

Midway City Council  
12 February 2024  
Strategic Planning Meeting

Accounts Receivable /  
Procedures



## Section 3. Administrative

### 3.1 Copies and Compilations of Records

The public will be charged for copies and compilations of records based on the following price schedule:

Cost per Page	
8 ½" x 11", Black & White	\$0.25/page
11" x 17", Black & White	\$0.50/page
8 ½" x 11", Color	\$1.00/page
Staff Time	
As provided by the Utah Government Records Access and Management Act, staff time will be charged in an hourly amount that equals but does not exceed the wage of the lowest-paid employee who has the necessary skills and training to perform the request. No charge may be made for the first quarter-hour of staff time.	

The total cost will be determined by multiplying the unit cost by the number of pages plus staff time. The City does not have an 11" x 17" color copier. Staff time will be billed in ten minute increments.

### 3.2 Billing/Collections/Bad Debt

#### A. Purpose

The purpose of this policy is to provide Council and staff with a policy and guidelines with regards to the billing and collection of accounts, the writing off of irrecoverable debts/bad debts, owed by consumers to the City, and to ensure that all outstanding amounts owing to the City can be recovered effectively and economically and are financially viable.

#### B. Definitions

1. Bad debt refers to any debt which has become overdue by more than 150 days.
2. Debt means any sum of money which a citizen of the City, or customer of the City in some capacity, is legally obligated to pay to the City for any purpose.
3. Overdue refers to any debt owed to the City of Midway which has not been paid within thirty days of the date the payment was due. As an exception, debts owed

for utility services consumed are considered overdue after the date the payment was due.

4. Municipal account shall include all levies or charges including but not limited to:
    - a. water consumption,
    - b. basic water charges,
    - c. building safety charges,
    - d. planning charges,
    - e. professional services charges,
    - f. interest and/or surcharges,
    - g. miscellaneous and sundry charges.
- C. Collections – The following process, with limited exceptions, will be used to collect on accounts with Midway City:
1. Invoice mailed immediately to the customer.
  2. Statement mailed at the end of each month and marked past due if applicable.
  3. 30 days from the date of a statement an unpaid account is considered past due. A letter is immediately sent to the customer explaining the City’s collections policy.
  5. After 60 days service is refused by the City.
  6. After 90 days the account is referred to the City Attorney and taken to small claims court (Up to \$10,000) or district court (Over \$10,000).
  7. 30 days after judgment a lien is placed on the associated property.
- D. Bad Debts
1. Bad debts are to be accounted for by the City of Midway until collected or permanently written off.
  2. The City will take ongoing aggressive action to collect all debts owed to the municipality which are not otherwise written off, as provided by Section 3.2 of these policies.
  3. Bad debts over 150 days old which are under a cumulative amount of \$500 per customer may be written off immediately upon collective approval of the budget officer, recorder and mayor, if they are deemed not to be cost efficient to attempt to collect on.

4. Any bad debts over six years old which have been determined to be wholly uncollectable may be permanently written off upon approval of the City Council.

#### D. Criteria for Irrecoverable Debt

Debt will only be considered as irrecoverable if it complies with the following criteria:

1. All reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount; or
2. The cost to recover the debt does not warrant further action; or
3. The debtor is bankrupt; or
4. The debtor is untraceable or cannot be identified so as to proceed with further action; or
5. The outstanding amount is due to an irreconcilable administrative error by the Municipality; or
6. If an offer of full and final settlement is confirmed in writing by the City.

#### E. Records and Reporting

1. The City of Midway shall keep records of all bad debts which have been permanently written off for a period of three years after the year of the write-off.
2. The budget officer will submit a report to the City Council, on an annual basis within the first month of the new fiscal year, of all bad debts written off under the provisions of this policy for the prior fiscal year.

#### F. Authorization

1. Debt below \$500 as stipulated above may be automatically approved for writing off by the Budget Officer, Recorder and Mayor as a delegated authority.
2. In respect of other debt above \$500, schedules indicating the debtor account number, the debtor's name, the physical address in respect of which the debt was raised, address, amount per account category as well as a reason to write off the amount must be compiled and submitted to Council for approval as irrecoverable debt and writing off.

## Jennifer Sweat

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**From:** Sydney Carnesecca <sydney@cherringtonfirm.com>  
**Sent:** Wednesday, February 7, 2024 11:31 AM  
**To:** Jennifer Sweat  
**Subject:** RE: Information on Services  
**Attachments:** TCF Proposal Midway City.pdf; Binding Statement Sample \_ 2018.pdf


CAUTION: This email originated from outside of the organization. Do not reply, click links or open attachments unless you recognize the sender's email address and know the content is safe.

Jennifer,

Attached is our proposal for you.

We have made some observations on your City Code that we have some questions on and some comments. See below:

1. Is the city attorney filing suit currently?
2. C. 6. Limits us taking the to district court under 10k, so your accounts you currently have under that amount we could not sue for you with this current verbiage. Does this make sense?
3. If you could replace C. 6. With our suggested binding statement on those who fall under the "changed city code" or "updated city code", then we could sue, have you add a collection fee up to 40% per Utah law and litigate any balance (including your Utilities when and if you eventually have us do those too). Attached is our suggested binding statement for your review.
4. On D. 3. Is there a reason you are writing off balances under \$500.00? This section in your City Code basically says that the patron doesn't have to pay those? Did you know that we can take those and work those for you?

 Moving forward, Lacey the attorney can always meet up or have a call with your City attorney to go over all of this. It can get a little detailed when it comes to this conversation and we may need to find out the "why" of all of this code and why it's written the way it is. Many City Attorney's don't know why, or that this verbiage is even there and often times are open to changing it to make it right, legal, and help with the city's recovery paths when we get involved.

Reminder, these suggestions are complex for sure, but very very common. We help cities, towns and clients alike even in the medical field or otherwise revamp their "contracts" or City Codes alllll of the time. These suggestions are only to protect you if accounts default. Not to upset or "go after" anyone in the end. Hope this all makes sense.

Let me know what's next or how you'd like to move forward,  
Syd

**From:** Sydney Carnesecca  
**Sent:** Wednesday, January 31, 2024 2:47 PM  
**To:** Jennifer Sweat <jsweat@midwaycityut.org>  
**Subject:** RE: Information on Services

Received, thank you.

I was just working on your Proposal so this was perfect timing.

I'll look it over and get back to you! 😊

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Question # 2

Question # 4



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Jennifer Sweat C/O City of Midway

PREPARED BY – Sydney Carnesecca

THE  
CHERRINGTON FIRM  
PLLC  
DEBT COLLECTION SPECIALISTS

Jennifer Sweat C/O  
City of Midway  
75 N 100 W  
Midway, UT 84049

Jennifer,

Thank you for giving us the opportunity to introduce ourselves for your debt collection needs. Our team is thoroughly qualified and highly trained. We are highly confident we can handle all your collection needs. We aim to increase your overall recovery with the most professional and effective approach. As we have many years of city and town collection experience, we are confident we can recover at or over the national average of collection recovery percentages.

We pride ourselves in customizing our system to fit your individual needs. We are certain, our company will surpass any expectations you may have, both in our customer service and collection efforts. We are looking forward to the opportunity to continue to prove our abilities.

We realize you have a lot of choices, and we understand that choosing an outside debt collector is a decision that is not taken lightly. We thank you for your time and invite you to call with any questions.

Sincerely,

*Sydney Carnesecca*  
Executive Director

“STAY COMMITTED TO YOUR  
DECISIONS, BUT STAY FLEXIBLE

IN  
YOUR APPROACH.”

*Tom Robbins*

# Commitment

As we venture into new partnerships, we must establish goals and set expectations. We know that making agreements with clear and specific details will enhance our experience and provide the road map needed to reach those goals.

If at any time recovery or profitability falls below thresholds, we will work together closely to make changes and enhance communication to mitigate any losses promptly.

To gain an unobtrusive perspective, we encourage you to contact some of the references at the end of this proposal.

## Who is The Cherrington Firm

- ✓ We are known as Utah's "Original" and have been leaders in the industry since 1966.
- ✓ We have over 130 years combined experience in the collection industry.
- ✓ We follow all Fair Credit Reporting Act (FCRA) guidelines and recommendations.
- ✓ We are members of the American Collectors Association (ACA International).
- ✓ Our website is [cherringtonfirm.com](http://cherringtonfirm.com). Please visit and see who our team is!

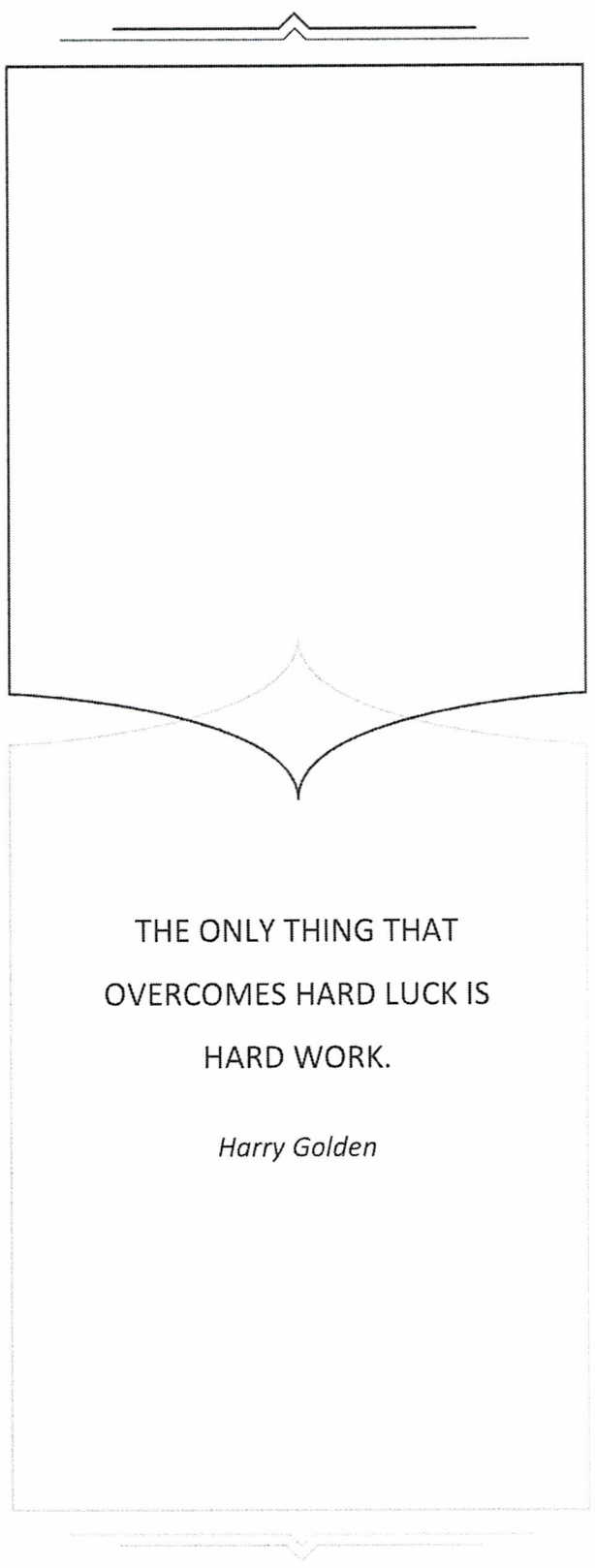
# Delinquent Account

## Collections

Collections come down to good old fashioned hard work. If you have ever had to make a collection call, you know exactly what we are talking about. We have been leaders in Utah since 1966. Compare our company yield of 34% with the national average of 11-19%. We only get paid when money is collected. We are professional and timely when dealing with your customers and believe in maintaining a loyalty between you and your customers. Our personnel are trained in a businesslike approach when contacting your customers. It is our goal to assure that we take all necessary steps to provide the best possible service in getting your collection assignments paid. After all, isn't that what you expect?

## Skip Tracing

The Cherrington Firm prides itself in keeping up-to-date on the latest and greatest skip tracing tools. Skip Tracing is an art and all of our collectors are highly skilled in finding people who do not want to be found. We consider each of them as Private Investigators. We offer front end skip tracing through National Change of Address Affiliates so if there is an address update we are notified before the first notice even goes out, saving time and money. Our efforts are so precise, we are 90% sure we can locate anyone in our system. Your confidence in our efforts is important to us. Just don't be shocked if we don't share all of our secrets with you; sometimes those special ingredients are what keep us ahead of the rest.



THE ONLY THING THAT  
OVERCOMES HARD LUCK IS  
HARD WORK.

*Harry Golden*



# Communication

It is important that we communicate and share details about the customer you have obtained since becoming your customer.

Such as:

- any and all demographic information
- place of employment and changes throughout the contract thus far
- copy of your payment contract or city code
- checking account information from any and all sources
- spouse name and employment
- changes in last name you are aware of

All of these items are important resources to maintain high recovery on your accounts.

Teach us your process and flow of business. Learning your internal collection process when customers initially fall behind in payments increases our knowledge and furthermore, gives the debtor more confidence that we are an extension of your business. All accounts are handled with the upmost respect. If any disputes arise, we will work directly with the Client to make sure it is resolved properly and effectively.

## Collector's Pledge


**I believe every person has a worth as an individual**

**I believe every person should be treated with dignity and respect**

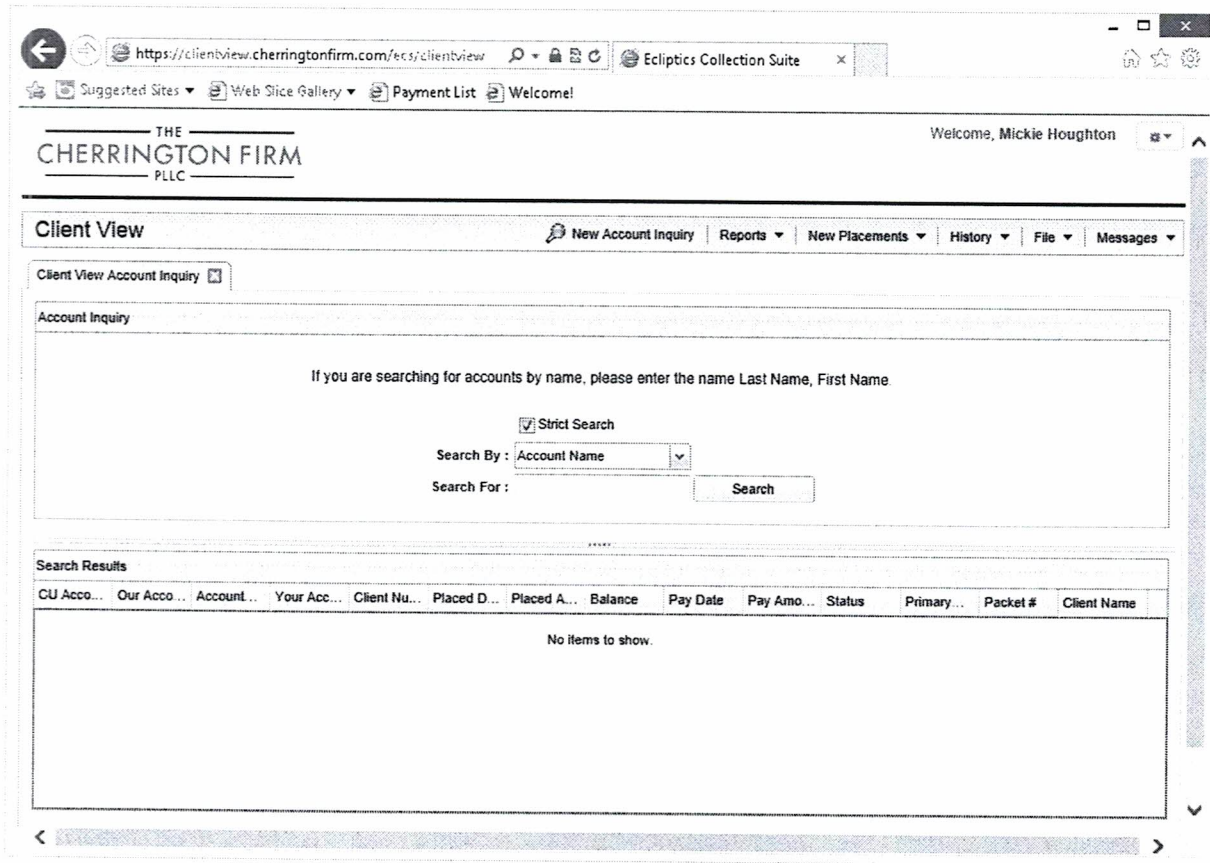
**I will make it my personal responsibility to help consumers find ways to pay their just debts**

**I will be professional and ethical**

**I commit to honoring this pledge**







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Such as:

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All of these items are important resources to maintain high recovery on your accounts.

Teach us your process and flow of business. Learning your internal collection process when customers initially fall behind in payments increases our knowledge and furthermore, gives the debtor more confidence that we are an extension of your business. All accounts are handled with the upmost respect. If any disputes arise, we will work directly with the Client to make sure it is resolved properly and effectively. **You can assign either on our website by uploading a file or data entering the accounts yourself. Or you can call us and we can pick them up.**

PRODUCERS ARE NOT  
GAMBLERS. THEY WANT  
A GOOD RETURN ON THEIR  
INVESTMENT.

*Max von Sydow*

# Commissions

## Cost is Important

We believe our commission is competitive. You pay only when the money is collected. As your contract with your customer allows, you may add on the collection fee as stated below.

We understand that cost is a major factor when choosing an agency. We focus on the amount of money we are recovering for you. Ask yourself? Don't you want the best? If your current agency isn't producing the level of return you need, we are here and excited to apply ourselves toward outperforming your previous experiences.

**Commissions upon Collection**-Our proposed Account Collection Commissions are as follows:

Depending on your verbiage in your city code:

- 35% commission for regular collections of what's assigned to us (non-litigation)
- 50% commission of what's assigned to us if we need to litigate  
OR
- 0% regular collections if you have proper verbiage to add a collection fee (we keep the collection fee and send you back 100% or what's owed to you)
- 0% to litigate if you have the proper verbiage in your city code. We keep the attorney fees and court costs paid by the customer
- There could also be a combination of the two commission options depending on your city code.

Settlement Authority:

The Cherrington Firm has permission to settle up to 80% of the original balance assigned for collections.

## Closed Border States

Accounts are directly referred to our National Affiliates

– we have tremendous relationships with partners across the country to serve your collection needs expeditiously.

## Forwarded

Forwarding is sometimes necessary. We become the liaison with our outside firm at 50%



MONEY MANAGEMENT LEADERS  
*SINCE 1966*

**Our core is Collections, Merchant  
Services, and ePayments.**

We know the best way to get you  
more money is through respect for  
you and your customer. To do this  
we use customized systems fit to  
your specific needs.

To help you maximize your  
cash management we offer  
ACA Tips, In-House Training,  
and Bankruptcy Services.

We invite you to call and talk to a  
real person with any questions.

Call 801.223.9989

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746 East 1910 South, Suite Three  
Provo, Utah 84606

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THE  
**CHERRINGTON FIRM**  
PLLC  
DEBT COLLECTION SPECIALISTS

The sample language used below is suggested verbiage to include on contracts or agreements with your customers/patients. This language may make recovery of your account easier if you need to assign the account to a debt collector. According to Utah law (U.C.A., sec. 12-1-11), you can add the same percentage of collection costs you are being charged by The Cherrington Firm to collect the debt, **up to 40%**. These examples are not to be construed as legal advice and are considered templates; please consult with your own attorney for legal advice.

Please note, you can choose to incorporate 1 or all 3 of the following examples into your contracts or agreements. However, example 3 is only for commercial accounts.

**I. Binding Statement\***

TERMS AND CONDITIONS (example)

All accounts will be charged an interest rate of 18% per annum until paid in full (1.5% per month). The undersigned agrees to pay a service charge of \$20 for each check or instrument tendered but returned unpaid. In the event any balance is not paid as agreed, the undersigned agrees to pay a collection fee not to exceed 40% of the unpaid balance, as allowed by Utah Code Annotated, sec. 12-1-11. In the event a lawsuit is brought to collect the unpaid balance, the undersigned further agrees to pay all other costs of collection, court costs and reasonable attorney fees, in addition to, the collection fee. The terms of this paragraph shall apply to all amount(s) incurred by me or by any individual whom I have legal responsibility whether such amount(s) are incurred today or after today.

You have provided us with the following cellular number(s) \_\_\_\_\_ and the following email address(s) \_\_\_\_\_. By signing below, you understand and agree you are providing us and its affiliates, agents and service providers with your express consent to use written, electronic or verbal means to contact you. This consent includes, but is not limited to, contact by manual calling methods, prerecorded or artificial voice messages, text messages, emails and/or automatic telephone dialing systems about the services, goods or loans provided to you today or in the future. You may revoke consent for us to contact you by any of these methods or otherwise restrict your permissions as provided in this form by simply calling us at \_\_\_\_\_ between the hours of \_\_\_\_\_, Monday through \_\_\_\_\_, or visiting our business office any time you are at our facility, or on our website at \_\_\_\_\_.

**II. Jurisdiction and Venue\* – this clause may be used to bring consumers to the State of Utah for any possible legal matter**

JURISDICTION AND VENUE (example)

The terms and conditions contained within this agreement shall be governed by the laws of the State of Utah and shall be construed and interpreted in accordance with those laws. Any action or proceeding brought by either party which is based upon or derived from, or in any way related to this agreement, shall be brought in a court of competent jurisdiction within the state of Utah. The parties hereto consent to their personal jurisdiction of said court.

III. **Personal Guarantee/Liability For Commercial Accounts\* – this clause may be used on commercial accounts to have the person signing contract become personally liable for the account)**

Further, the undersigned personally guarantees to pay for all costs incurred as stated above.

If you have any questions or would like additional information, please contact our Client Services department at (801)223-9989.

**\*This information should not be construed as legal advice, these are only examples. Please consult with your own attorney for legal advice.**

**Updated as of June 2018**

3. Notwithstanding the above, the Municipality or its authorized officials will be under no obligation to write off any particular debt and will always retain sole discretion to do so.

(2012-22 Section 3.21 Deleted & Combined with Section 3.2, eff. 9/12/12)

### **3.3 Frequency of Deposits**

The treasurer, or his or her assistant, shall deposit all City funds in the appropriate bank accounts within three (3) days of receipt. It is unlawful for any person to commingle City funds with his or her own money.

### **3.4 Separation of Duties of Treasurer and Recorder**

One person shall not perform both the treasurer's and the recorder's financial duties.

### **3.5 Property Owner's Responsibility for Utility Accounts**

All utility accounts shall remain in the property owner's name. It is the property owner's responsibility to make sure all utility accounts stay current.

### **3.6 Work Order Policy**

- A. The work order policy is designed to track work orders for the Midway City Public Works Department to help assist in the maintenance of its various departments.
- B. A work order has the following information:
  1. Date of request
  2. Requested by
  3. Contact information of person making request (i.e., phone number, address)
  4. Description and location
  5. Who request is assigned to
  6. Action taken
  7. Date completed