

Council Policy CP 035 Writing Off Bad Debts Policy			
Officer	Manager Financial Services	Owner	Director Corporate Services
Review Frequency	Annually	Next Review	2013
Council Resolution number and date			
Chief Executive Officer		Mayor	

OBJECTIVE

The purpose of this policy is to establish guidelines for the writing off of debts that are no longer considered collectable.

SCOPE

This policy applies to all City employees, contractors, Mayor and councillors.

DEFINITIONS

CEO: Means the Chief Executive Officer of a local government;

Debt: Means any amount outstanding to the City for the provision of goods and services and includes rates, interest, licences, private works, fees and charges.

POLICY PRINCIPLES

1. Where difficulty is experienced in recovering debts there comes a point where it is too costly to pursue further action. These debts should be written off as failure to do so will overstate operating profit and Accounts Receivable.
2. A debt may be written off by the Director Corporate Services if the debt is under \$5,000 including GST.
3. A debt may be written off by the Chief Executive Officer if the debt is under \$10,000 including GST.
4. Any debts over \$10,000 which need to be written off must be approved by Council.
5. A debt may be considered to be written off where:
 - a. The cost of attempting to recover the debt would exceed the debt; and
 - b. All reasonable action has been taken to recover the debt.
6. A report for each request to write off a debt must be provided to the Director Corporate Services indicating:



- The value of the debt;
- How long it has been outstanding;
- The actions taken to recover the debt; and
- Why further attempts to recover the debt should not be undertaken.

7. A monthly report of all debts written off is to be presented to Council, including details as to why the debts were written off.

WORKPLACE INFORMATION

Local Government Act 1995
City of Greater Geraldton Code of Conduct

ROLES AND RESPONSIBILITIES

The Director of Corporate Services is responsible for implementing and maintaining this Policy.