

#23. TOWN OF LUNENBURG POLICY

LUNENBURG WAR MEMORIAL COMMUNITY CENTRE

ACCOUNTS RECEIVABLE BILLING\ACCOUNTING PROCEDURE

I. POLICY STATEMENT

The purpose of this Policy is to provide effective and efficient billing and collection procedures to be employed by the Lunenburg War Memorial Community Centre Commission (hereinafter referred to as the "Commission") and Lunenburg Town Council ("Council") for the Commission facilities.

The Policy and procedures described herein are designed to establish an accounting method whereby all individuals and groups are required to promptly pay for their use of the Commission facilities. Failing which, the collection procedures will be implemented to collect overdue accounts.

This policy is to apply uniformly, fairly and consistently to all Commission users required to pay for use of the facilities.

II. DEFINITIONS

"Commission facilities" means all building and lands owned by the Town of Lunenburg and Lunenburg War Memorial Community Centre Commission which are available for use by the public at a prescribed rental rate, including but not limited to the Auditorium and/or kitchen, large and small meeting rooms and Arena;

"Due Date" means the invoice date plus 30 days;

"Grace Period" means the additional period of five regular working days provided to overdue account holders in which to pay their account with the Commission in full;

"Interest" means the additional rate charged on all overdue accounts at the rate of 1.5% per month or 18% per annum;

"Overdue Invoice" or "Overdue Account" means those invoices or accounts for which payment has not been received by the due date;

"Regular Working Hours" means Monday to Friday from 8:30 a.m. to 4:30 p.m., saving and excepting statutory holidays.

III. RESPONSIBILITIES

A. LUNENBURG TOWN COUNCIL ("COUNCIL")

Council is responsible for:

1. overall supervision of matters relating to fiscal administration and management of the Commission including, but not limited to, collection and billing of accounts receivable;
2. approving repayment plans with respect to account receivables as submitted by the Director of Finance/Treasurer ("DF/T"); and
3. ensuring that a regular review is made of this Policy and that all necessary changes are made to it by resolution of Council as required from time to time.

B. LUNENBURG WAR MEMORIAL COMMUNITY CENTRE COMMISSION ("COMMISSION")

The Commission is responsible for:

1. making recommendations to Council respecting necessary changes to the within Policy and payment plans submitted by the DF/T respecting accounts receivable; and
2. monitoring the Commission's accounts receivable by means of regular reports submitted by the DF/T.

C. DIRECTOR OF FINANCE/TREASURER ("DF/T")

The DF/T is responsible for:

1. developing and executing procedures to monitor and collect accounts receivables owing to the Commission;
2. ensuring that an accurate and current record of the Commission's accounts receivable and general financial statements are maintained and regularly presented to the Council, Commission and RD as requested; and
3. reviewing the within Policy in conjunction with relevant staff members and presenting recommendations to Council/Commission for improvements to the Commission's accounting and financial procedures.

D. RECREATION DIRECTOR/CO-ORDINATOR OF SPECIAL EVENTS
("RD")

The RD is responsible for:

1. ensuring that the procedures in this Policy are carried out, regularly monitored and communicated to relevant staff members;
2. compiling current lists of overdue account holders who are denied use of Commission facilities due to non-payment of overdue accounts and advising relevant Commission staff members of same;
3. ensuring that overdue account holders are not permitted to use Commission facilities if prohibited from so doing and to advise relevant Commission staff members accordingly; and
4. regularly reviewing this policy with relevant staff members and making recommendations to Council and the Commission for improvements to same.

IV. PROCEDURE

The procedure respecting accounts receivable is divided into two categories:

- A. PAYMENT FOR COMMISSION FACILITY USE; and
- B. COLLECTION OF OVERDUE ACCOUNTS RECEIVABLE.

This is done so as to establish a distinct procedure for payment of Commission facilities premised on a "no pay - no play" philosophy and a separate procedure to deal with the collection of overdue accounts where a facility user has been granted credit and invoiced, but fails to pay the account within the prescribed due date. Different procedures have also been developed for different aspects of the Commission's facilities where required.

A. PAYMENT FOR COMMISSION FACILITY USE

1. Rental Agreements and Fees

All individuals or groups seeking to rent the Commission facilities must enter into a **Rental Agreement** as attached hereto as Schedule "A" prior to being permitted to reserve the facilities for use. Attached to each Rental Agreement will be a copy of the within Policy. Rental Agreements may be obtained from the RD during regular working hours. Rental

Agreements must be completed and returned with the prescribed deposit and/or payment in full to the RD during regular working hours prior to using the facility unless otherwise provided.

2. Credit

An individual or group may be permitted to establish an account with the Commission, if, the Commission's and Council's prior approval is obtained upon demonstrating satisfactory credit. The Commission and Council reserve the right to deny credit for any other reasonable reason.

3. Confirmation of Reservations

Individuals or groups wishing to rent the Commission Auditorium or Arena during non-ice time are also required to pay a \$100. deposit fee to confirm bookings. Bookings will not be confirmed unless the deposit and signed Rental Agreement have been received by the RD. The prescribed rental fee must be paid in full five (5) working days prior to the rental period. Payment must be made to the RD during regular working hours. Deposits are non-refundable if less than thirty (30) days prior notice of the cancellation has been given to the RD.

4. Individuals or groups wishing to rent the Commission Meeting Rooms, Playing Fields, and/or Arena (ice installed) are required to pay the applicable rental fee(s) in full prior to using the facilities. Reservations will only be confirmed upon payment in full of the rental fee. Payment must be made to the RD during regular working hours.

5. In the event reservations for Commission facility rentals have not been confirmed by an individual or group, the RD may confirm other reservations in their stead. Before so doing, the RD will make reasonable efforts to contact the first individual or group to make the reservation to advise them that another reservation request for the same time has been made. Notwithstanding, the individual or group who pay the applicable deposit and/or rental fee and complete the Rental Agreement first, will be granted a confirmed reservation.

6. Cancellation - Inclement Weather

In the event of inclement weather where the Department of Transportation and Communications issues a hazardous road warning for the local area, renters will be given the option of cancelling their reservation of the Commission facilities and provided with a credit or full refund for the rental fee.

7. Denial of Rental Privileges

The Commission and Council further reserve the right to deny any individual or group rental privileges if they have an outstanding account with the Commission and/or Council or for any other reasonable reason.

B. COLLECTION OF OVERDUE ACCOUNTS RECEIVABLE

1. Establishment of Credit

The Commission and Council may extend credit to an individual or group upon demonstrating satisfactory credit by permitting them to establish an account and be billed following use of the Commission facilities.

2. Payment of Account

When credit is extended to an individual or group, payment must be made in full within thirty (30) days of the billing date.

3. Interest

Interest will apply to all overdue accounts thirty (30) days or more past billing dates at the rate of 1.5% per month or 18% per annum or as set by Resolution of Council.

4. Overdue Account Procedure

A grace period of five (5) working days immediately following the due date will be given to all overdue account holders. If the account is still not paid in full on the expiration of the grace period, the DF/T shall inform the overdue account holder that they are prohibited from using the Commission's facilities until: (a) the overdue account is paid in full; or (b) suitable terms of payment have been approved by the Commission and Council.

5. Duties of DF/T and RD

The DF/T shall notify the RD of all overdue account holders prohibited from using the Commission facilities or those who have entered into a payment plan and may continue to use the facilities. The RD shall in turn notify all staff members of the individuals and groups restricted from use of the Commission facilities due to non-payment. All employees of the Commission shall be responsible for enforcing this prohibition by use of reasonable means. Staff members

shall notify the RD of any individuals or groups attempting to use the facilities once denied. The RD shall in turn notify the Commission and Council of same so that further action may be taken.

6. The DF/T shall review weekly all Commission accounts receivable. An updated listing of all overdue account holders shall be prepared by the DF/T and given to the RD each week. The DF/T is also required to present a status report respecting all overdue accounts to the Commission at their regular meetings.

7. **Legal Action**

If the overdue account holder has failed to either pay the account in full upon expiration of the grace period or entered into a payment plan with the approval of the Commission and Council to pay the account, the Commission and Council may instruct the DF/T to commence legal action to collect the account.