



## Policy 58 – Writing off Debts

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Minute 57/21

Version: 1

Reviewed Date:

Council Minute No:

Statutory Authority: Local Government Act 1993 – Section 22(2)(ba)

### OBJECTIVE

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The purpose of the Writing off Debts Policy is to improve administrative efficiency by enabling the General Manager or his delegated officer to write off bad debts.

### SCOPE

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

### DEFINITIONS

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**Property Debts** – are debts charged against a property, however outstanding rates against a property are excluded from this policy and covered under the *Local Government Act 1993 – Section 137*.

**Sundry Debts** – are debts that are not charged against a property.

**Bad Debt** – a debt that is no longer considered recoverable and the debtor will not be pursued further.

### POLICY

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

- a) The debt is equal to or less than \$5,000 GST exclusive; and
- b) A reasonable effort has been made to recover the debt; (with the exception of Clause (c)(iv); and
- c) The cost of attempting to recover the debt would exceed the debt owed to 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.

- iv. Interest has been accrued on a Property Debt through an administrative error by the Tasmania Government, property conveyancer of Council officer

A briefing report for the information of Council shall be provided annually 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;
- e) The reasons for writing off the debt.

Any Bad Debts of over \$5,000 GST exclusive, will be referred to open Council for decision.