

 BOARD POLICY	Policy Name: Accounts Receivable	Policy Number: 2.5	
	Approval Signature:	Section: Finance	Page 1 of 3
	Supersedes:		
	Approved by Board: June 23, 2025	Next Review Date: 2027	
	Policy Contact (Position): Executive Director	Name of Responsible Committee: Executive Committee	

ACCOUNTS RECEIVABLE POLICY

1. PURPOSE

The purpose of this Northern Association of Community Councils Inc. (NACC) policy is to promote efficiency, consistency and accountability with respect to the following areas within Accounts Receivable:

- Fund Management
- Billing & Payment Terms
- Collection Process
- Write-offs
- Insufficient Funds
- Credit Balances

2. AUTHORITY

Under NACC By-laws, directors may adopt, amend, or repeal policies relating to the governance, management, operation, and affairs of the Corporation that are not inconsistent with the NACC's By-laws, as the directors may deem appropriate from time to time.

3. POLICY

This Policy applies to all employees of NACC who have been provided with company equipment.

(a) Incoming Cheques

The Executive Assistant / Administrative Assistant will deposit all received cheques in the appropriate bank/credit union accounts and enter them in the ledger accordingly. Deposits will be made weekly; more frequently if warranted.

(b) Incoming Cash

- (i) When cash is received (for example publications), the staff member who receives the cash must immediately issue a receipt to the purchaser/donor for the amount received. The staff member submits a duplicate of the receipt to Executive Director together with the cash on the first practicable occasion.
- (ii) The Executive Director or Executive Assistant / Administrative Assistant will enter the amount in the ledger and deposit the cash.

(c) Billing & Payment Terms

- (i) The Executive Director will invoice individuals/organizations for any outstanding accounts/moneys owing within two weeks of a purchase/moneys becoming due. The invoice will state that the funds are due "within 30 days."
- (ii) If the moneys due are of a predictable nature (e.g., due at the end of the month), but still requiring an invoice, the Executive Director will issue an invoice prior to the due date stating that the funds are due "*on a certain date*".

(d) Collection Process

- (i) If the due funds are not received within three days of the due date, the Executive Director will issue an overdue notice to the individual/organization.
- (ii) Once a balance becomes 90 days old and all collection efforts have been exhausted, a third-party collection agency may be used to collect the balance.

(e) Write-offs

- (i) A balance may be written off for any of the following reasons:
 - (1) The balance has been deemed uncollectable by a Collection Agency.
 - (2) The balance has been deemed uncollectable by the Treasurer of the Board or their appointed designate.
 - (3) The invoice requires voiding or changing due to an error made by NACC.
- (ii) The Board of Directors will review and approve all write-offs.

(f) **Insufficient Funds**

The Executive Director will take immediate and appropriate steps to deal with any 'NSF' cheques received.

4. **MONITORING AND REVIEW**

This policy will be reviewed every two (2) years by the Executive Committee or more frequently if required to ensure compliance with any changes in employment standards to ensure its continued relevance and alignment with the NACC's operations. Changes to the policy will be documented and communicated to the Board for approval.

5. **BOARD ACCEPTANCE**

This policy will be approved by the Board of Directors. The President / Chair of the Board will sign and date the policy to indicate its approval and adoption.

Reviewed: June 23, 2025

Revisions Approved: June 23, 2025