



TOWNSHIP OF WHITEWATER REGION ACCOUNTS RECEIVABLE POLICY

POLICY STATEMENT AND RATIONALE:

- Council wishes to ensure prompt, effective and efficient delivery of billing and collection for all general Accounts Receivables.
- Council wishes to ensure prompt, efficient, courteous and consistent service to all users of services and purchasers of goods provided by the Township of Whitewater Region.
- Therefore, Council wishes to establish this policy to ensure a consistent, effective and appropriate Accounts Receivable Policy.

PURPOSE:

The purpose of this policy is to ensure that all customers are being treated in a fair and equitable manner with respect to billing and collection pertaining to Accounts Receivable service performed by the Township of Whitewater Region.

SCOPE:

This document is to provide guidance to any Township employee administering the Accounts Receivable function and to provide a basis for decision-making relating to Accounts Receivable billing and collection procedures for all customers of the Township of Whitewater Region.

BILLING PROCEDURES

Customers will be issued invoices through the Accounts Receivable billing system except for minor transactions (i.e. single garbage bags or blue boxes).

An invoice will be completed through the AR billing system even if it is a one-time sale.

An invoice will be prepared and mailed within 7 days of the transaction having occurred unless further information or clarification is required. The amount due will be 30 days from the date of billing.

A filing system will be maintained by the Accounts Receivable Clerk that contains a paper copy of all invoices along with any supporting documentation.

All cancelled invoices will be marked as “CANCELLED” and kept in the invoice file.

CREDIT PRIVILEGES FOR NEW CUSTOMERS

The extension of credit is a privilege for existing customers and new customers.

All new customers requesting credit privileges will be required to complete a Credit Application and Agreement Form. This application and agreement form will be submitted for approval prior to opening an account or being allowed credit privileges. A copy of the Credit Application and Agreement Form is included in the Appendix.

Once the credit application has been reviewed, a letter will be sent to approved new customers advising them of their approval and terms of sale. The letter will also state the interest rate charges per annum for outstanding balances and the fee charged for any returned cheques.

CREDIT PRIVILEGES FOR EXISTING CUSTOMERS

Customers with accounts created prior to this policy will not be requested to complete the Credit Application and Agreement as long as their account is not over 90 days past due. Any existing customers with accounts over 90 days past due must submit an Application and Agreement within 30 days of a letter being sent to them. Failure to return the Application and Agreement will result in suspension of their account and charging privileges.

LATE PAYMENT CHARGES

Late Payment charges shall be added to all or any portion of certain fees and charges imposed by this policy that are due and payable, at the rate of 1.25 percent on the first day of the month following default and every month thereafter. Late payment charges shall be compounded and such late payment charges shall form part of the fees or charges owing.

Vendors who purchase garbage bags by the box for resale will not be subject to late payment charges. In addition, government departments/agencies and local boards will not be subject to late payment charges.

PAYMENT METHODS:

1. The following methods of payment will be accepted for all Accounts Receivable:
 - Cash
 - Cheque
 - Money Order
 - Debit Card (payment made in person at Municipal Office)
 - Telebanking/On-line Payments (Scotiabank only).
2. When a customer pays an invoice, the invoice number will be checked and the payment will be applied against the invoice number or the oldest outstanding invoice, if applicable. If all the required information is available, the payment shall be entered in

Cash Receipts system immediately. If additional information is required, the payment and any supporting documents should be clearly marked and kept separately in a locked tray until deposited.

3. All invoices submitted at time of payment are to be stamped paid with a date stamp and initialed by the Clerk.
4. If a mistake is made in the application of a payment, the entry and receipt will be voided and a new corrected receipt issued. The incorrect receipt will be attached to the corrected receipt. If any adjustments are required, they will be performed by the Treasurer.

DISHONoured CHEQUE PROCESSING FEE

A dishonoured cheque processing fee of \$30 shall be added to any account paid by cheque, which cheque was returned by a bank or financial institution for any reason, and the dishonoured cheque processing fee shall form part of the fees or charges owing.

MONTHLY RECONCILIATION

1. At the end of each month, an Aging Report (AR5060) will be generated in the Account Receivable system. The outstanding balance in this report must be balanced to the Accounts Receivable General Ledger account (1-1-1200-1380). Any discrepancies between the two amounts shall be further examined and resolved.
2. A copy of the Aging Report will be given to the Treasurer.

SALE OF GARBAGE BAGS

All vendors that purchase garbage bags by the box for resale shall complete a Vendor of Garbage Bags Agreement. A copy of this agreement is included in the Appendix.

Whenever a request is received for a box of garbage bags, the vendor's account will be checked to verify that there is no outstanding balance owing. If a box of garbage bags is being picked up at the Municipal Office, a Purchase Order shall be completed and the Vendor shall sign the Purchase Order at that time. An invoice will then be created based on the Purchase Order and mailed to the Vendor.

When a telephone request has been received at the Municipal Office for the delivery of a box of garbage bags, the Landfill Site Operator will be informed. The Landfill Site Operator will then complete a Purchase Order and the Vendor shall sign the Order upon delivery. These signed Purchase Orders will be kept on file at the Landfill Site Office. The Accounts Receivable Clerk will confirm that the box(es) have been delivered and an invoice will be mailed to the Vendor.

If the Vendor pays for a previous box at the same time a new box is being picked-up, a receipt will be issued for the payment and the Vendor's account will be credited with the payment.

When individual garbage bags are purchased, a receipt will be issued and the name of the purchaser should be recorded on the receipt if possible. Discretion can be used if the purchaser does not want to give his/her name for the receipt.

The Landfill Site Operator/Environmental Services Manager will keep an inventory of the number of boxes of garbage bags in stock. Whenever any boxes of garbage bags are removed from the inventory, a record will be made of the number of boxes removed along with the date of removal.

COMMERCIAL TIPPING FEES

The Accounts Receivable Clerk receives a listing at the end of each month detailing the commercial tipping fees to be invoiced. These invoices will be issued and mailed out to the customers within seven days of the listing being received. The Landfill Site Operator shall record on the commercial tipping fee sheet the originating location of the waste if it is for contaminated soil or demolition waste.

COLLECTION PROCEDURES (excluding garbage bag accounts)

STATEMENTS	Statements will be issued on colored paper at the end of each month for all accounts. The statement includes all unpaid invoices from the previous months and all transactions (payments and new invoices) that incurred for the current period. A sample statement has been included in the Appendix.
OUTSTANDING INVOICES – 30 to 60 days	Accounts over 30 days past due will be issued a Statement as per above – invoices over 30 days will be highlighted on the statement for payment.
OUTSTANDING INVOICES – 60 to 90 days	Accounts over 60 days past due will be issued a Notice of Overdue Account. A sample Notice has been included in the Appendix.

<p>OUTSTANDING INVOICES – over 90 days</p>	<p>Accounts over 90 days past due will be contacted by telephone to collect payment in full or discuss an acceptable payment plan. Once accounts are over 120 days past due a notice will be issued (sample included in Appendix) advising the customer that unless payment is received in full or satisfactory payment arrangements are made, no further service or goods will be provided on account. Cash only will be accepted until the account becomes current.</p>
<p>OUTSTANDING INVOICES- one year or more</p>	<p>If an account is not paid after one year, the outstanding amount will be added to the property taxes or submitted to Small Claims Court for collection.</p>

COLLECTION PROCEDURES (garbage bag accounts only)

Vendors purchasing boxes of garbage bags are not required to make payment until after the previous garbage bags have been sold and a new box or boxes have been requested. The previous box(es) must be paid for within fourteen (14) calendar days after receipt of a new box.

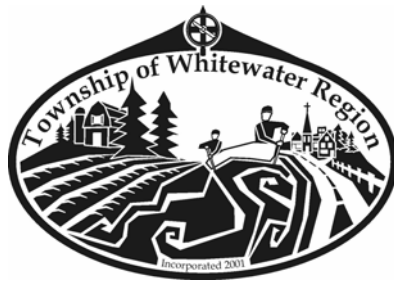
If payment has not been received within 14 calendar days after receipt of a new box, a telephone call will be made to the Vendor advising that payment is required for the previous box(es). No further boxes of garbage bags will be delivered until the required payment has been received.

RECOVERY OF ARREARS THROUGH MONIES OWED TO THE CUSTOMER

If the Township is holding any monies owing to the customer, such as accounts payable cheques, these amounts will be applied to the customer’s general accounts receivable arrears, with notification to the customer.

TOWNSHIP OF WHITEWATER REGION

ACCOUNTS RECEIVABLE POLICY



APPENDIX



TOWNSHIP OF WHITEWATER REGION
PO BOX 40, 44 Main Street, Cobden ON K0J 1K0
Phone: (613) 646-2282 * 1-877-646-2282
Fax: (613) 646-2283

CREDIT APPLICATION

PLEASE PRINT

Legal Name of Company: _____

Mailing Address: _____
Street City Province Postal Code

Business Phone: (____) _____ Business Fax: (____) _____

Email Address: _____ Website: _____

Accounts Payable Contact: _____

Ownership: Sole Proprietorship Partnership Corporation

Type of Business: Contractor Manufacturer Other – Specify _____

No. of Years in Business: _____

PRINCIPALS/OWNERS INFORMATION:

Name: _____ Title: _____

Home Address: _____ City/Province: _____

Postal Code: _____ Phone: _____

Email: _____ Fax: _____

BANK REFERENCE:

Bank: _____

Address: _____ City/Province: _____

Postal Code: _____ Phone: _____

Fax: _____ Account #: _____

TRADE REFERENCES:

1. Vendor Name: _____
Account #: _____
Address: _____
City/Province/Postal Code: _____
Phone: _____ Fax: _____
2. Vendor Name: _____
Account #: _____
Address: _____
City/Province/Postal Code: _____
Phone: _____ Fax: _____
3. Vendor Name: _____
Account #: _____
Address: _____
City/Province/Postal Code: _____
Phone: _____ Fax: _____

In order to establish credit with the Township of Whitewater Region, Cobden, Ontario, I/we hereby authorize the release of any pertinent information that is requested about my/our account. My company and I authorize the Township of Whitewater Region to make such credit investigations as the Township sees necessary, including contacting the trade references and banks listed herein and obtaining credit reports. My company and I authorize all trade references, banks and credit reporting agencies to disclose to the Township of Whitewater Region any and all information concerning the financial and credit history of my company and myself.

Print Name: _____

Title: _____

Signature: _____ Date: _____

ACKNOWLEDGEMENT AND ACCEPTANCE:

1. **Payment of Invoice Balance:** The customer agrees to pay all invoice balances within the terms of the invoices (NET 30 DAYS).
2. **Interest on Account:** All past due accounts will be charged a late charge at the rate of 1.25% per month compounded.
3. **Default of Payment:** Should past due invoices in any amount be outstanding for 30 days or more beyond the invoice due date, the Township may declare the entire unpaid balance immediately due and payable.
4. **Denial of Further Credit and/or Service/Products:** If past due invoices remain unpaid; the Township may deny any further goods or services being placed on the account. Cash only will be accepted until the account becomes current.
5. **Recovery of Arrears through Monies Owed to Customer:** If money is owing to the customer, these amounts will be applied to the customer's general accounts receivable arrears, with notification to the customer.
6. **Collections:** In the event that an account is placed with a lawyer or collection agency, any fees incurred in the collection process will be added to the account balance along with principal and interest.

I certify that the information set out in this credit application is true and correct.

I acknowledge and accept the Township of Whitewater Region's policies and practices, which is evidenced by my signature below.

Print Name: _____ Title: _____

Signature: _____ Date: _____