

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

---

**Table of Contents**

Purpose .....	1
Application .....	2
<b>Accounts Receivables Procedures</b>	
Billing Process .....	3
Lienable Accounts Receivables	
Procedures .....	4
Interest .....	5
Refunds .....	6
Collection Procedures .....	7
Recovery of Arrears through Monies Owed to Taxpayers .....	8
Extension Agreements.....	9
Online Bill Payment .....	10
Non-Lienable Accounts Receivables	
Procedures .....	11
Interest .....	12
Refunds .....	13
Collection Procedures .....	14
Recovery of Arrears through Monies Owed to Customers .....	15
Extension Agreements.....	16
Online Bill Payment .....	17
Payments On-Site .....	18
Manual Receipts .....	19
Deposit Procedure .....	20
Returned Cheques .....	21
Bank Reconciliation Process .....	22
System Backups .....	23
Appendix I – Preliminary Notice.....	Page 12
Appendix II – 30 Day Notice.....	Page 13
Appendix III – Registered Letter .....	Page 14

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

---

## **1. Purpose**

To encourage strong fiscal management practices, and to have proper control over the Town of Lockeport's receivables and payments. A comprehensive accounts receivable policy will ensure the Town of Lockeport bills and collects its revenue fairly, equitably, and in a timely manner. Timely collection allows the Town of Lockeport to have greater control over its cash flow and liquidity, which in turn makes it financially stronger and viable. A payment controls policy helps the Town develop strong financial management practises. Lack of proper controls over revenues can negatively affect budgeting, forecasting, reconciliations, and general oversight over revenue collected.

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

---

## **2. Application**

- .a This policy applies to all accounts receivable activity of the Town of Lockeport.
  
- .b The Town Clerk/Treasurer of the Town of Lockeport is responsible for ensuring compliance with this policy.

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

---

## Accounts Receivable Procedures

### 3. Billing Process

- a) The Clerk/Treasurer downloads the roll from Property Valuation Services Corporation.
- b) The Clerk/Treasurer and Accounting Administrative Assistant verify various items to ensure the import preforms properly.
- c) Once imported, the final assessment totals in the system are compared to the totals provided by Property Valuation Services Corporation.
- d) Interim bills are run By April 30<sup>th</sup> with a due date of May 31<sup>st</sup>. Billings are based on 55% of the previous years rates.
- e) Clerk/Treasurer updates the accounting software for the current years rates once the budget has been approved by Council.
- f) Final bills are run by September 30<sup>th</sup> with a due date of October 31<sup>st</sup>.

### 4. *Lienable Accounts Receivable Procedures*

- a. Every person liable to pay taxes shall be served with a tax bill showing the amount of taxes for the current year, the due date, and all arrears of taxes by that person or in respect to the property.
- b. The tax bill shall be served in person or mailed to the address shown on the assessment roll or a current address known to the treasurer.
- c. Where taxes are due on a property of persons unknown or the address of the owner is unknown, a notice to the property owner shall be posted in a conspicuous place on the property advising them to contact Town Office to retrieve tax bill.
- ✚ The tax bill shall contain a concise statement of terms for payment of taxes and interest on overdue accounts.
- e. Where there is an error in the name of a person on a tax bill, the taxes may be collected from the person intended to be taxed if they can be identified.

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

---

5. Interest

- a. Council may impose interest, at a rate determined from time to time by policy, for non-payment of taxes when due.
- b. Interest shall be added to the unpaid taxes and shall be collected as if the interest originally formed part of the unpaid taxes.
- c. Interest shall be calculated according to the length of the default payment.
- d. Council may provide that interest shall be compounded, not more frequently than monthly.
- e. Council may provide that interest shall be calculated from the date the tax rate is set if taxes are not paid within thirty days of the due date.
- f. Council may adopt a formula by which, and the time when, the rate of interest on overdue taxes is automatically adjusted.

6. Refunds

- a) If requested by the payer, payments received in error or paid more than the invoice total will be refunded to the payer by cheque.
- b) The Town of Lockeport maintains the right to offset if other invoices are outstanding on the account.

7. Collection Procedures

- a. Friendly reminder notices may be sent out to all accounts with amounts more than one month overdue. Follow up with those notices is undertaken and payment arrangements are put in place if agreed to.
- b. All properties with taxes or lienable charges that are in arrears for the preceding two fiscal years (Current plus one year) shall be put up for tax sale.
- c. A 30 Day Notice notice is sent to each assessed owner of property on the tax sale list as per Section 138 of the Municipal Government Act advising that the property is liable to be sold for arrears, with interest and expenses, and that tax sale procedures may be commenced and costs expended, which will also be a lien against the property unless arrears are paid or a satisfactory payment arrangement is struck within 30 days of the date of the 30 Day Notice.
- d. After 30 days past the issuance of the 30-Day Notice, if the taxes have not been paid or arrangements made, staff will arrange for a title search, and if deemed necessary, undertake a survey of the property.

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

- 
- e. Upon completion of the title search and survey, a Registered Letter is sent by registered mail to all registered owners and to the spouses of registered owners, with a copy to be sent to any mortgage company or any person with a lienholder in the property where applicable. Upon completion of the title search and any survey, any owner of each lot, their spouse and a person with a mortgage, lien or other charge on the land shall be served with notice of intent to sell the land for taxes by Registered Letter.
  - f. Tax Sale proceedings may be deferred for a property for up to two years via a payment arrangement that will bring the property into a "current status" within two years.
  - g. A municipality is not required to put a property up for tax sale (MGA Section 134(4)) where:
    - i. The solicitor for the municipality advises there is a high risk of litigation. Tax staff will forward any properties that may be creating litigation risk, upon notification, thereto, or as they ascertain during their research to Legal Services for review.
    - ii. The amount is below the collection limit established by Council.
    - iii. The property has been put up for tax sale three times in the past with no satisfactory offer. Staff will then proceed, without further notice to the owner and encumbrances, to again advertise the property and sell it at auction for the best price. The minimum amount acceptable would be all additional expenses that have incurred to bring the property to tax sale status E.g. title search fees, survey fees, tax auction expenses such as advertising, place rental, and security, etc.
  - h. Once a property has been advertised in the newspaper for public auction at tax sale, in order to stop the auction, there is requirement to pay a lump sum amount to bring the property to within two years (current plus one year) of arrears along with an approved subsequent payment arrangement to clear the remaining arrears and current upcoming tax bills for the property. This would be the minimum arrangement that would prevent the property from proceeding to auction. Such payment could be received up to the close of business (i.e. 4:00 pm) on the business day preceding the day of the tax sale.
  - i. Any surplus of funds from the tax sale may be applied to reduce any non-lienable charges owed by the owner of the land to the municipality. These outstanding amounts need have no direct relationship to the property sold. The withdrawal of any surplus cannot be completed until after the redemption period (within six months after the sale date) where applicable. Properties are not redeemable if there are ~~no~~ taxes owing that are greater than six years in arrears.

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

- 
- j. A tax sale deed shall be provided to the purchaser for the fee paid by the Town to their solicitor and provided at any time after sale if the property was not redeemable or after the six-month waiting period if the property was redeemable.
8. Recovery of Arrears through Monies Owed to Taxpayers
- a. The Town of Lockeport maintains the right to offset if the Town is holding any monies owed such as accounts payable cheques, or tax adjustments, with proper notification.
9. Extension Agreements
- a. The Town Clerk/Treasurer may, upon request from a delinquent taxpayer, enter into a tax arrears payment arrangement, which would extend the period of time that the balance outstanding will be paid.
  - b. The Town is not required to put a property up for tax sale if the Town and the taxpayer have entered into a tax arrears payment arrangement and the tax payer is in compliance with the agreement.
  - c. Where the Town and a taxpayer have entered into a tax arrears payment arrangement, the period for which the tax lien is effective is extended by the period of the tax arrears payment arrangement.
  - d. In the event of default, a registered letter is sent notifying the tax payer the payment arrangement agreement is terminated.
10. Online Bill Payment
- a. The Town accepts online credit card payments and online banking payments.
11. *Non-Lienable Accounts Receivable Procedures*
- a. Every person liable to pay non-lienable charges shall be served with a bill showing the amount of charges for the current year, the due date, and all arrears of charges due by that person or in respect to the property.
  - b. The bill shall be served in person or mailed to the address known to the treasurer.
  - c. Where bills are due on a property of persons unknown or the address of the owner is unknown, a notice to the property owner shall be posted in a conspicuous place on the property advising them to contact Town Office to retrieve bill.
  - d. The bill shall contain a concise statement of terms for payment of the bill, interest on overdue accounts, and installment options allowed by Council.
  - e. Where there is an error in the name of a person on a bill, the bill may be collected from the person intended to be billed if they can be identified.

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

---

12. Interest (*Non-Lienable Accounts Receivable*)

- a. Council may impose interest, at a rate determined from time to time by policy, for non-payment of bills when due.
- b. Interest shall be added to the unpaid bills and shall be collected as if the interest originally formed part of the unpaid bill.
- c. Interest shall be calculated according to the length of the default payment.
- d. Council may provide that interest shall be compounded, not more frequently than monthly.
- e. Council may adopt a formula by which, and the time when, the rate of interest on overdue bills is automatically adjusted.

13. Refunds (*Non-Lienable Accounts Receivable*)

- a. Payments received in error or paid more than the invoice total will be refunded to the payer by cheque.
- b. The Town of Lockeport maintains the right to offset if other invoices are outstanding on the account.

14. Collection Procedures (*Non-Lienable Accounts Receivable*)

- a. Friendly Reminder Notices may be sent out to all accounts with amounts more than one month overdue. Follow up with those notices is undertaken and payment arrangements are put in place if agreed to.
- b. In the event of a non-payment and no payment arrangement agreement has been put into place, the Town will shut off the service until the bill is paid.

15. Recovery of Arrears through Monies Owed to Customer (*Non-Lienable Accounts Receivable*)

- a. The Town of Lockeport maintains the right to offset if the Town is holding any monies owed such as accounts payable cheques, or adjustments, with proper notification.

16. Extension Agreements (*Non-Lienable Accounts Receivable*)

- a. A delinquent payer may request an arrears payment arrangement, which would extend the period of time that the balance outstanding will be paid.
- b. In the event of default, a registered letter is sent notifying the payer the payment arrangement agreement is terminated.
- c. The Town will follow this with shutting off the service.



TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

---

17. Online Bill Payment

- a. The town accepts sewer service online credit card payments and online banking payments.

18. Payments

- a. The office accepts cash, cheques and money orders only. There is no debit/credit machine on site.
- b. Currently there are two work stations in the front office.
- c. The two-office staff have their own dedicated sign-in to track who issues each receipt and all other transactions. Passwords are confidential.
- d. Staff are to log out when they leave the office to prevent anyone else from using their credentials on the system.
- e. When customer pays cash, it is counted out in front of the customer and verified by the customer.
- f. Receipts are printed by the system automatically when a payment is applied. Each has its own specific identifier and are sequential.
- g. Receipts include all pertinent information, clearly indicating the purpose of the payment. Included in this is the rate the Town charges for returned checks for insufficient funds.
- h. Cheques are reviewed to ensure they are not posted dated as well as for accuracy.
- i. Post dated cheques are held in the office safe and receipts are only issued when cheque is processed.
- j. Staff and organizations bringing cash into the office from recreation and other Town events for receipt purposes will place the funds in the safe until there are two staff on hand to jointly count the cash or the individual bringing the cash in must be prepared to count the cash with the staff member receiving it and sign off on agreement of the amount.

19. Manual Receipts

- a. Manual receipts are only issued in the event the computer system is down.
- b. A pre-numbered receipt book is used to hand write receipts.
- c. The customer is advised when the system is available the manual receipt will be replaced with a computer-generated receipt.

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

- 
- d. When entered into the computer system, it is printed on the computer receipt that it is replacing the manual receipt and the manual receipt number is noted on the receipt.

20. Deposit Procedure

- a. At the end of the day, the Town software calculates the deposit total indicating total amount of cash, cheques and electronic transfers entered into the system that day.
- b. The Accounting Administrative Assistant prepares the deposits. Deposits are written by hand and verified by the Clerical Administrative Assistant.
- c. Any adjustments are catalogued separately so they are easily reviewed.
- d. Adjustments are highlighted by the Accounting Administrative Clerk with a written explanation as to why the adjustment was needed. The Clerical Administrative Assistant verifies the accuracy of the information.
- e. The Accounting Administrative Assistant takes the deposit directly to the bank and returns directly to work, no exceptions.
- f. Deposit and floats are balanced daily.
- g. Once balanced, deposits are taken to the bank immediately.

21. Returned Cheques

- a. Cheques that returned for insufficient funds are to be processed within 24 hours of the day they are received.
- b. The returned fee charged by the Towns bank will be charged to the ratepayer account.

22. Bank Reconciliation Process

- a. The Accounting Administrative Assistant preforms the duties of reconciliation of the Towns bank accounts.
- b. The reconciliation process occurs immediately upon receiving the monthly statements.
- c. The Clerk/Treasurer reviews and verifies the bank reconciliation monthly.
- d. Both the Accounting Administrative Assistant and the Clerk Treasurer sign off on the bank reconciliations.
- e. The Auditor reviews the bank reconciliations annually.

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

---

23. System Backups

- a. System backups are done periodically all day and saved to an external hard drive.
- b. The hard drive is removed at the end of each day and stored in the safe.

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

---

## Appendix I – Preliminary Notice



*Town  
Of  
Lockeport*

[www.lockeport.ns.ca](http://www.lockeport.ns.ca)

26 North Street  
P.O. Box 189  
Lockeport, NS  
BOT 11.0

Phone:  
(902) 656-2216

Fax:  
(902) 656-2935

Email:  
[townoflockeport@ns.sympatico.ca](mailto:townoflockeport@ns.sympatico.ca)

Date

Property Owner Name  
Property Owner Address

Re: Assessment Account # XXXXXXXX – Outstanding Property Taxes

Dear Property Owner:

Please give your immediate attention to the attached Statement of Account.

In the event that your outstanding account is not addressed to the satisfaction of this office, we shall have no alternative but to proceed according to the By-Laws governing the Town of Lockeport pertaining to Tax Sales, which will commence on Date.

Yours truly,

Joyce Y. Young  
Town Clerk/Treasurer

*My Town . . .*

Lockeport – where we partner to build a prosperous future with services that provide value and a quality of life in which we take pride.

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

## Appendix II – 30 Day Notice



*Town  
Of  
Lockeport*

[www.lockeport.ns.ca](http://www.lockeport.ns.ca)

26 North Street  
P.O. Box 189  
Lockeport, NS  
B0T 1L0

Phone:  
(902) 656-2216

Fax:  
(902) 656-2935

Email:  
[town@lockeport.ns.ca](mailto:town@lockeport.ns.ca)

Date

**30 DAY NOTICE**

Name  
Address

Property Address

Assessment Account #####

Outstanding Taxes:	<u>Year</u>	<u>Taxes</u>
	Year	X,XXX.XX
	Year	X,XXX.XX
	Year	X,XXX.XX
	Interest	<u>X,XXX.XX</u>
	<b>Total Due</b>	<b>X,XXX.XX</b>

I have been reviewing the delinquent taxes owing to the Town of Lockeport. Your above noted account is in arrears.

It is the policy of the Town of Lockeport that all property taxes outstanding after two years shall be processed for tax sale under the authority of the Municipal Government Act.

The tax sale process involves:

1. Conducting a title search of your property;
2. Notifying all encumbrances who have an interest in the property; and
3. Advertising your name, a description of your property and the amount of outstanding tax arrears, interest and expenses on your account in the local papers one month prior to the tax sale.

**YOU ARE REQUIRED TO PAY THE FULL AMOUNT OF OUTSTANDING TAX ARREARS AND INTEREST SHOWN ABOVE WITHIN THIRTY DAYS OF THE DATE OF THIS STATEMENT. IF PAYMENT IN FULL IS NOT RECEIVED WITHIN THIRTY DAYS, THE TOWN WILL INITIATE TAX SALE PROCEEDINGS AGAINST YOUR PROPERTY.**

**UNDER THE TAX SALE PROCESS, THE EXPENSES TO CONDUCT TITLE SEARCHES AND ADVERTISING IN THE LOCAL PAPER MAY EXCEED \$350, AND WILL BE CHARGED TO YOUR ACCOUNT AS INCURRED WITHOUT FURTHER NOTICE.**

If you have any questions, please do not hesitate to contact the Town of Lockeport Dated at Lockeport, Nova Scotia, this Date day of Month, Year.

---

Joyce Y. Young - Town Clerk/Treasurer

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

## Appendix III – Registered Letter



*Town  
Of  
Lockeport*

[www.lockeport.ns.ca](http://www.lockeport.ns.ca)

26 North Street  
P.O. Box 189  
Lockeport, NS  
BOT 11 0

Phone:  
(902) 656-2216

Fax:  
(902) 656-2935

Email:  
[townoflockeport@ns.sympatico.ca](mailto:townoflockeport@ns.sympatico.ca)

Name  
Address

Dear Property Owner(s):

In the matter of Part VI section 134 of the Municipal Government Act for the Province of Nova Scotia and the Amendments thereto,

I hereby, under the provisions of the Municipal Government Act and the amendments thereto, and on the direction of Town Council, give you notice that the hereunder described property, assessed in the name of:

NAME:

Is liable to be sold under the provisions of the said Municipal Government Act and the Amendments thereto, for arrears of rates and taxes with interest and expenses payable in respect thereof levied for the years:

Year Taxes Outstanding	\$ X,XXX.XX
Year Taxes Outstanding	\$ X,XXX.XX
Year Taxes Outstanding	\$ X,XXX.XX
Interest accumulated to date	\$ X,XXX.XX
Estimated additional expenses	\$ XXX.XX
<b>TOTAL</b>	<b>\$X,XXX.XX</b>

Unless the same are paid in full within 60 days from the date of this notice.

Interest will continue to accumulate and additional tax sale expense may be incurred up to the date of payment or to the date of the tax sale, whichever occurs first.

Date of Tax Sale: Date

General Description of above mentioned property:

Assessment Roll # XXXXXXXX PID - XXXXXXXX  
Land & Dwelling – Address

If you have reason to challenge the right of the Town of Lockeport to set this property up for sale, you should obtain legal advice and contact the Town of Lockeport.

Dated at Lockeport, NS this XX day of Month, Year

Town Clerk/Treasurer – Joyce Y. Young

TOWN OF LOCKEPORT  
POLICY STATEMENT  
GG-029

ACCOUNTS RECEIVABLE &  
PAYMENT CONTROLS

EFFECTIVE DATE:  
NOVEMBER 13, 2018

REVISION DATE:

---

Town Clerk/Treasurer's Annotation For Official Policy Book

Date of Passage of Current Policy: November 13, 2018

I certify that this Policy was adopted by Council as indicated above.

  
Town Clerk/Treasurer

November 14, 2018  
Date