs associated with debt collection action will be borne by the debtor.

#### 4. ADMINISTRATION POLICIES

##### 4.1 FINANCE

##### 4.1.6 Collection of Outstanding Debts

6. Interest on outstanding monies shall be calculated on a daily basis at a level set at Council's annual budget for monies outstanding for a period greater than thirty-five (35) days in accordance with Section 6.13(6) of the Local Government Act.
7. That in all cases following summons, the Shire shall proceed by means of judgement summons, unless alternative arrangements are made prior to summons.
8. That any staff member with a debt outstanding at the time of resignation or termination must pay the debt in full prior to their final pay, or any monies outstanding will be automatically deducted from the final pay to clear the debt.

##### Arrangements to Pay Off Debt

1. The Director Business is authorised to consider and to either approve or reject any application for deferment or payment by instalments.
2. All requests for deferment and / or payment by instalments must be made in writing.
3. The debtor must, when making application for deferment or payment by instalments, provide in writing:
  - details to support their payment;
  - advice as to the date payment will be finalised; and
  - date of, and amount of, instalment payment schedule (including date of final instalment).

**Note** Debtors who have made written contact with the Shire seeking deferment of payment of outstanding monies and / or payment by instalment method, or are subject to a separate agreement, are exempt from legal action for recovery of outstanding monies **unless** the payment schedule has been defaulted.

##### **Policy Strategies**

1. That all of the Shire's debtors be advised of this policy by attaching a copy to every statement issued.
2. The policy shall be utilised by the Accounts Department of the Finance & Administration Services department when dealing with outstanding monies.
3. The policy shall be implemented on a day-to-day basis by the Coordinator Finance & Administration Services.
4. Records shall be kept to ensure continuity of information for historical purposes.

**4. ADMINISTRATION POLICIES**  
**4.1 FINANCE**  
**4.1.6 Collection of Outstanding Debts**

**Footnote**

Each debtor's right to appeal in accordance with the provisions of the Local Government Act shall not be relinquished by anything in this policy.

**REVIEWED AND ADOPTED 12 SEPTEMBER 2002**  
**REVIEWED 7 AUGUST 2008**  
**REVIEWED AND MODIFIED 8 DECEMBER 2011**  
**REVIEWED AND MODIFIED 2 AUGUST 2016**  
**REVIEWED AND MODIFIED 29 SEPTEMBER 2022**

**NEXT DUE FOR REVIEW SEPTEMBER 2026**

<b>The Administration of this Policy is by the Business Directorate.</b>
--