

PAST DUE CUSTOMER RECEIVABLES COLLECTION PROCEDURE

Effective: May 1, 2020

The **purpose** of this procedure is to document the method of collecting past due customer accounts.

The **function** of this procedure is to identify the timeframe and documents used to collect past due customer accounts.

The Landowner is referred to as the “Customer” herein.

Fifteen (15) days after the **current billing due date**, a Past Due Summary is pulled from the Customer data file and reviewed. Two (2) procedures are then initiated from this summary, and a “Past Due info” follow-up file is established. The two procedures are:

1. PROCEDURE FOR “CURRENT BILLING” PAST DUE ACCOUNTS

- At the 15 days Past Due Summary review time, the first Past Due Notice is sent via First Class Mail to the Customer. (Exhibit B-1). [This notice includes the ten dollar (\$10.00) penalty for not paying on or before the “due date”].

2. PROCEDURE FOR OVER 45 DAYS PAST DUE ACCOUNTS

- If payment is not received by the date set forth in the “Past Due Notice” (Exhibit B-1), the first “Municipal Lien” letter (Exhibit B-2) is sent via Certified Return-Receipt and First Class Mail to each delinquent customer setting forth the date by which payment-in-full must be made or a municipal lien will be recorded against the property immediately thereafter. This notice shall also include the interest charge on the unpaid balance at a rate of one and one half (1½%) percent per month in addition to an additional fee for the cost of sending the certified letter. After the account becomes 45 days past due, the balance and any late fees, penalties, charges, and/or interest may only be paid via cash, certified check, money order, or credit/debit card. Credit card and debit card payments may only be made through the Township website. Those who do not acknowledge receipt of the letter sent via Certified Return-Receipt are assumed to have received the letter sent via First Class Mail unless the letter sent via First Class Mail is physically returned to the Municipality. All letters go out at the same time for the following reasons: 1) all are usually received within a short timeframe; 2) processing them as “groups” allows for better control on follow up; and 3) is the most efficient use of work time.
- A second “Municipal Lien” letter (Exhibit B-3) is sent via First Class Mail to each delinquent customer ten (10) calendar days prior to the date set forth in the first “Municipal Lien” letter as a reminder of the amount that is due and owing and is the final attempt made to collect the delinquent account prior to the actual

placement, i.e. recording, of a municipal lien against the delinquent customer's property.

- When the account is satisfied, the documentation is removed from the Past Due Info follow-up file, and filed in the Customer's file for a minimum of one year after satisfaction, at which time the documentation may be destroyed.