TOWN OF ANNAPOLIS ROYAL

POLICY

Title: **Accounts Receivable Policy for Non Tax and Non Water Utility Revenue**	
Policy No: **2025-18**	Supersedes: **2013-5**
Effective Date : **December 18, 2025**	Approved by Council Motion #: **C#2025-12-17-05 December 17, 2025**

1. Purpose

The Accounts Receivable policy of the Town of Annapolis Royal works to ensure the prompt, effective, and efficient collection of all non tax and non water utility revenues due to the Town. It provides a standard and consistent policy for collecting accounts receivables, and for dealing with delinquent and defaulting payers. This also allows the municipality to have greater control over cash flow and liquidity.

2. Authority

The Town has the authority to charge interest on accounts in arrears as allowed by provincial legislation (MGA Section 49, 1(a)).

3. Definitions

3.1. "Delinquent Accounts" A delinquent account is a financial account where a payment has been missed or paid after the due date.

3.2. "Write-off" The accounts receivable asset is reduced to a value of zero and removed from the books entirely.

3.3. "Reminder Notices" A reminder notice is a communication that serves as a prompt for an action, event, or deadline. It is commonly used to remind customers about overdue payments.

3.4. "Credit Balance" A credit balance is an amount of money owed to the customer by the Town or a positive amount of funds in an account.

4. Scope

The Accounts Receivable policy of the Town of Annapolis Royal applies to all general receivables (non tax and non water utility) due to the Town.

5. Procedure and Implementation

5.1. Billing and Collection Process

The Town issues invoices on a timely basis. If an account is outstanding greater than thirty days, this receivable is considered to be in arrears. The interest rate charged on accounts receivable in arrears is one and a half percent per month. Interest is added to outstanding accounts on the first day of each month.

Reminder notices are sent to the customer of the outstanding account when they enter arrears as well as each subsequent month, showing the account balance and the interest charge. Once a balance becomes ninety days past due and the Finance Department has exhausted all collection efforts, Final Notice will be sent once more to the customer that they are in arrears. Every attempt will be made for telephone or personal contact to inquire further about the account and to ensure that the customer understands the consequences of non-payment. In the event that payment is not received within thirty days of this Final Notice, the account may be turned over to the collection agency for further action.

The payments are applied first against all accrued interest with the remaining being applied to the principal in the order of the oldest to the most recent.

5.2. Delinquent Accounts

Where the above steps have failed and the account is greater than one hundred and twenty days, the account may be sent to the collection agency, and those additional costs will be borne by the customer.

Every effort will be made to negotiate an acceptable repayment schedule. In order to utilize all means available to collect outstanding receivables, alternate arrangements may be made with the Town to discharge the account in certain situations. If the balance outstanding is greater than $500.00 the arrangement must be approved by the Chief Administrative Officer or authorized designate.

The Town reserves the right to reject a program registration or Town facility rental if there is a balance on the individual or group account.

5.3. Method of Payment

Payments may be made in the following ways:

- 5.3.1. Post-dated cheque*
- 5.3.2. Register for online bank payments with your bank
- 5.3.3. Cash or cheque*
- 5.3.4. By credit card (online on the Town's website – a third-party processing fee will apply)

* Payments may be completed at the Town Office or by mail to:
P. O. Box 310, Annapolis Royal, NS B0S 1A0

5.4. Write-Off

An account is deemed to be uncollectible after all internal and external means of collection have been exhausted. All uncollectible accounts will be reported to Council for approval prior to write-off.

5.5. Credit Balance

Any credit balance will be applied as a reduction to any outstanding invoices on the account. In the absence of such, the credit balance should be refunded to the payer by cheque or secured bank transfer. No refunds will be made by cash, credit or debit cards.

6. Repeal and Replace

A policy known at Accounts Receivable Policy for Non Tax and Non Water Utility Revenue #2013-5 adopted by Town Council on the September 16, 2013 is hereby repealed.

THIS IS TO CERTIFY that this policy was duly passed by a majority vote of the whole Council at a duly called Council meeting held on 17th day of December, 2025.

GIVEN under the hand of the CAO and under the seal of the Town of Annapolis Royal the 19th day of December, 2025.

Sandi Millett Campbell

Sandi Millett-Campbell
Chief Administrative Officer