

**TOWN OF INGERSOLL**  
**Director of Finance/Treasurer Report**

**A/R Collection Policy Update**

Report No. T- 069/10  
Approval Date: Apr 12, 2008

Mayor Holbrough & Members of Council:

Purpose

The purpose of this report is to provide Council with a progress report regarding the implementation of the new A/R Collection Policy.

Background

In July 2009, Council adopted a new A/R Collection – Policy and Procedure.

Since implementing this new policy the outstanding receivable accounts have been reduced significantly improving the cash flow for the municipality.

The total outstanding receivable accounts for the year ended Dec 31, 2008 were \$92,000.

The total outstanding receivable accounts for the year ended Dec 31, 2009 were \$ 2,200 representing a \$90,000 reduction in our outstanding accounts and can be summarized as follows;

<u>Outstanding A/R</u>	<u>2008</u>	<u>2009</u>
60 – 90 Days	\$ 8,000	\$ 677
Over 90 Days	<u>83,900</u>	<u>1,500</u>
Total	<u>\$91,900</u>	<u>\$2,177</u>

Discussion

This new collection policy has significantly reduced the number of outstanding accounts in the over 90 day category.

As reported by the A/R –Treasury Clerk/Receptionist, the procedure involves setting up the receivable in the Great Plains software, month end reporting, balancing & applying 1.25% interest charge on all outstanding accounts over 30 days past due.

The A/R Clerk also reports that in our collection efforts, we have continuous cordial & professional correspondence for 90 days at the department level with the clients. If no result, then the files are prepared to be assigned to collection. The implementation of this system has been rewarding not only for the Town Office, but also for the A/R Clerk as it has given her the opportunity to learn new tasks & take on more responsibility.

Summation:

That the A/R Collection Policy Update Report be received as information.

Respectfully submitted,

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Gary K Seitz, CGA, CMO, CMM III, CPPB  
Director of Finance/Treasurer

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James Timlin  
CAO