

Town of Brattleboro

Policy and Procedures for Collection of Accounts Receivable

Article 1. Purpose

These policies specify the steps that must be taken to ensure accounts receivable are collected in a timely, fair and cost effective manner.

Article 2. Scope

These policies apply to all accounts receivable at the Town of Brattleboro, including tax receivables, utility receivables, loan receivables, miscellaneous department receivables and parking tickets.

Article 3. Definitions and procedures

3.1 Tax Receivable – Amounts owed by property owners for real and personal taxes. Taxes will accrue 1% interest per month on the unpaid quarterly installments. After the fourth and final installment, all taxes with outstanding balances will also accrue an 8% penalty on the unpaid tax. Delinquent property taxes will be eligible for sale in accordance with 32 V.S.A §§ 5251 and the tax sale process. (Attachment A)

3.2 Utility Receivables – Amounts owed for water and sewer rents, including usage, connection and disconnection charges - All water and sewer rents or charges are pursuant to Brattleboro code 18-4 by the Board of Water and Sewer Commissioners and shall be billed to the owner of the property or its legal agent. These will be due and payable quarterly to the Town Treasurer on same due dates as established for quarterly payment of taxes. On payments made after the due date, an eight percent penalty will be charged. Interest will be charged each month at the same rate voted by Town Meeting for collection of delinquent taxes.

In addition to the penalty and interest charges set forth in section 18-4, the Town of Brattleboro may proceed to disconnect water or sewer services pursuant to 24 V.S.A. Section 5141 through 5151 (Attachment B) , Uniform Water and Sewer Disconnect. Delinquent charges, rates or rents for water and sewer may also cause a lien property by the Town in accordance with 24 V.S.A §3504 and sale in accordance with 24 V.S.A. §5251.

3.3 Revolving Loan Receivables – Loans from the various revolving loan funds including Disaster Relief, RHIP, SBAP, and Community Development Loans. These loans include provisions for a 5% penalty for late payments on or after the 15th of each month in addition to terms for monthly principal and interest payments as outlined in the loan agreement. The Town reserves the right to collect by any manner authorized by law or the contract documents, including foreclosure, distraint, action at law or tax sale

3.4 Miscellaneous Department Accounts Receivable - All other accounts receivable for other services provided, including but not limited to: Fire Department –Banners, Rescues, Dispatch fees; Police – Alarm Responses, Police Reports fees, Police Coverage; Public Works –repairs, gas and diesel sales; Recreation – Program Fees; General Administrative –Health insurance, Loan repayment, Planning Fees, services provided to other agencies. Failure to pay within 30 days of the invoice date will result in interest charges of 1% per month.

3.5 Parking Tickets – Fines and penalties for non payment of parking tickets are provided for in Section 16-5 of the Town of Brattleboro Code of Ordinances. Attachment (C)

Article 4 Payment not received

4.1 Delinquent taxes will be collected in accordance with the Tax Sale Process outlined in Attachment A.

4.2 Delinquent utilities accounts will disconnected be in accordance with the Vermont Uniform Water and Sewer Disconnect procedures outlined in Attachment (B). Unpaid utilities constitute a tax lien and may be collected by tax sale process.

4.3 Miscellaneous Department Accounts Receivables: On the last working day of each month, the Accountant will record interest charges of 1% of the unpaid balance of all charges over 30 days old.

- a. The Accountant will mail statements for all balances over 30 days old including the interest charges.
- b. A copy of the Statements will be forward to the department that created the bill.
- c. Departments are responsible for contacting the Customer concerning past due amounts.
- d. The 1st statement will indicate that the amount is PAST DUE.
- e. The 2nd statement will indicate that this is a 2ND NOTICE PAST DUE and the account is turned over to the Town Attorney for collection through court action. Court costs and attorney fees will be assessed to the account as incurred.

- f. Finance Director may adjust penalty and interest charges if it is determined that a mistake has been made either by Town Staff, bank or post office or some other reason beyond the control of the payer.
- g. Finance Director may direct the Accountant to write-off unpaid statement that are over 60 days old with an original dollar value (not including interest) of under \$100.
- h. Finance Director will report all write-offs to Selectboard on a quarterly basis.
- i. Finance Department will maintain list of uncollected accounts and provide to departments. Departments may not extend further credit or services to the customer unless full restitution including penalties and interest is made.
- j. Accountant makes GL Entry to debit original department revenue account using the NEMRC Accounts Receivable system.
- k. Unpaid accounts that are over 60 days old with an original dollar value over \$100 will be referred to Town Attorney for Collection.
- l. Departments may not extend credit to the customer again or accept payment without approval of the Finance Director.
- m. Accountant makes GL Entry to increase the Allowance for Uncollectable Accounts.

Article 5. Returned Check Collection

- 5.1 Redeposit all NSF check within 3 banking days. If the check clears after second deposit, no further action will be taken.
 - a. For checks returned unpaid for insufficient, closed account or uncollected funds, a \$25.00 fee will be assessed
 - b. All checks returned are turned over to Accountant when received.
 - c. For Service related fees, i.e., taxes and utilities, reverse in system and assess a \$25.00 fee for these checks. In addition, if this check causes the payment to be late, charged interest and/or penalty depending on the due date of the payment.

- d. For non service related fees enter the check information into the NSF database to produce send a letter which is sent with an invoice from the Miscellaneous AR system. Letter and invoice will assess the \$25 fee. A copy is sent to the Treasurers' office.
- e. Payment received- Treasurer's office process payment.
- f. Payment not received
 - (1) Uncollectable NSF checks may be copied, posted on Town website and distributed to department for public posting.
 - (2) Departments may not accept checks from customer again without approval by Finance Director.
 - (3) Accountant makes GL Entry debit original revenue credit NSF.
 - (4) Uncollectible NSF checks over \$100 will be turned over to Town Attorney for Collection following same procedures for Miscellaneous Receivables.
 - (5) Uncollectible NSF checks over \$25.00 may be further investigated and referred to the Windham County State's Attorney for prosecution in accordance with Police special order 93/090 (Attachment D)
 - (6) Uncollectible NSF checks will be written off by the Finance Director upon determination that further efforts at collection will be unsuccessful.

TAX SALE PROCESS

- 1.) When the town decides to start the Tax Sale process a Final Notice is sent to the delinquent tax payers advising as to the status of a pending tax sale.
- 2.) When the Tax Sale Proceedings start a certified letter is sent to the homeowner and the lien holders letting them know when the Tax Sale is taking place and when postings in the newspaper will occur.
- 3.) The homeowner cannot make partial payments after the Tax Sale certified letter has been mailed they must be paid in full to stop the tax sale process.
- 4.) The payment for the homeowner changes weekly with lawyers fee and additional interest & penalties (if the 15th of the month happens during the process), as well as the three advertisings of the notice in the newspaper.
- 5.) If the property goes to tax sale it is bid upon and awarded to the highest bidder with the minimum bid being what is owed to the Town at that time.
- 6.) All Bids made must be covered by certified check or cash at the time of the sale.
- 7.) If you have a certified check that is in excess of the bid amount the town will issue a check for the balance immediately.
- 8.) The back taxes are paid with the bid and the rest of the funds are held in an account until the property has been redeemed by owner or lien holder. At that time the total bid amount will be returned plus the 1% interest a month.(paid by property owner or lien holder)
- 9.) If the owner or lien holder does not redeem and you are awarded the property you will be notified by the Town and a closing will be set up. You are responsible to bring the currant Taxes and Water and Sewer current and pay transfer and recording fees at the closing. The money in the account will be sent to the previous delinquent owner, if bid was over starting bid owed.

ALL YOUR RESEARCH ON PROPERTIES CAN BE DONE IN THE LISTERS OFFICE AND TOWN CLERKS OFFICE.

The Vermont Statutes Online

Attachment B

Title 24: Municipal and County Government

Chapter 129: UNIFORM WATER AND SEWER DISCONNECT

§ 5141. Scope

This chapter applies only to municipalities providing water or sewer services, or both, and it allows disconnection of water or sewer services, or both, as a delinquency collection procedure for water or sewer delinquencies. Disconnection of water service as a collection procedure for delinquent sewer bills is specifically allowed. This delinquency collection procedure is a separate procedure from that allowed under Title 32. (Added 1977, No. 93; amended 1989, No. 45, § 7.)

§ 5142. Definitions

For the purpose of this chapter:

- (1) "Selectboard" means the selectboard in the case of a town, the city council in the case of a city, the board of trustees in the case of an incorporated village, the prudential committee in the case of a fire district or the board of commissioners in the case of a consolidated sewer or water district.
- (2) "Disconnection" means the deliberate interruption or disconnection of water or sewer service, or both, to a ratepayer by the servicing municipality for nonpayment of water or sewer charges.
- (3) "Delinquency" means failure of the ratepayer to tender payment for a valid bill or charge within 30 days of the postmark date of that bill or charge, or by a "due date" at least 30 days after mailing, which shall be clearly printed on the bill and which shall control in the absence of the postmark. A delinquency of sewer charges shall be considered a delinquency of water charges, if operated by the same municipal corporation.
- (4) "Hearing officer" means a person appointed pursuant to section 5147 of this chapter to act as a fact finder and to hear and investigate evidence, and to make recommendations to the board of selectmen for final determination of the dispute.
- (5) "Notice" means the written notice on the form prescribed in section 5144 of this chapter, sent within 40 days after delinquency and postmarked and sent not more than 20 days, nor less than 14 days prior to the disconnect of service.
- (6) "Physician's certificate" means a written statement by a duly licensed medical practitioner certifying that a ratepayer or resident within the ratepayer's household would suffer an immediate and serious health hazard by the disconnection of the utility's service to that household. The certificate will be considered valid and in force for 30 days, or the duration of the hazard, whichever

is less.

(7) "Payment of a bill" means the receipt at the municipal office of cash, check or money order which is subsequently honored.

(8) "Business days" means Monday through Thursday, excluding legal holidays and any other time, or the day before such time, when municipal offices are not open to the public.

(9) [Repealed.]

(10) "Credit supervisor" is any person appointed by the board of selectmen to perform the functions of a credit supervisor under this chapter. Notwithstanding section 1524 of this title, the municipal tax collector may be appointed, but the fees provided under Title 32 for a tax collector do not apply to the collection procedure in this chapter. (Added 1977, No. 93; amended 1989, No. 45, § 8.)

§ 5143. Disconnection of service

(a) No municipality shall disconnect service to a ratepayer unless payment of a valid bill or charge is delinquent as defined herein, and notice of disconnection has been provided previously to the ratepayer. A copy of the notice shall be sent to the occupant of a residential dwelling which will be affected by the disconnection if the occupant is different than the ratepayer.

(b) Disconnection shall not be permitted if:

(1) The delinquent bill or charge, or aggregate delinquent bills and charges do not exceed \$15.00.

(2) The delinquency is due solely to a disputed portion of a charge which is the subject of an appeal.

(3) The delinquency is due to a failure to pay a deposit, line extension, special assessment, special construction charge, or other nonrecurring charge.

(4) The disconnection would represent an immediate and serious hazard to the health of the ratepayer or a resident within the ratepayer's household, as set forth in a physician's certificate which is on file with the municipality. Notice by telephone or otherwise that such certificate will be forthcoming will have the effect of receipt, providing the certificate is in fact received within seven days.

(5) The ratepayer has not been given an opportunity to enter into a reasonable agreement to pay the delinquent bill or, having made such agreement, has abided by its terms. (Added 1977, No. 93; amended 1989, No. 45, § 9.)

§ 5144. Uniform notice form

The notice form required under section 5143 of this chapter, and defined in section 5142 of this chapter shall be clearly printed on a pink colored sheet of paper, and shall be according to the following form:

Date _____

\$ _____

AMOUNT IN ARREARS

Dear Customer:

According to our records, your (water) (sewer) service account is still unpaid. Please make full payment of the account or contact our office to make satisfactory arrangements before If this is not done, we will no longer be able to extend credit and will have to discontinue your service, on that day or any one of the following four business days. (Under the law, "Business days" means Monday through Thursday, excluding legal holidays, when the offices are not open to the public). An unpaid bill is a lien on your real property, and may lead to tax sale proceedings. SPECIAL CHARGES - Section 5151 of Title 24, Vermont Statutes Annotated, provides that we charge a fee for coming to your location to collect the amount overdue. Also, the same statute provides that we shall charge a reconnection fee for restoration of service if your service has been disconnected for nonpayment. These fees are as follows:

Collection Trips - \$ 25.00, regardless of number

Reconnection - Normal Hours - \$ 25.00

Overtime - \$ 37.50

Interest according to 32 V.S.A. § 5136(a)

If payment has already been sent, we recommend that you contact our office to make certain that payment is recorded on your account by the indicated date as such payment may have become delayed or lost in the mail. Payment in the mail does not constitute payment until received by us.

THIS IS A FINAL REQUEST FROM:

(Name of Credit Supervisor)

(Name of Municipality)

(Address of Municipality)

(Town)

Vermont (Zip Code)

(Telephone Number)

OTHER IMPORTANT INFORMATION - If you have a question concerning this bill or if you want to seek an agreement with us to pay the balance due in partial payments over a period of time, you should contact this office as soon as possible after receipt of this notice. In the event an agreement is entered into, failure to abide by the terms of agreement can lead to disconnection

without further notice. If disconnection would result in an immediate and serious health hazard to you or to a resident within your household, disconnection will be postponed upon presentation of a duly licensed physician's certificate.

APPEALS - If you cannot reach agreement as to payment of this bill with the credit supervisor whose name appears above, you may appeal to:

(Name of Chairman of the Local Legislative Body)

(Name of Town, City or Village)

(Address of Office)

(Mailing Address)

or by calling:

(Telephone Number)

An appeal cannot be taken unless you first attempt to settle with the credit supervisor. You may appeal only as to the proper amount of your bill or the correctness of application of the rules and regulations. You may not appeal as to the level or design of the rates themselves. No charge shall be made for the appeal. However, undisputed portions of the charges giving rise to this notice must be paid before the disconnection date given above.

(Added 1977, No. 93; amended 1987, No. 33, § 1; 1989, No. 45, § 10.)

§ 5145. Time and notice of disconnection

(a) Disconnection of utility service shall occur only between the hours of 8:00 a.m. and 2:00 p.m. of the business day specified on the notice of disconnection, or within the same hours during the four business days thereafter.

(b) When service is disconnected or interrupted at the premises of the ratepayer, which shall include disconnection or interruption at or near the premises of the ratepayer, the individual making the disconnection shall immediately inform a responsible adult on the premises that service has been disconnected or interrupted, or if no responsible adult is then present, shall leave on the premises in a conspicuous and secure place a notification advising that service has been disconnected or interrupted and what the ratepayer has to do to have service restored. (Added 1977, No. 93.)

§ 5146. Restoration of service

If service has been disconnected or interrupted, the municipality shall within 24 hours restore service upon the customer's request when the cause for disconnection of service has been removed or when an agreement has been reached between the ratepayer and the municipality regarding the dispute which led to the disconnection or when directed to do so by the board of selectmen.

Restoration of service, to the extent feasible, shall be done so as to avoid charging ratepayers for overtime wages and other abnormal expenses. No collection or reconnection fees may be charged

for disconnections or interruptions of service made for reasons of health or safety of the ratepayer or of the general public. (Added 1977, No. 93; amended 1989, No. 45, § 11.)

§ 5147. Jurisdiction for appeals and exceptions

The selectboard shall promptly and fairly hear any or all appeals by the ratepayer after notice to all interested parties. During appeal, disconnection will be postponed. Upon just cause shown, the selectboard may grant exceptions to any ratepayer. The selectboard may appoint one or more members of the selectboard to act as hearing officers for the purposes of the appeal. Alternatively, the selectboard may appoint a responsible citizen to act as a hearing officer for the appeal. (Added 1977, No. 93.)

§ 5148. Consumer provisions

Nothing in this chapter shall prevent the selectboard from adopting further procedures, ordinances, or rules providing greater protection for consumers than are required by this chapter. (Added 1977, No. 93.)

§ 5149. Repealed. 1989, No. 45, § 12.

§ 5150. Unauthorized connection

The officers and agents of such a municipality entrusted with the care and superintendence of the municipality may at all reasonable times enter all premises so supplied to examine the pipes and fixtures and prevent any unnecessary waste, and to examine for sanitary correction thereto. If any person, without the consent of such municipal corporation, shall use any connection to water or sewer, a civil action on this statute may be maintained against such person by such municipality for the recovery of damages thereon. (Added 1977, No. 93; amended 1989, No. 45, § 13.)

§ 5151. Special charges

(a) A municipality providing water and sewer services may charge fees for collection of overdue accounts and reconnection of service disconnected because of nonpayment.

(b) Fees charged shall not exceed the following schedule:

Collection Trips - \$25.00 maximum, regardless of number

Reconnection:

Normal Hours - \$25.00

Overtime - \$37.50

(c) Interest on delinquent accounts may be assessed if voted by the municipality according to 32 V.S.A. § 5136. (Added 1977, No. 93; amended 1987, No. 33, § 2; 1989, No. 45, § 14.)

Attachment C

Sec. 16-5. Same -- Effect of regulations; penalty for violation.

- a) When regulations are established and approved as provided in section 16-4, they shall have the same force and effect as an ordinance of the town, shall be punished in the same manner, and violations of such regulations shall be subject to the same penalty or penalties as provided by section 1-4; except that a violation of any ordinance regulating, restricting or defining the time or place of parking vehicles in the town shall be subject to the penalty provided in the seventh paragraph of section 5 of the town Charter.
- b) The penalty to be paid to the Town of Brattleboro by any person accused of violating the regulations relating to extended overtime parking in a metered space, that is parking for longer than the maximum time period allowed on the meter, and for overnight parking shall be ten dollars (\$10.00) if paid in less than fourteen days from the date of issuance of the ticket, twenty dollars (\$20.00) if paid within fourteen to thirty days from the date of issuance of the ticket, and thirty dollars (\$30.00) if paid after thirty days.
- c) The penalty to be paid to the Town of Brattleboro by any person accused of violating the regulations of Article VI (other than as set forth in 16-87(b)) which prohibit parking in various zones, at various times, and in various manners other than extended overtime parking in a metered space and overnight parking shall be twenty dollars (\$20.00) if paid within fourteen days from the issuance of the ticket, thirty dollars (\$30.00) if paid within fourteen to thirty days from the date of issuance of the ticket, and forty dollars (\$40.00) if paid after thirty days.
- d) The penalty to be paid to the Town of Brattleboro for the violation of Section 16-107, parking in a handicapped zone without a handicapped plate/parking permit, shall be one hundred dollars (\$100.00) if paid in less than fourteen days from the date of issuance of the ticket, one hundred twenty-five dollars (\$125.00) if paid within fourteen to thirty days from the date of issuance of the ticket, and one hundred fifty dollars (\$150.00) if paid after thirty days.
- e) The registered owner of any vehicle on the habitual offender list as established in Section 16-112 (a) of this ordinance, shall have the following fine or penalty imposed for the fifth and subsequent tickets received for violation of Section 16-5 (b); for the fifth ticket the fine shall be twenty-five dollars (\$25.00); if the ticket is not paid within 14 days, the fine will increase to thirty dollars (\$30.00). After 30 days, the fine shall be thirty-five (\$35.00). For the sixth ticket and all subsequent tickets, the fine shall be thirty dollars (\$30.00). If the ticket is not paid within 14 days, the fine will increase to thirty-five (\$35.00). After 30 days, the fine shall be forty dollars (\$40.00).
- f) In addition to any fine, upon a subsequent offense, the Town may tow, at the owner's expense, a vehicle on the habitual offender's list once written notice has been sent to the owner and five working days have elapsed.

Attachment D

Special Order 93/090
January 1, 1993

CLOSED ACCOUNT CHECK POLICY

The past policy of the Brattleboro Police Department and the Windham County State's Attorney's Office has been reviewed. The changes in these policies reflect a more efficient manner of combating this serious problem.

Incidents of Fraud, whether by insufficiently funded checks, closed account checks, credit card fraud, are increasing with each year that passes.

The Police Department has determined that an unusually large amount of time is spent on these types of investigations. Although there will always be a need for these investigations, we have to take steps to reduce the time spent in order to facilitate our budget constraints.

To that end, a new policy is hereby adopted where in closed account check, violations of Title 13 VSA 2022 (1), will be presented to the Windham County State's Attorney upon the acceptance of the complaint, with the appropriate paperwork.

The Brattleboro Police Department will no longer plead with or beg the writer of a closed account check to pay it off to avoid court action. Other than the delivery of a citation, no contact with the individual needs to be made.

The investigating officer is able to spend time on further investigation if a certain case needs further work. Unless extenuating circumstances exist however, no further investigation is necessary.

CRITERIA - CLOSED ACCOUNT

1. The check must be in excess of \$25.00.
2. The original check is held as evidence.
3. The check must be passed in person. (No mail).
4. Check must have a printed name, address (no starter checks).
5. The person who accepted the check must be able to identify the individual who passed the check.

If the passer is unknown to the person who accepted the check, the following information should be obtained from the person's current drivers license.

- A. License # and State of Issue
- B. Date of Birth
- C. Current address if different than on check

This information should be written on the check as shown on the example below.

	NAME	A- license number & State of Issue			
	STREET	B- date of birth	C- address		000
	TOWN, STATE				
			DATE	19	
PAY TO THE ORDER OF				\$ / numerical amount	
		written amount		DOLLARS	
NAME OF BANK					
ADDRESS OF BANK					
FOR	memo			signature	
:000000000 : 00 0 0000 0		0000			

OTHER CRITERIA TO CONSIDER:

- A. Check may not be over 60 days old.
- B. The person or business may send a 10 day demand letter, but this is not required by law. (see suggested letter)
- C. No two party checks will be investigated or prosecuted.
- D. No post-dated checks will be investigated or prosecuted.

TO BE COMPLETED BY PERSON MAKING REPORT

1. Please detail What Steps you or your Employees have Taken to Contact the Suspect

(a) Was the Passer Contacted? _____ By What Person and When? _____

Where? _____

Results: _____

2. Has the Passer Attempted to Make Restitution? If so, Please Detail? _____

Do You Feel that the passer of the Check Intended to Defraud You When He/She passed the Check? YES NO

3. Have you Retained an Attorney or Turned this Matter over to a Collection Agency in an Attempt to Collect the Check? YES NO

If so, Whom: _____

NOTE:

Please indicated on the reverse side of this form anything you feel would help in locating and prosecuting this person.

The decision whether or not to prosecute this individual will be made by the Representative of the Windham County State's Attorney who will take into account numerous factors including what evidence exists of intent to defraud, and the availability of necessary bank records. Criminal prosecution does not guarantee restitution as prosecution is not designed to collect debts. If you agree to file a complaint, you cannot drop the charge if he/she offers to pay the check. If a criminal case cannot be proven, the check will be returned to you upon request.

6. Description of Person or Persons Who Accompanied the passer (if any): _____

7. Were Photographs Taken of This Transaction? Yes No If Yes, are the Photographs Still Available? Yes No

8. Name of Other Persons Who Witnessed the Transaction and a Phone Number at Which They can be Reached: _____

PLEASE CIRCLE THE PROPER RESPONSE

1. Do You Recall the Transaction and/or What was Purchased? YES NO

2. Was the Passer Known to You? YES NO If YES, How? _____

3. As the person Who Accepted the Check, can you Identify the Passer?
YES NO If YES, How? _____

4. What did the Passer Obtain in Exchange for the Check?
(a) Credit for a Bill? YES NO (c) Cash? YES NO Amount _____
(b) Services? YES NO (d) Merchandise? YES NO
Describe: _____

5. Was the Check Post Dated and/or Did the Passer ask you to Hold the Check to a Future Date? YES NO

6. Did you see the Passer Write the Check and/or Endorse the Check? YES NO

7. Did you Initial, mark Upon or Write Upon the Check at the Time you Accepted it? YES NO If so, What? _____

I hereby understand and agree to all the information contained in this document. It is to be used by and disseminated among all Law Enforcement Agencies, the Office of the State's Attorney and the Courts. I also understand and agree that this check is being submitted for criminal prosecution and that if criminal prosecution is instituted, it will be necessary for those persons having knowledge of the facts to appear and testify in Court.

I hereby certify that no one has accepted full or partial restitution for this particular check as of this date, and I further agree NOT TO ACCEPT RESTITUTION WITHOUT notifying the investigating officer.

I hereby certify that I have read and understand the directions for this form, and that all of the facts herein are to the best of my knowledge, true, accurate, and complete.

SIGNATURE OF PERSON MAKING REPORT: _____

DATED: _____

Subscribed and sworn to before me on

this ___ day of _____ 19__

Notary Public

With the return of this questionnaire you need to turn over for evidence:

- A. The original check
- B. This questionnaire with all answers completed.