



PROCEDURES

SECTION: FINANCE AND CONTROL

NO: FI - TA - 01

REFERENCE: TAXES

Date: February 18, 2002

History: NEW

TITLE: TAX COLLECTION PROCEDURES

1.0 Collection Notice Procedures for Tax Arrears

1.1 PROMOTION OF PRE-AUTHORIZED PAYMENT PLANS

Pre-authorized payment plans (PAP) are promoted throughout the year to increase the number of taxpayer accounts on automatic withdrawal and reduce potential arrears. Pre-authorized payment is offered to customers daily during counter inquiries and phone calls. A promotion of this method will be made during interim and final billings (front counter contact and newspaper advertisements) to encourage taxpayers to consider this option and avoid the line-ups.

1.2 CHASERS: STATEMENT OF TAXES OVERDUE

Chasers are statements of taxes overdue produced from Vailtech. Chasers are sent out for prior years arrears. A significant number of phone calls are received by the Revenue department in response to the chasers and many taxpayers clear their arrears because of this notice.

1.3 ARREARS LETTERS FOR OVERDUE TAXES

Letters produced by Vailtech are sent out for one, two and three year tax arrears. Letters for each year are designed and updated by staff for each mailout.

The schedule to send out these letters is as follows:

EXPLANATIONS:

ONE YEAR	-TAXES OVERDUE IN CURRENT YEAR ONLY
TWO YEAR	-TAXES OVERDUE FOR CURRENT AND PRIOR YEAR
THREE YEAR	-TAXES OVERDUE FOR CURRENT AND TWO PRIOR YEARS

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1.3 ARREARS LETTERS FOR OVERDUE TAXES (cont'd)

Legend:

- T Tax notice (includes notice of overdue balances)
- D Normal due dates of installments
- C Chasers normal schedule
- L Schedule to send letter, telephone and personal contacts. Letters are sent out on coloured paper and titled "Important Tax Notice".
- B Targeted deadlines for Bailiff Final Notice to be sent for commercial accounts > \$20,000

	ONE YEAR	TWO YEAR	THREE YEAR
January	T/C	T/C	T/C
February	D	D	D
March	D/T	D/T	D/T
April	T/L/C	T/L/C	T/L/C
May	T	T	C
June	T	T	L
July	T/L/C	T/L/C	T/L/C
August	D/T	D/T	D/T
September	D/L	D/L	D/L
October	C/T	C/B/T	C/B/T
November	T/C	T/C	T/C (FINAL & TAX REG)
December	T/C/L	T/C/L	T/C/L

A significant response rate is received from the letters and many arrears cleared or payment plans negotiated. Difficulties have arisen where Vailtech letters do not work after an upgrade and alternative actions must be taken, such as a generic letter called, Important Tax Notice, stuffed with chasers and personal telephone and contacts are made.

It is staff's goal to increase the number of arrears letters, chasers sent out and personal telephone calls and meetings with the taxpayer (as per outlined schedule) and thus reduce the number of tax registrations.

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2.0 Monthly Monitoring

Reports from Vailtech are utilized to monitor arrears and identify accounts to follow up on.

Taxes Receivable Listing of Total Arrears:

A Taxes Receivable Listing of Total Arrears is prepared by the Tax Collector. This report provides the arrears totals by year and compares to prior year and our current year receivable goal.

Taxes Receivable and Collection Status Reports for Arrears :

Reports are produced by Vailtech. Throughout the year, collection status reports are also produced with current status of account. The ongoing status of these accounts is also maintained on an Activity Status report filed in each individual tax file.

Meetings to Monitor Arrears and Determine Collection Actions:

Meetings are held by the Tax Collector with Treasurer to review all the accounts and determine collection status and actions.

3.0 Collection Steps

3.1 ARREARS OVER THREE YEARS

Arrears that are over three years are pending tax registration or are in the tax registration process. Collection actions cease on these accounts with respect to Vailtech letters, phone contact and Bailiff actions (unless otherwise directed by the Treasurer).

3.2 COMMERCIAL ARREARS OVER \$20,000 THAT ARE IN TWO OR THREE YEARS ARREARS

Accounts over \$20,000 that are in two or three years of arrears are identified from the above reports and the following steps are taken:

1. **Individual files** are set up by the Tax Collector for each account with an **activity report sheet** to document collection actions. Research may be required to obtain contacts and phone numbers. A review is made of the account history.

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3.2 COMMERCIAL ARREARS OVER \$20,000 THAT ARE IN TWO OR THREE YEARS ARREARS (cont'd)

2. Attempt is made to make **phone contact** with taxpayer to advise of arrears and request payment in full. If full payment is not possible, the Tax Collector sets up a meeting with the taxpayer to negotiate a payment plan with post-dated cheques or PAM. The taxpayer is advised a **payment plan must be to avoid the next step** - Final Notice letter advising of Bailiff action. If the taxpayer is not willing to come in, the taxpayer is advised by the Tax Collector that they will be receiving a Final Notice that their account will be sent to the Bailiff. The Tax Collector **updates the activity report sheet and/or tax system "remarks" roll inquiry screen.**
3. Meet to negotiate payment plan. The Tax Collector documents the payment plan and advises the taxpayer if there is a default in the plan or a NSF cheque, Bailiff action will commence without further notice. The Tax Collector will prepare a letter for the taxpayer to sign indicating the agreed upon payment plan and if there is a default or NSF cheque, the taxpayer will be subject to further collection actions, such as Bailiff, without further notice. The Tax Collector will also encourage the set up of the payments on the Pre-authorized Special Monthly Plan. The Tax Collector **updates the activity report sheet and remarks in Vailtech on the plan** and monitors payments to ensure there is no default in payments.
4. If payment in full is not received, a payment plan is not worked out immediately, there is no response to phone contact or a payment plan is in default/cheques NSF, a **Bailiff Final Notice letter is sent registered mail with a payment due date of 10 calendar days.** The Final Notice List is updated and the Pre-Bailiff Code entered on Vailtech. The due date is documented on the Tax Collector's calendar.
5. If payment in full is not received or a payment plan is not worked out within the 10 calendar days, the **warrant** to the Bailiff is issued on the 11th day. The warrant is date stamped by Tax Collector and signed by Treasurer. The code on Vailtech is changed to the Bailiff Code, which will bring up an **Attention!** flag on the Roll Inquiry screen. The TR indicator is turned on in Vailtech to flag all payments to the Tax Collector.
6. Where all collection methods fail, the procedures under the Municipal Tax Sales Act shall be invoked.