

## CITY OF ROCHELLE

---

**CATEGORY:** RMU CUSTOMER SERVICE **PAGE:** 1 of 3

---

**TITLE:** WRITE-OFF POLICY

---

**EFFECTIVE:** 2/2016 **SUPERCEDES:** none

---

**Definitions** For the purposes of this policy, the following definitions are applicable:

**Debt** – an amount owing to the Municipality

**Debtor** – person who owes the Municipality money for services rendered

**Council** – council of the Municipality

**Municipality** – Rochelle Municipal Utilities

**Purpose:** 2.1 Section 98-6 of the Municipal Code of the City of Rochelle, Illinois provides for the collection of utility bills by RMU, subject to the provisions of that Code and other applicable legislation.

2.2 It is recognized, that circumstances may arise which may make the recovery of certain debts impossible, impractical or financially unfeasible, and that it may be in the best interests of the City that such debts be written off.

2.3 The purpose of this policy is to provide a framework for:

2.3.1 limiting the circumstances contemplated in 2.2;

2.3.2 determining, when such circumstances have arisen, whether to write off any debts; and

2.3.3 the procedures for writing off such debts.

**Policy:**

**1. Steps To Be Taken Before Writing Off Debt**

Before consideration is given for the write-off of any debt the following steps should be taken:

**3.1 Debt Collection Action**

The debt collection guidelines of the Municipality should have been executed and implemented. This includes sending a final notice of charges to the debtor and reporting the debt to a collection agency.

### **3.2 Tracing of Debtors**

**In the event the debtor's address is not known, all reasonable steps must be taken to trace the debtor. A reasonable effort to trace the debtor will include, but is not limited to the following:**

- a. Utilizing the telephone directory for the last known town or city in which the debtor lived to locate the debtor; and**
- b. Utilizing the return postage information from the US Postal Service**

**The Customer Service Supervisor shall consider all other economically viable avenues for debt recovery, including the use of tracing agents, factoring of debts, recourse against sureties, guarantors or lessees, etc....**

### **3.3 General**

**Should all of the above efforts prove to be unsuccessful and the debtor cannot be traced or it would be uneconomical to take the matter any further, only then must a debt be written off.**

## **2. Write Off Debts Owing to the Municipality**

### **4.1 General Conditions**

**The Municipality will consider debts for write-off in the following general circumstances:**

- a. When debts have not been recovered from the deceased, where their estates have been finalized, and recovery of the debts from the heirs is not possible;**
- b. When debts are owed by the debtors who cannot be traced, notwithstanding compliance with the provisions in paragraph 3.2 above;**
- c. When no source documentation is available to substantiate or prove the claims, provided that the Customer Service Supervisor must have satisfied him/herself that all reasonable steps have been taken to locate the source documents; or**
- d. When it is not economical to pursue the debt further.**

**Note: Unless affordable arrangements can be made with tracing agents or attorneys, the costs associated with the tracing of a debtor and subsequent legal costs occasioned thereby, could exceed the amount claimed. It would therefore not be in the Municipality's interest to attempt recovery of debts where the prospects of recovery are remote, and where the possibility exists that the costs associated with recovery may exceed the debt.**

