

**TOWN OF AYLMER**  
**ACCOUNTS RECEIVABLE COLLECTION POLICY**

**INTRODUCTION**

Accounts receivable arrears are defined as "any invoice (excluding taxes) outstanding greater than 30 days from the date of issuance of the invoice".

**POLICY OF THE TREASURY DEPARTMENT**

The policy of the Treasury Department is to ensure the prompt, effective, and efficient collection of all revenues due to the Town with reference to the means provided in the following legislation:

**LEGISLATION AFFECTED**

- a) The Municipal Act
- b) The Municipal By-laws
- c) The Collection Agencies Act
- d) The Small Claims Act
- e) The Cost of Distress Act

**METHOD OF COLLECTION**

The enforcement methods to be used are:

- a) the penalty / interest levy
- b) telephone contact / personal interview
- c) Registered letter
- d) Collection agency

It must be remembered that in all types of collection, there are two principles that require attention. The first is the timing of any action and the second is the consistency of the application of actions

**METHOD OF PAYMENT:**

Invoices shall be paid in one of the following ways:

1. In person at the Municipal Office in the form of cash, debit card or cheques or at the mail slot located at Municipal Office by cheque only.

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2. By mail addressed to 46 Talbot Street West, Aylmer, Ontario N5H 1J7. A receipt will be issued only if payment is accompanied by the complete bill and a self-addressed stamped envelope. When mailing the remittance, the ratepayer assumes the responsibility for late payment charges if not received by the due date.
3. By post-dated cheques received at Municipal Office prior to the due dates.
4. By Telephone Banking or Computer banking if you are a customer of the following banks: Bank of Montreal, CIBC, Canada Trust, Scotiabank, The Royal Bank, or Toronto Dominion.

**PROCEDURES**

**Deterrents to non payment:**

**INTEREST AND PENALTY:**

Interest is added to outstanding invoices on the first day of each month.

Interest is adjusted only in accordance with:

1. Payments that have been received before month end ( as per date of post mark) but have not been processed through the cashiers prior to the interest levy;
2. Approved by the Treasury Department as gross or manifest clerical errors.

**REMINDER NOTICES:**

The notices of arrears are sent to remind the customer of the current delinquency with respect to the receivable and also to determine whether discrepancies exist within the account that should be followed up on an immediate basis.

**REGISTERED LETTER:**

A registered letter will be sent to the customer once the account is greater than ninety (90) days old. The letter will advise that if payment is not received by specified date or alternate arrangements made with Director of Finance that the account will be sent to collection agency for collection and those additional costs will be borne by the customer (see attached letter RL-1)

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**COLLECTION AGENCY:**

Where all of the above steps have failed and the accounts is greater than 120 days, then the account will be sent to a collection agency for collection.

**PAYMENT ARRANGEMENTS**

All payment arrangements must be approved by the Director of Finance.

Payment arrangements will not include any forgiveness of interest.

All payment arrangements must be clearly documented (see attached letter PAY-1).

Post-dated cheques are to be obtained wherever possible.

**WRITE-OFF OF ACCOUNTS RECEIVABLE**

An account is deemed to be uncollectible when:

1. All avenues of collection (including collection agency) have been exhausted.

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TS-1

**REGISTERED**

April

Dear Sir / Madam:

Re:   Account Number  
      Amount

Please find enclosed a REMINDER NOTICE for the above-mentioned account.

Our records as of <date> indicate your account as having arrears in the amount of <\$ >. Your account is currently subject to interest and penalty charges at the rate of <% > per annum.

You will note that your account is greater than 90 days old. Our normal terms require payment within thirty days of the invoice being sent to you or alternative collection methods can be used to collect the account.

In order to avoid COLLECTION AGENCY proceedings, and the significant costs associated with such proceedings, we would recommend immediate payment of the total amount indicated or alternatively that you make appropriate payment arrangements to discharge the arrears by < date> .

Your co-operation in discharging these arrears would be appreciated. If you wish to make payment arrangements and / or discuss your account, please do not hesitate to contact the undersigned.

Yours sincerely,

Director of Finance

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PAY -1

<Date>

Dear Sir / Madam:

The following outlines the arrangement we have entered into to discharge your outstanding account:

1. All current invoices will be paid as they become due.
2. The outstanding arrears will be in equal monthly installments of \$     to commence <date>. Post-dated cheques will be provided for these monthly installments.
3. Failure to meet these conditions will result in the Municipality reinstating any other methods available to it to collect the outstanding account.

If you should require any further information or details, please do not hesitate to contact the undersigned at your earliest convenience.

Yours sincerely,

Director of Finance