	<b>RM of Nipawin No. 487</b>	Policy # 1050.10
	Adopted by Resolution # <i>2020 054</i>	Last Updated: <i>NA</i>
	Effective Date: 02 February 2020	Page <u>1</u> of <u>2</u>
	Title: Accounts Receivable	Department: GG-Finance

**PURPOSE:**

The purpose of this policy is to establish the responsibilities, internal controls, authorizations and procedures for the accurate and timely preparation of customer invoices for goods and services rendered by the Rural Municipality of Nipawin and the management of the accounts receivable created by these invoices including the authority to write-off uncollectible accounts.

This policy does not include property taxes which are subject to separate policies and/or legislation.

**PROCEDURE:**

*Invoicing & Collections:*

1. The office personnel will invoice customers in a timely manner on a monthly basis and handle the collections of the amount(s) owing.
2. Other departments shall provide the office personnel with relevant information for which to make an invoice.
3. All invoices will contain a brief description of the purpose of the invoice, terms, amount owing, and payment terms.


*Terms:*

4. All invoices will be issued with terms of net 60 days.
5. Unpaid invoices will be subject to a late payment charge of 2% simple interest (24% per annum) to be calculated based upon the balance owing after 60 days.
6. Invoices sent to senior level of government will not be subject to interest.

*Management of Accounts Receivable:*

7. The office personnel shall send statements on a monthly basis identifying the amount owing on each account.
8. Past due accounts in arrears of 120 days will be referred to council to review and decide which accounts will be sent to collections.
9. Accounts may be referred to a collection agency, taken to small claims court or transferred to taxes if permitted under *The Municipalities Act*.

*RMF JS*

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10. Relief shall not be given for penalty and interest on arrears except in the following circumstances:

- a. A one to two (1-2) day grace period to allow for delivery of mail or on-line payment before the due date but not delivered to the RM before the due date.
- b. In the event the calculation of penalty and interest has been made in error by the Rural Municipality of Nipawin.


*Returned Payments:*

11. Payments returned by the bank will result in the customer being re-invoiced along with an NSF charge as established by the Rural Municipality of Nipawin's fees bylaw.
12. Repeated payment returns may result in the customer being required to pay in advance of services or goods being rendered.

*Write-offs:*

13. Only the council of the Rural Municipality of Nipawin is authorized to approve write-offs on accounts.



  
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 Administrator