

Clarenville Area Chamber of Commerce Bad Debt Collection Policy

Debt Collection Policy:

The Clarenville Area Chamber of Commerce cannot develop programming and provide services to its members unless it receives payment, in full, of all invoices for the services that it provides. It has a responsibility to ensure monies owed to it are recovered in a timely, effective and efficient manner to finance its operations and ensure effective cash flow management. While carrying out this responsibility, the Chamber will:

- Treat all people fairly and consistently under this policy; and
- Treat all matters under this policy confidentially.

The objectives of the Debt Collection Policy are:

- To define a framework within which the Chamber can develop an effective procedure to collect its revenues;
- To ensure that all monies due and payable to the chamber are collected and used to deliver the services in the best interests of the community and our membership.
- To maintain and implement a debt collection policy which is consistent, fair and effective to all its members.
- Maintain the administrative integrity of the Chamber

The Office Manager, in collaboration with the Finance Committee, pursue collection of aged accounts in a variety of ways, depending on the origin of the debt, history of the account, and time available. Only after all attempts to collect funds through the standard in house collection process have been exhausted will an account be considered for placement with a commercial collection agency. The account must be a minimum of 90 days (3 months) in arrears to be placed with a commercial collection agency. The process being used is as follows:

- The invoices will be submitted to the membership on a timely basis; with the member being given 30 days to pay.
- After this period, the month end statement will be sent to the member to remind them of the outstanding invoice.
- After 45 days are up from the original invoice, the member will be sent a letter from the Office Manager with a copy of the outstanding invoice as a friendly reminder that they are 45 days overdue on their invoice. The letter will provide 15 days to pay the invoice.
- After 60 days from the original invoice, the President will prepare a registered letter to the member highlighting:
 - ✓ The member is in arrears for the specific number of days
 - ✓ The member will have 30 days to pay the invoice, or
 - The member will be terminated (if membership fees are owed)
 - The member's file will be sent to a Collections Agency (for all costs other than membership fees)
 - The member will be discontinued from the Chamber's Group Insurance Plan. (if they are registered under the plan)
- After 90 days from the original invoice, if the member is not paid up, then the Office Manager will contact the Collections Agency and turn the file over to them.

- All accounts to be placed for collection must have prior approval of the Board of Directors to proceed to Collections.
- Member's benefits and services will be suspended until all outstanding amounts have been collected and the member has returned to good standing.
- Amounts to be collected from the Collections Agency includes:
 - ✓ Actual amount of the invoice
 - ✓ Interest as determined on a monthly basis (2% per month)
 - ✓ Administrative Costs associated with Collections Process

The Office Manager will be responsible to keep complete records of dates, letters, and mailouts to businesses/organizations.