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TOWN OF LUMSDEN

POLICY

Title: **General Accounts Receivable – Overdue Interest**

Effective: March 17, 2020

Policy Statement:

The Town of Lumsden will charge 2% on overdue general accounts receivable as follows:

- A statement indicating the outstanding amount will be issued in the month following the date of the invoice;
- If the balance is not paid by the 1st day of the month following the issuance of the statement, a 2% compounding interest charge will be added monthly.

Example:

Invoice dated January 15 is outstanding on February 1.

A statement is processed on February 1.

On March 1, the invoice is not paid.

On March 1, and each month following, 2% interest is charged on the account and a statement is issued.

Purpose:

To reclaim the costs associated with collecting aging accounts.

Definitions:

General Accounts Receivable: Including, but not limited to:

Sign corridor leases

Development and building permits