

CITY OF CHEYENNE COLLECTION POLICY

CENTRALIZED COLLECTION POLICY

The City of Cheyenne will maintain a centralized collection point in the office of the City Treasurer. The more focused the City collection can be into one centralized collection point, the more efficient collection can become. All departments must use this centralized collection for funds due to the City unless specifically exempted such as the Board of Public Utilities and Nuisance Abatement or as exempted by the City Treasurer. The advantages of a centralized collection program include:

- Less confusion for the public;
- Dedicated staff whose primary function is to collect monies due to the City. This person is familiar with City policy and fee schedules;
- Consolidation of accounts that combines debts of one citizen or customer from several departments, centralizes information on the customer or citizen who may use various names, company names or other related parties;
- Facilitates information collection on citizens or groups with poor payment or City service abuse histories, possibly preventing another collection problem, i.e., staff can monitor credit or rental histories on individuals or groups requesting permits, rent on facilities or other City services;
- Economies of scale (i.e., more than one delinquent bill with the City from different departments) can prevent other departments from setting up payment schedules or other payment arrangements which need to be monitored for compliance and referring accounts to the collection agency on a more timely basis.

BILLED ACCOUNTS

The City invoices citizens and customers who do not pay for services when the transaction has occurred. Payment for items invoiced are received by mail or delivery to the City Clerk's office at City Hall during normal business hours. In addition, payments can be received via ACH payment directly into the City's depository account.

Payment in full is expected within thirty (30) days from the date the invoice was originally billed. Many debtors are willing to pay their accounts, however, they may not be able to pay their accounts in full. In such cases, the City will allow partial payments with a written payment plan approved by the City Treasurer. Arrangements for partial payments allow debtors to pay what they can, when they can, until the balance is paid in full, or they may pay a set amount until the balance is paid in full.

DELINQUENT ACCOUNTS

Delinquent accounts refer to those accounts that are past due by thirty (30) days. When the accounts become delinquent, a systematic, aggressive collection procedure should be implemented according to established policy. Because delinquent accounts become more difficult and expensive to collect, it is necessary to encourage prompt payment of all debts due to the City.

ACCOUNTS OVER 30 DAYS:

If an account is over 30 days old, the City will no longer consider this amount current and may begin to pursue an aggressive approach for collection.

ACCOUNTS OVER 60 DAYS:

Any accounts not paid within 60 days will have a late fee of \$35.00 assessed to the account. Exceptions to the late fee charge is allowed for the following reasons: accounts that have been billed to other local governments (to allow for council/board approval of expenditures) and accounts that have been billed for reimbursement under a federal or state grant program.

When the account is over 60 days old, the City Treasurer's office will mail a letter to the citizen/customer that indicates that unless the office receives correspondence or other communication or payment from the citizen/customer within ten (10) days of the date of the letter, the City will not allow any future charges to be incurred on the account. (See attached sample of the 60 day letter)

Following the ten (10) day period, the Accounts Receivable Clerk in the City Treasurer's office will attempt to contact the citizen/customer via phone call to inform them that services will be on a "cash only" basis beginning within 7 days. At this same time, the City Treasurer's office will net any amounts payable to the delinquent individual or business by the amount that is owed to the City until the account is paid in full, if possible.

Following the seven (7) day period, the Accounts Receivable Clerk will contact the affected City department i.e. Sanitation, Recreation, etc. to inform them that the citizen/customer is no longer allowed to charge for services. This contact to the City departments will be made via email.

Exceptions to the policy of "cash only" services will only be allowed upon a written request by the Mayor.

ACCOUNTS OVER 90 DAYS:

When the account is over 90 days old, the City Treasurer's office will mail a letter (see attached sample) indicating that unless payment is received in full or other arrangements

have been made for payment, the account will be turned over to collection in fourteen (14) days from the date of the letter. Following the fourteen (14) day period, the Accounts Receivable Clerk will attempt to make one more contact with the citizen/customer to request payment be made. For all accounts greater than \$25.00, if a satisfactory response is not received, the account will be turned over to the City's outside collection agency. For accounts less than \$25.00, no further action will be taken.

The City staff is too generalized to aggressively pursue the collection of delinquent accounts. Therefore, the use of an outside collection agency is warranted. The use of a collection agency can benefit from the economics of scale and a dedicated focus on collections. This method, though proven somewhat effective, does reduce the anticipated revenue because of the collection fees. All staff should ensure that every avenue has been exhausted for the full amount before using the collection agency.

On a monthly basis, the City Treasurer's office will notify all City departments of the names of the citizens/customers that have been turned over to the collection agency. This will prevent future charges from being made on this customer's account.

WRITE OFF POLICIES

In some instances, governments may be compelled to write off delinquent accounts. Such action usually takes place after all collection efforts have been exhausted and the account is either considered to be uncollectible or the amount owed is too small to warrant further collection efforts. The following circumstances will be used by the City of Cheyenne:

- Discharged bankruptcy – the account has been discharged through bankruptcy court and a customer file has been noted with the date filed, number, court district and date of discharge.
- Wrong responsible party – the account was referred in the name of a company or individual that cannot be held liable for the debt.
- Deceased – debtor is deceased with no estate.
- Amount doesn't warrant further effort – No response to demand for payment has been received, either by the outside collection agency (greater than \$25.00) or by City staff (less than \$25.00), further pursuit would not be cost effective.

Each write off must be approved by the City Treasurer and submitted to the City Council for approval in accordance with Wyoming State Statutes.