

**State of Vermont**  
**Agency of Natural Resources**  
**Department of Environmental Conservation**  
**Drinking Water and Groundwater Protection Division**

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<b>Financial Process:</b>	<b>Accounts Receivable Collections Procedure</b>	<b>Issue Date:</b> 6/6/2018
<b>Topic:</b>	<b>Internal Control</b>	<b>Effective Date:</b> 6/6/2018
<b>Applicable To:</b>	<b>Drinking Water and Groundwater Protection Division (Division)</b>	<b>Page:</b> 1 of 4
<b>Prepared / Revised by:</b>	<b>Theresa Petzoldt</b>	<b>Revision Date:</b> -

**Procedure Overview:**

Per Department of Environmental Conservation Accounts Receivable Collections Policy 15-01, last revision December 28, 2016 (Department Collections Policy 15-01), all Divisions in the Department shall have a procedure for collection of funds to ensure all payments are received within six months of their due date. This procedure should address staff responsibilities, key activities, timelines, and diligent effort to collect monies owed to the State of Vermont.

The goal of this policy is to ensure the timely collection of all amounts owed to the Drinking Water and Groundwater Protection Division (Division). It is best practice to have all monies billed by the Division collected within the established timeframe. For those amounts not collected within that timeframe, this Division Collections Procedure, developed in accordance with the Department Collections Policy 15-01, shall be utilized in an effort to collect the amounts due to the Division in a fair and consistent manner.

The following addresses public water system operating fees. The collections procedure for the other programs administered within the Division are under development.

**Public Water System Operating Fees:**

The procedure outlined here shall apply to the public water system operating fees assessed quarterly for Community Water Systems and annually for Non-Transient, Non-Community Water Systems, Transient Non-Community Water Systems, and Imported and Domestic Bottled Water Facilities.

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**Noticing:**

Notice of the fee applied occurs by invoice mailed to the Financial Contact (if listed, or Administrative Contact if not) as indicated on the most recent Public Water System Officials Contact Form. The fee is due 60 days from the date of invoice. Should the Public Water System fail to pay, the Division mails an overdue notice to the Financial Contact at 90 days from the date of invoice. The Division mails a Second Notice to the Financial Contact and copies the Public Water System Owner (if different) at 180 days. The Division mails a Final Notice by Certified Mail to the Financial Contact and copies the Public Water System Owner (if different) at 270 days for invoices that are deemed “uncollectable” pursuant to the definition below. For overdue invoices that are not deemed “uncollectable”, the Division continues to mail overdue notices to the Financial Contact and Public Water System Owner at 90 day intervals until the receivable is collected or is deemed “uncollectable”. The Division forwards invoices that are deemed “uncollectable” pursuant to the definition below to the Financial Operations Section of Administration and Innovation Division (AID) for referral to Collections. This timeline is summarized below:

<b>Action</b>	<b>Days from Date of Invoice</b>
Invoice	0
Payment Due	60
Overdue Notice	90
Second Notice	180
Final Notice*	270
Forward to Financial Operations*	300

\*These steps apply only to receivables that have been deemed “uncollectable,” as defined below.

Accounts with balances of less than \$5.00 will not be noticed. If the account reaches or exceeds \$5.00, noticing will begin from the date the balance reached or exceeded \$5.00.

**Application of Partial Payments:**

All payment received by the Division from the Water System are applied to the earliest outstanding invoice.

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**Defining “Uncollectable”:**

Accounts are uncollectable when they meet the following criteria:

- The invoice age of the earliest outstanding invoice is 300 days or greater;
- The balance due is \$5.00 or greater;
- The system has received three or more notices that the payment is overdue, with the most recent notice being a Final Notice mailed by Certified Mail 30 days prior; and
- The Division has not received payment for three consecutive invoices.

**Payment Plans:**

Any Public Water System requesting a payment plan for payment of their fees must do so before the invoice reaches the age of 240 days and must provide the Division with their first payment and a written and signed schedule for the execution of future payments, with a maximum term of full repayment within two (2) years. There is no grace period for payment plans that are not being honored. If payments are not made as agreed to, the full remaining amount due is based off the original due date of the debt and further action will be taken as if the payment plan did not exist.

Before agreeing to a payment plan, the Division legal counsel will review the payment plan to ensure the agreement is legally sound and does not inadvertently reschedule the debt.

**Submitting Accounts to AID for Referral to Collections:**

Accounts to be sent to Collections shall be compiled by Division Administrative Support Staff using the approved template and shall be sent to TNC Program Coordinator (for TNC referrals only), Compliance and Support Section Chief, and Division Deputy Director for approval. Once approved, the final approver will authorize sending the account to Collections by forwarding the account list to Financial Operations Section of AID for referral. Accounts forwarded to AID for referral to collections will be added to the DEC Debarment list in accordance with the DEC Collections Policy.

**Aging of Receivables:**

The Division will submit a detailed report to Financial Operations the first week of each month that includes all invoices with an age of greater than or equal to 90 days and includes comments

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on the report detailing noticing and collections efforts for all invoices with an age of greater than or equal to 150 days to verify that efforts are being made to collect the receivable.

Bryan J. Redmond  
 Bryan Redmond, DWGWPD Director

June 6, 2018  
 Date

Tracy LaFrance  
 Tracy LaFrance, Financial Director

6/11/18  
 Date

Signed by:

Emily Boedecker  
 Emily Boedecker, DEC Commissioner

6/11/18  
 Date