



Department <b>Finance</b>	Policy No. <b>FI 013</b>	Page <b>1 of 1</b>
Policy Title <b>EXTENDING CREDIT TO CUSTOMERS</b>		

Council Resolution No. <b>421-03</b> Date: <b>September 23, 2003</b>	GMCS	CC	Cross Reference	Effective <b>September 23, 2003</b>
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## PURPOSE

Parkland County recognizes that there is need from time to time to extend credit to customers for the sale of goods or services. In these situations the intent of this policy is to provide guidelines and procedures, which would reduce the risk of non-payment.

## APPLICATION

This policy does not apply to:

- Invoices including GST of \$500.00 or less
- Local government bodies (e.g. Town of Stony Plain)
- Local government agencies (e.g. Parkland Library Board)
- Provincial Government departments
- Taxes or utility bills
- Existing arrangements for cash or credit card
- Community associations
- Land lease agreements

## PROCEDURE

- Authority to extend credit on an individual basis is:
  - Department Managers up to \$10,000.
  - General Manager up to \$25,000.
  - County Commissioner over \$25,000.
- The cost of the credit check will be borne by the customer.
- To reduce the risk of extending credit to customers with poor credit ratings, the County will obtain a Dun & Bradstreet Credit Check Report.
- Within the above authority, the Manager, General Manager or County Commissioner, after reviewing the report, will decide on whether or not credit will be extended.
- The report will be retained for 6 months after which a new report must be obtained to continue extending credit.
- If credit is not extended, then a sale may be made on a C.O.D. or credit card basis.
- If no report is available, then banking references should be obtained or a sale made on a C.O.D. or credit card basis.
- Credit will not be extended where existing amounts remain unpaid after 45 days.
- The County retains the right to refuse credit to any company or individual.