

Sending accounts to collections

The purpose of sending a debt to the collection agency is two-fold.

1. To collect the debt owed.
2. To provide the Treasurer/Commissioner/Unit or Council with closure.

It is only undertaken when all usual avenues have been unsuccessful (see Commissioner's Handbook). The Area Commissioner must be informed any time money is missing (in any way), and continue to be informed of progress throughout the steps taken.

In order to send accounts to a collection agency there needs to be a well-defined paper trail. Usually there is a clear sign out sheet or something similar (check the Provincial website for the Cookie sign-out sheet). If so, you can proceed quite easily using the following steps. The Cookie Sign-out Sheet states quite clearly the due date for payment & the amount owed.

Please note: *If there is no well-defined paper trail you can attempt to create one using the same steps outlined below. Be aware, however, that without the sign-out sheet, (or a signature for receipt of the cookies), the individual may dispute the debt & in that instance, short of going to court first (with major expense & uncertain results) it may not be possible to send the debt to the Collection Agency – Guiding will not send undocumented debts to a collection agency.*

Steps taken:

1. Send a **dated invoice** to the individual – the invoice must disclose:
 1. transaction date
 2. Explanation of charges
 3. Amount charged
 4. Any partial payment made
 5. Balance owing

Example:

1. October 15, 2017
2. 4 cases of cookies (Case # 17, 22, 23 & 54)
3. \$60.00 ea. = \$240.00
4. Less \$120.00 payment, October 26, 2017
5. Balance owing \$120.00

On this invoice, it should also state, “payment is due upon receipt of this invoice”.

2. Send a **past due notice**. Following a 10 – 14 day period a **PAST DUE** notice should be sent. This should appear as a statement or the exact same invoice as above with PAST DUE stamped/written on it in clear block letters (**RED is good**).
3. Send a **final Notice**. After another 14 days, a **FINAL NOTICE** is sent. This must say “*Final notice – Collection Pending. Unless payment is received by XX date (allow 14 more days) this account will be turned over to a collection agency which may seriously affect your credit rating.*”
4. If no payment is received after the 14 days, a copy of all of the paper records are submitted to the provincial office (Attention: Financial Manager) with a clear accounting of the debt.
Complete information about the individual is required – this includes any/all information available. The information from the chart below would be most helpful, it is understood that not all of this information may be available, however the more information submitted the more likely that the debt can be collected.

NAME		AMOUNT	
ADDRESS		SERVICE DATE	
		ACCOUNT #	
PHONE (RES)	EMPLOYER/OCCUPATION		
PHONE (BUS)	SPOUCE'S NAME		
SIN	BIRTHDATE	DRIVERS LIC.	E-MAIL
OTHER INFO.			

After a debt has been sent to the Provincial office for forwarding to the Collection Agency, any questions regarding the debt should be referred back to the collection agency. No negotiations/discussions are to be undertaken by anyone except the Collection Agency & Provincial office.

If the debtor sends a payment to the local group/council, it can be accepted then it must be submitted directly to the Provincial Office. The Provincial Office will reconcile the account with the Collection Agency and the local council will receive payment as appropriate. Please be aware the Collection Agencies do charge a fee and it takes some time to process the payments.

Once the debt has been submitted to the Provincial Office, the local group/council is to write it off as a “bad debt”.