

1. RATIONALE:

From time to time debts to council will be incurred that are no longer economical to pursue from the debtors. These debts if they remain in the system will distort the true financial position of the council if they are not written off.

2. PURPOSE:

This policy has been developed to provide:

- Guidelines to the council for the delegation to the General manager of the Council's responsibility to write off debts under Section 355 of the Local Government Act 1993 and Section 17 of the Local Government (Financial management) Regulations, 1999
- Provide guidance to the staff on how bad debts are to be processed.

3. OBJECTIVES:

This policy is based on the following objectives:

- To ensure that the Council is efficiently and effectively dealing with bad debts.
- That minor debts are dealt with efficiently with minimal delay without adding to the decision making burden of the Councillors.
- To ensure that the financial position of the council is accurately reported at all times.

4. POLICY STATEMENT:

The following policy is to be implemented for bad debts to be written off.

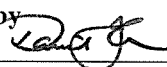
- All bad debts greater than \$500 in value will be reported to the Council before they are written off.
- No more than \$5,000 in bad debts is to be written off in any three month period without council approval.
- Whenever the delegation is used that the council is advised of the amount written off at next available meeting of the Corporate and Finance Committee.

5. ROLES & RESPONSIBILITIES:**General Manager:**

- To act within the delegated authority provided by the policy.
- To ensure that whenever the delegation is used that the total amount of the delegation is reported to the Council.
- To ensure that the debt cannot economically removed prior to the debt being written off.
- This authority cannot be further delegated to another member of staff.

Staff:

- To pursue all economically viable legal avenues to recover the debt prior to making a recommendation that the debt be written off.
- To provide justification that the debt cannot be economically recovered to the General Manager prior to it being written off.

Policy: Governance Non-recoverable Debts Policy	Authorised by Signature: 	Issue Date:2005
Review Date: 2009	Reviewed by: Finance	Page: 1 of 3

HISTORY

Original Policy - Non-recoverable Debts

Policy reviewed and amendments made by:

Manex

On

2005

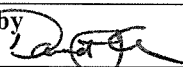
Policy renamed:

Adopted by Council on

3rd May 2005

Resolution Number:

05/05/26

Policy: Governance Non-recoverable Debts Policy	Authorised by Signature: 	Issue Date:2005
Review Date: 2009	Reviewed by: Finance	Page: 2 of 3