

CITY OF GRISWOLD

Utility Billing Policy/Procedure

Debt Collection Program

ADOPTION DATE: 8-22-2011

RESOLUTION NUMBER: 4-2012

REVIEW PERIOD: This policy is to be reviewed every three years or as needed.

STATEMENT OF POLICY

The City may assess the taxes of a property to collect utility charges owed; however, this is not always feasible with the high number of rental properties in Griswold. Therefore, the City utilizes the State of Iowa's Income Offset system to collect on accounts with a valid social security number and a debt greater than \$50.00.

APPLICABILITY

This policy applies to all utility customers of the City of Griswold.

DEFINITIONS

Bad Debt- A status indicator in the Summit utility billing software that can be utilized to flag customers that have outstanding balances beyond the regular monthly billing cycle.

Income Offset Program- A method used by the State of Iowa and its political subdivisions to collect money owed to the State under Chapter 8A.504 of the Code of Iowa.

POLICY AND PROCEDURE

If the City is unable to collect on a past due account, the utility customer may be placed into bad debt status in the utility billing system. A customer is eligible to be placed into bad debt status when the balance on the account is more than 60 days old and the utility service is no longer active for the customer. For bad debt customers or debtors, if the amount owed is greater than \$50.00, the debtor may be entered into the State of Iowa's Income Offset program in order to collect on the debt.

The City pays an administrative fee of \$7.00 per match to the Iowa Department of Administrative Services for use of the Income Offset system. This fee is directly passed to the debtor. The total debt entered for each debtor is the debt plus the administrative fee.

The City receives notifications of debt matches from the State throughout the year. Upon receiving notification, the City is to notify the debtor within ten calendar days from the date of notification. The City sends a certified letter to the debtor at the address specified on the notification stating that the debtor has fifteen days to provide proof of payment or pay the debt less the administrative fee.

If the debt is not resolved following notification with the certified letter, the City has 45 days from the date of the match to notify the Income Offset program of the action to be taken. Once a debt is brought to a zero balance, the debtor will be removed from the City's debtor file with the Income Offset program.