

Town of Truro – Policy & Procedure Manual

Subject: Accounts Receivable Policy
Policy Number: P110-002
Approval Date: March 3, 2003
January 9, 2006
October 7, 2019
Departments: Finance

1.0 TAXES

- 1.1 In this Policy, “taxes” means taxes as defined in Section 3 (bz) of the Municipal Government Act.
- 1.2 Taxes will be billed in two (2) separate installments. The amount of the first installment will be 50% of the taxes for the year and will be due on July 3rd. The amount of the second and final installment will be the remaining taxes for the year, and will be due November 4th. Taxes shall bear interest beginning on the date in which they fall due. Interest shall be based on the interest rate set in this policy.
- 1.3 The Town will collect tax arrears in accordance with Part VI of the Municipal Government Act, including commencing tax sale proceedings each year on all properties that meet the criteria of Section 134(1) of that Act.
- 1.4 Town staff may, at their discretion, make payment arrangements to collect outstanding tax arrears over a period not to exceed three (3) years.

2.0 WATER UTILITY RECEIVABLES

- 2.1 In this Policy, “water utility account” means an amount owing to the Town of Truro Water Utility for water, water services, or interest.
- 2.2 Collection will take place on water utility accounts in accordance with the Nova Scotia Utility and Review Board’s Rules and Regulations for the Town of Truro Water Utility.

- 2.3 For the collection of water accounts that are no longer active and for which termination of water service is not available, the Town of Truro Water Utility may send the water account to the collection agency used by the Utility for collection.

3.0 OTHER RECEIVABLES

- 3.1 In this Policy, "other receivable" means any receivable owed to the Town other than taxes or water utility accounts.
- 3.2 Town staff will maintain an aged list of other receivables outstanding.
- 3.3 When any other receivable account has been outstanding for 60 days or more, the person or organization liable for the account may be sent an "Advance Notice of Collection Proceedings" letter.
- 3.4 After the due date specified in the "Advance Notice of Collection Proceedings" letter, any other receivable account may be sent to the Town's collection agency for collection.
- 3.5 A water utility account or other receivable account sent to a collection agency may be automatically written off if the Town is advised in writing that the outstanding balance has been deemed uncollectible by the collection agency.
- 3.6 If an account has not been sent to a collection agency and staff have determined that the outstanding balance is uncollectible, the account must be approved for write off by Council unless staff has determined that the balance was billed in error.

INTEREST PAYABLE

- 4.0 Interest shall be charged on overdue taxes, water charges, sewer charges and any other charges or sums owing to the Town at a rate of 15% per annum or 1.25% per month.