

Policy No. 68: Writing Off Debts

POLICY MANUAL

Policy No. 68

Writing Off Debts

Purpose

The purpose of this Policy is to meet the requirements of section 22(2)(ba) of the *Local Government Act 1993* by describing the circumstances and procedure for writing off bad debts.

Department

Corporate Services

Author

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Council Meeting Date

9 August 2022

Minute Reference

159/2022

Next Review Date

August 2026

POLICY

1. Definitions

Property Debts

Are debts charged against a property.

Sundry Debts

Are debts that are not charged against a property.

Bad Debt

Are a debt that is no longer considered recoverable and the debtor will not be pursued further.

2. Objective

To improve administrative efficiency by enabling the General Manager or their delegated officer to write off bad debts.

3. Scope

This Policy applies to the General Manager or their delegated officer.

4. Policy

A bad debt, whether property or sundry, may be written off by the General Manager or their delegated officer where:

- (a) the debt is equal to or less than \$2,000; and
- (b) a reasonable effort has been made to recover the debt; (with the exception of clause 4(c)(iv); and
- (c) the cost of attempting to recover the debt would exceed the debt owed to the Council and there is little likelihood of recovering the debt because:
 - i. the debtor cannot be located; or
 - ii. the debtor is not in a financial position to be able to garnishee their income; or
 - iii. the debtor has no assets that may be recovered in lieu of the debt; or iv. Interest has been accrued on a Property Debt through an administrative error by the Tasmanian Government, property conveyancer or a Council Officer.

A briefing report for the information of Council shall be provided every three months by the General Manager detailing each write off of a bad debt under delegation indicating:

- (a) the value of the debt;
- (b) the type of debt;
- (c) how long it has been outstanding;
- (d) the actions that have been taken to attempt to recover the debt; and
- (e) the reasons for writing off the debt.

Any bad debts of over \$2,000 will be referred to Council for decision.

5. Legislation and Related Standards

Local Government Act 1993

6. Responsibility

Responsibility for the operation of this Policy rests with the Director Corporate Services.