	MANAGEMENT POLICY	POLICY NUMBER
	DEBT RECOVERY	C 024
		RESPONSIBLE OFFICER
		Office Manager

1.0 POLICY STATEMENT

Tasman Council is actively committed to minimising outstanding rate and sundry debtor balances and that outstanding debt recovery is processed in an orderly and equitable manner.

2.0 OBJECTIVE

Tasman Council's commitment to this policy means that the procedure for dealing with defaulting debtors is formalise for the both rate and sundry debtors.

3.0 SCOPE

This policy applies to all ratepayers within the Tasman Municipality and all sundry debtor account holders.

4.0 RATES DEBTORS

4.1 Procedure


Outstanding rates debtor accounts are to be pursued in the following manner:-

- Once two outstanding accounts or instalments are overdue (at least 21 days from the last due date), totalling over \$50.00, the account holder is to receive a letter requesting payment within 14 days or they will be placed with Council's debt collection agency.
- If payment is not received within 14 days or a payment arrangement entered into, the debt is to be lodged with Council's debt collection agency.
- The account holder is required to pay all associated costs in relation to the recovery of the debt.
- If no payments are received within 3 years, the General Manager may recommend to Council the sale of land by public auction for unpaid rates, in accordance with Section 137 of the *Local Government Act 1993*.

4.2 Payment Arrangement

Payment arrangements for rates debtor accounts may be entered into under the following circumstances:-


- Where Council has delegated power to the General Manager in relation to payment arrangements for outstanding rates & charges, for that financial year;

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- That the ratepayer has completed and submitted the prescribed application form;
- That the form be authorised by the General Manager or his/her delegate;
- That Council's Bank is able to accept payment from the ratepayer's financial institution through a direct debit arrangement;
- That the arrangement ensures that the amounts owing (including the final instalment) will be paid on or before the end of the financial year;
- When a ratepayer enters into an agreement to pay the current years rates by direct debit and they pay the current years rates on or before the 30th June in that financial year, no interest or penalties will be charged. If this arrangement to pay by direct debit includes brought forward arrears, interest **will apply** to those amounts. This incentive will cease if **one (1)** payment is dishonoured, in which case interest and penalties will be calculated in accordance with the Rates Resolution of Council;
- Except, in the event that there are any arrears for rate or charges outstanding for previous financial years, the agreement is to ensure that those arrears, including any penalty and interest, are collected as part of the instalments payable under that agreement even if this necessitates the agreement extending into a subsequent financial year;
- Any requests to amend the signed agreement are to be in writing within 14 days' notice.

In the event that any payment under a payment arrangement is dishonoured:-

- The ratepayer will incur any dishonour fees;
- The ratepayer is to be notified in writing that they are required to make up the missed payment by alternative means and if they miss the next payment that the payment arrangement will be cancelled and that they will be placed with Council's debt collection agency unless the outstanding amount is paid in full within 14 days.

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5.0 SUNDRY DEBTORS

5.1 Procedure


Outstanding sundry debtor accounts are to be pursued in the following manner:-

- Debtor Statements are to be issued monthly;
- When the account is 30 days overdue a “Friendly Reminder – Your Account is Overdue” reference is to be made on the statement;
- When the account is 60 days overdue an “Any Reason Your Account is Overdue?” reference is to be made on the statement;
- On the following 90 days overdue statement a “Final Notice – Payment within 7 days or legal action will be taken” reference is to be made on the statement;
- Then for any amounts still outstanding over \$50.00, the account holder is to be notified in writing by registered post that they are going to be placed with Council’s debt collection agency if payment is not received within 14 days. If payment is not received or a payment arrangement entered into after this period the outstanding debt will be lodged with the debt collection agency;
- The account holder is required to pay all associated costs in relation to the recovery of the debt;
- For amounts outstanding under \$50.00, the account holder will receive a letter from the General Manager requesting payment.

5.2 Payment Arrangement

Payment arrangements for sundry debtors accounts may be entered into under the following circumstances:-

- Where Council has delegated power to the General Manager in relation to payment arrangements for outstanding sundry debtors;
- That the account holder has completed and submitted the prescribed application form;
- That the form be authorised by the General Manager or his/her delegate;
- Any requests to amend the signed arrangement are to be in writing within 14 days’ notice;

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In the event that any payment under a payment arrangement is dishonoured:-

- The account holder will incur any dishonour fees (if applicable);
- The account holder is to be notified in writing that they are required to make up the missed payment by alternative means and if they miss the next payment that the payment arrangement will be cancelled and that they will be placed with Council's debt collection agency unless the outstanding amount is paid in full within 14 days.

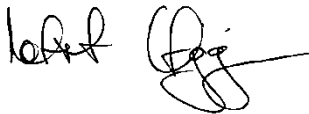
7.0 ROLES & RESPONSIBILITIES

Tasman Council has an obligation to continually reduce outstanding debts exposure. It is the responsibility of the General Manager and Office Manager to ensure that this policy is adhered to.

8.0 REFERENCES

- *Local Government Act 1993*
- C 007 Rates & Charges Policy
- C 004 Interest & Penalty on Rates Policy
- Rates & Charges Resolution of Council

This policy was approved at the ordinary Council meeting held on 28 September 2016, resolution number 21/09.2016/C.



Robert Higgins
General Manager

Disclaimer

That this policy be read in conjunction with any or all other Council and/or Management Policies