

# Municipal District of Opportunity No. 17

## FINANCE POLICY

**TITLE: RECEIVABLES POLICY**

**EFFECTIVE DATE: NOVEMBER 10, 2025**

**POLICY NUMBER: F.19**

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### **1. PURPOSE:**

1. The municipal receivables policy establishes guidelines for all receivable accounts, as well as writing off debts that are unlikely to be recovered. This policy will also establish guidelines for budgeting for bad debts and allowance for doubtful accounts.

### **2. OBJECTIVE:**

1. To provide guidelines that will facilitate timely, accurate, consistent, and properly authorized issuance of Accounts Receivables that in turn support efficient and effective collection of said receivables.

### **3. APPLICATION:**

1. This Policy applies to all members of Council and Administration.
2. This Policy applies to all general Accounts Receivable except those that are governed by legislation, agreement, or another policy or bylaw (i.e. property tax, business licence, utility billing, etc.)
3. Council is responsible for approving this Policy and any amendments.
4. The CAO/CFO or designate is responsible for implementing this Policy and approving related procedures.
5. The Finance Department is responsible for:
  1. the overall administration and compliance monitoring of this Policy.
  2. providing support to Municipal departments to invoice, collect, and coordinate Customer Accounts.
  3. making recommendations to the CAO/CFO or designate of necessary policy or procedure amendments.

#### 4. DEFINITIONS:

1. **Accounts Receivable** means money owed for goods or services rendered by the M.D.
2. **Administration** means an employee or Contract employee of the M.D.
3. **Allowance for Doubtful Accounts** means a liability recorded to reduce Accounts Receivable for accounts that are likely uncollectible.
4. **Customer** means a person, company, organization, or society that is supplied goods and/or services by the M.D. for a fee.
5. **Customer Account** means a single centralized placed to manage all invoicing information about a customer.
6. **Finance Charge** means a fee imposed on an outstanding invoice over thirty (30) days from the invoice date.
7. **Invoice** means a document outlining the amount of money due from a customer in exchange for goods supplied or services rendered by the M.D. and the payment terms.
8. **Municipality or M.D.** means the Municipal District of Opportunity No. 17.
9. **Overdue Invoice** means an invoice is due upon issuance and becomes overdue upon the first month end that the invoice is more than 30 days old.
10. **Uncollectible** means a debt that is deemed to be unable to be collected and must be allowed for in the Allowance for Doubtful Accounts (AFDA) or written off.
11. **Write-off** means an adjustment to remove an unpaid amount from the Customer's account.

#### 5. CUSTOMER ACCOUNTS:

1. Customer Accounts must include all relevant information to invoice and contact Customers.
2. The creation and management of Customer Accounts will be administered by the Finance department.

## **6. INVOICES, ADJUSTMENTS & STATEMENTS:**

1. All invoices must be created at the earliest opportunity, which will be no later than 30 days after providing goods or services by the issuing department, or in accordance with any agreement or contract with the Customer.
2. All invoices must reflect accurate fees for goods and services provided to Customers in accordance with the respective bylaw, policy, or other document.
3. The issuing department will maintain supporting information for invoices according to the "Records Retention & Disposition Bylaw".
4. Department supervisors or managers are responsible for authorizing invoices prior to submitting to the Customer if applicable.
5. Adjustments because of error or omission will be created as soon as discovered, verified, and authorized by the originating department and CFO/Director of Finance or designate. Finance charges will be adjusted accordingly.
6. Statements will be generated by the Finance Department within the first five (5) business days of the month.

## **7. FINANCE CHARGES**

1. Finance charges will be applied on overdue invoices.
2. The CFO or delegate has the authority to exempt Customers from finance charges.

## **8. PAYMENTS**

1. Payments are due on issuance. Customers have thirty (30) days to pay from the Invoice date before Finance Charges are applied.
2. The acceptable payment methods for invoices are cash, debit card, credit card, and cheque, unless paid through online banking as applicable.
3. Notwithstanding 8.2, cash, debit and credit cards, and cheque are the only accepted payment methods for property tax payment, unless paid through online banking.
4. Payment in foreign currency will not be accepted.

## **9. COLLECTION OF OVERDUE INVOICES**

1. The Finance Department will keep a record of Customer Accounts that exceed 60 days of non-payment and will begin making monthly calls for such accounts to facilitate collection.
2. After 90 days have elapsed, the Finance Department sends a collection notice to the customer regarding the overdue account.
3. After 120 days have elapsed, Customer accounts are eligible to be sent to a private collection agency.
4. The CFO or delegate has the authority to exempt Customers from being sent to a private collection agency.
5. If the Customer is also a Vendor, amounts receivable from a Customer will be reduced by amounts payable by the M.D.
6. The M.D. will work with Customers to create payment plans where applicable.
7. The M.D. may refuse service to Customers who have outstanding balances owing, in accordance with all M.D. policies and bylaws.

## **10. COLLECTION OF OVERDUE INVOICES**

1. An allowance for doubtful accounts will be established annually to reflect the amount of the M.D.'s Accounts Receivables that the CFO or delegate estimates will be Uncollectible.
2. This may include balances over 60 days for accounts receivable, arrears included in taxes receivable, or balances over 60 days for utilities receivable.

## **11. BUDGETING & ALLOWANCE FOR DOUBTFUL ACCOUNTS**

1. The CFO or designate will prepare a budget for AFDA for the following year, which will be included in the budget process.
2. This budget should include any items identified in 10.2.

## **12. WRITE-OFFS**

1. A Customer Account may be considered Uncollectible after all reasonable and appropriate collection action has been taken (per Section 9).
2. Write-offs are authorized as follows:

<b>Amount of Write-Off</b>	<b>Approver</b>
\$0 - \$5,000	CFO or designate
\$5,000 - \$10,000	CAO
\$10,000 +	Council

3. Delinquent Customers with amounts written off will be tracked for ten (10) years from time of write off. If the Customer has future dealings with the M.D. within this ten (10) year period, the previous unpaid balance will be required to be repaid before any further M.D. services are provided.