

CITY OF CENTRALIA PUBLIC WORKS AND CITY LIGHT COLLECTION AND WRITE-OFF POLICY

Purpose: The Collection and Write-Off Policy is established to specify steps that must be taken to deal with delinquent utility accounts consistently and uniformly.

Scope: This policy applies to all delinquent utility accounts for utility services including water, wastewater, electric, and stormwater. It establishes collection practices and requirements for the periodic review and identification of delinquent accounts deemed to be uncollectible.

Authority: Accounts automatically written off are described below. All other write-offs are submitted to the City of Centralia Finance Director each year after year-end closing is complete.

A write-off of uncollectible accounts does not constitute forgiveness of the debt and is still payable by the debtor.

I. Collection of Unpaid Utility Accounts

- a. Delinquent utility accounts less than or equal to \$50 are not sent to collections.
- b. The City will not attempt to collect on delinquent utility accounts older than January 1, 2004.
- c. The Customer Service Center will attempt to collect over the counter or by letter on utility accounts that became delinquent between January 1, 2004 and September 30, 2009 until October 1, 2012. At that time collection attempts will cease
- d. Unpaid accounts from October 1, 2009 forward will be handled as follows:
 1. Tenants are sent to collections as a courtesy to the property owner for a period of one year. After one year, uncollected tenant accounts will be returned to the Customer Service Center and rebilled to the property owner (Centralia Municipal Code 13.02.010). Subsequent delinquency by the property owner will result in the account being sent to collections (Centralia Municipal Code 13.02.010) in the property owner's name.
 2. Property owners are sent to collections for an indefinite period.

II. Accounts Automatically Written-Off

- a. *Discharged Bankruptcy* – The account has been discharged through bankruptcy court and the file has been noted with the date filed, number, court district, and date of discharge.
- b. *Billing Errors* – The account was billed in error.

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III. Accounts Recommended to Finance Director for Write-Off

- a. *Size of Account* – Extensive collection effort for small accounts is not cost effective. Delinquent accounts less than or equal to \$50 are not sent to collections and will be recommended for write-off.
- b. *Age of Account* – The longer an account has been delinquent, the harder it is to collect. Accounts still in collections after 3 years will be recommended for write-off; however, those accounts that have been turned over to collections will remain in collections indefinitely until they are paid.
- c. *Prior Collection Attempts* – Accounts returned by a collection agency as uncollectible will be recommended for write-off.
- d. *Special Circumstances* – Special circumstances shall be evaluated by the Customer Services Supervisor and the Administrative Services Manager. An account recommended for write-off due to special circumstances will not set a precedent.

Approved at the regular meeting of the Centralia City Council: September 13, 2011



Rob Hill, City Manager