

**POLICY TITLE:**

ACCOUNTS RECEIVABLE POLICY

**POLICY STATEMENT:**

The purpose of this policy is to establish the responsibilities, internal controls, and authorizations for the accurate and timely preparation of customer invoices for goods and services rendered by the Town of Rainbow Lake, and the authority to write-off uncollectible accounts.

**EFFECTIVE DATE:**

February 23, 2022, as per resolution no. 61-2022

**RESPONSIBILITIES/  
PROCEDURES**

1.1 Invoicing

- Invoices will be generated once a month and mailed out to all applicable customers with a net payment of 30 days stated on the invoice.

1.2 Statements

- Statements will be generated once a month, on or about the 15<sup>th</sup> of each month.
- Accounts that remain unpaid after 60 days, will be sent another copy of their invoice(s) along with their statement for further backup as to the charges.
- Accounts that remain unpaid after 180 days, will be sent a demand for payment letter along with their statement outlining terms and conditions.

1.3 Penalty

- A late payment penalty will be calculated at a rate of 3.5% per month on all outstanding balances

1.4 Terms of Payment

- Invoices and Statements are due upon receipt
- Any account that remains unpaid after 180 days, will be notified that payment is due in full and must be paid within 21 days from notification. If the account remains unpaid after 21 days, the account will be referred to a collection agency.
- Customers can pay their invoices by the following methods:
  - Mail,
  - Credit card,
  - Debit,
  - Cheque,
  - Online,
  - Or through a monthly payment plan (pending CAO approval)

1.5 Payments sent by mail are credited the day they are received in person at the Town Office.

1.6 The CAO has the authority to create payment arrangements with any customer if unusual circumstances exist/arise that hinder the customer from paying their account in full by the stated due date.

1.7 The CAO has the authority to write off any account that has a balance less than \$300.00. Any balance over \$300.00 will be referred to a collection agency

1.8 If an account becomes part of a receivership, bankruptcy claim or an estate claim, administration will file all necessary documentation required to collect what funds can be collected and the balance of the account shall be written off.



Mayor



Chief Administrative Officer

**NEXT REVIEW DATE: FEBRUARY 23, 2025**