

8.5 Corporate Collection Policy

Rationale

As a result of amendments to the *Provincial Finance Act* and the *Public Service Act* there is legislative authority for a corporate policy for the collection of outstanding accounts receivable for designated programs by Service Nova Scotia and Municipal Relations (SNSMR). The development of a corporate collection policy supported by the legislative amendments will provide a consistent use of collection tools, procedures and standards to ensure accounts receivable are managed in an efficient, effective, timely and consistent manner resulting in improved recovery rates. A centralized professional collection unit is able to devote a more focused approach to recovery action.

Policy Statement

In order to maximize recoveries of outstanding accounts receivable owed to the Province, it is necessary to implement a new Corporate Collection Policy. The assignment of overdue accounts to SNSMR will provide departments and governmental units with an effective collection strategy. All government departments and governmental units must be held accountable for using all available tools to collect outstanding debts. With this policy and supporting legislation, departments and governmental units will have an opportunity to leverage the centralized collection services of SNSMR. The policy shall be administered under the following principles:

PERSONAL PRIVACY

The policy shall be applied in a manner which will be considerate and protective of the personal privacy of individuals in a manner consistent with the *Freedom of Information and Protection of Privacy Act* (FOIPOP).

COMPENSATION

SNSMR shall be compensated for its collection services at the following rates:

Accounts Collected Within:	0-90 days	10% of payment collected
	91-120 days	15% of payment collected
	121 + days	20% of payment collected

There will not be any charges if there is no money collected on behalf of the client department.

TRANSPARENCY

This policy shall be made readily available to the public.

Definition

GOVERNMENTAL UNITS

Those entities listed in the Schedule to the *Provincial Finance Act* and any additional entities designated pursuant to Section 80 of that act.

Policy Objectives

The objectives of this policy are:

- define procedures and rules for the designation of programs and assignment of accounts with a delinquency of ninety (90) days or greater to Service Nova Scotia and Municipal Relations (SNSMR) for collection purposes
- outline the procedural requirements for collection activity
- ensure the process is manageable within current budget allocations
- increase accountability of all departments and governmental units by transferring like activities in accounts receivable management and collection to a centralized and expert workforce
- maximize revenue recoveries for the Province of Nova Scotia

Application

This policy applies to all departments and governmental units. Clause 68 (1a) of the *Public Service Act* has provided authority for this policy. Debts due to the Province under programs that have been designated by the Minister of Finance and that have accounts receivable that are in arrears for a period of ninety (90) days or more must be submitted to SNSMR for collection purposes.

Accountability

The Minister of Finance is accountable to maximize the recovery of outstanding debt to the Province. SNSMR, departments and governmental units are jointly responsible for the transferring and collecting of accounts.

The deputy ministers of government departments or heads of governmental units are responsible for ensuring conformity with this policy. This responsibility may be delegated to members of Senior Financial Executive Forum or other senior financial staff.

Monitoring

The implementation, performance, and effectiveness of the policy will be monitored by the Collection Unit of SNSMR who will do so on behalf of the Department of Finance and who will report back to the Minister of Finance.

Directives

- On a periodic basis, as required by SNSMR, all departments and governmental units must review their programs and complete a template (Appendix 8-D) that indicates the programs that have receivables that are ninety (90) days or more past due and indicate which of these programs they wish to designate for assignment to SNSMR and also provide reasons for not recommending the designation of a program.
- The template referred to above is to be sent to the Collection Unit of SNSMR who will in turn forward a recommendation to the Department of Finance for review and approval as appropriate. Following this review, the Minister of Finance will issue a letter to a department or governmental unit with a copy to SNSMR designating such programs as he deems necessary.
- For all designated programs, departments and governmental units must transfer debts due the Province to SNSMR when an outstanding accounts receivable becomes ninety (90) days past due or such other time period as the Minister of Finance sets.
- SNSMR Collection Unit will utilize all professional collection tools available for recovery of outstanding debt, with input from the Departments.

Guidelines

The professional collection practices and rules of conduct that are applied to private industry are to be followed by staff unless there is legislative authority that grants government specific privileges in the collection of debts (i.e., FOIPOP). (See Appendix 8-E).

If a debtor requires in depth information concerning the debt, or wishes to dispute the debt, interaction with the initiating department or governmental unit will take place.

- If legal action is required, it will be initiated in consultation with the initiating department or governmental unit, and at the expense of the initiating department or governmental unit.
- Reports will be provided monthly to the originating departments detailing recoveries.
- All debtors will be treated with respect, and be required to pay in accordance with their current financial ability.
- SNSMR professional collection team will be diligent and consistently demonstrate a businesslike and helpful attitude, always ensuring that no unreasonable demand is made to the debtor.

References

The following legislation is related directly to the Corporate Collection Policy:

Sections 19(1), (2) & (3) of the *Provincial Finance Act* (see Appendix 8-F)

Section 68(1a) of the *Public Service Act* (see Appendix 8-G)

The use and disclosure of personal information by departments and governmental units is subject to the *Freedom of Information and the Protection of Privacy Act*, in particular the following Sections should be noted in Appendix 8-E, Sections 20, 21, 24, 26, and 28.

Enquiries

SNSMR Collection Services Unit
(902) 424-6711

Appendices

Appendix 8-D Program Profile for review of programs

Appendix 8-E Sections 20, 21, 24, 26, 27 and 28 of the *FOIPOP Act*

Appendix 8-F Sections 19(1), (2) and (3) of the *Provincial Finance Act*

Appendix 8-G Section 68 (1a) of the *Public Service Act*

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Manual release date:

Approved by: Executive Council

Most recent review:

Appendix 8-D

**Corporate Collection Policy
Program Profile**

Department: _____

Program area: _____

Program Owner: _____ Telephone No. _____

Description of Debt: _____

Total outstanding program receivables, dollar (\$) amount _____

Total number (#) of outstanding debtors _____

Total dollars 90 (ninety) days or more _____

Total number of accounts 90 (ninety) days or more _____

Recommend Designation Yes _____ No _____

If seeking exemption from designation, please provide rationale.

Appendix 8-E

Freedom of Information and Protection of Privacy Act

CHAPTER 5 OF THE ACTS OF 1993

Personal information

- 20 (1) The head of a public body shall refuse to disclose personal information to an applicant if the disclosure would be an unreasonable invasion of a third party's personal privacy.
- (2) In determining pursuant to Subsection (1) or (3) whether a disclosure of personal information constitutes an unreasonable invasion of a third party's personal privacy, the head of a public body shall consider all the relevant circumstances, including whether
- (a) the disclosure is desirable for the purpose of subjecting the activities of the Government of Nova Scotia or a public body to public scrutiny;
 - (b) the disclosure is likely to promote public health and safety or to promote the protection of the environment;
 - (c) the personal information is relevant to a fair determination of the applicant's rights;
 - (d) the disclosure will assist in researching the claims, disputes or grievances of aboriginal people;
 - (e) the third party will be exposed unfairly to financial or other harm;
 - (f) the personal information has been supplied in confidence;
 - (g) the personal information is likely to be inaccurate or unreliable; and
 - (h) the disclosure may unfairly damage the reputation of any person referred to in the record requested by the applicant.
- (3) A disclosure of personal information is presumed to be an unreasonable invasion of a third party's personal privacy if
- (a) the personal information relates to a medical, dental, psychiatric, psychological or other health-care history, diagnosis, condition, treatment or evaluation;

- (b) the personal information was compiled and is identifiable as part of an investigation into a possible violation of law, except to the extent that disclosure is necessary to prosecute the violation or to continue the investigation;
 - (c) the personal information relates to eligibility for income assistance or social-service benefits or to the determination of benefit levels;
 - (d) the personal information relates to employment or educational history;
 - (e) the personal information was obtained on a tax return or gathered for the purpose of collecting a tax;
 - (f) the personal information describes the third party's finances, income, assets, liabilities, net worth, bank balances, financial history or activities, or creditworthiness;
 - (g) the personal information consists of personal recommendations or evaluations, character references or personnel evaluations;
 - (h) the personal information indicates the third party's racial or ethnic origin, sexual orientation or religious or political beliefs or associations; or
 - (i) the personal information consists of the third party's name together with the third party's address or telephone number and is to be used for mailing lists or solicitations by telephone or other means.
- (4) A disclosure of personal information is not an unreasonable invasion of a third party's personal privacy if
- (a) the third party has, in writing, consented to or requested the disclosure;
 - (b) there are compelling circumstances affecting anyone's health or safety;
 - (c) an enactment authorizes the disclosure;
 - (d) the disclosure is for a research or statistical purpose and is in accordance with Section 29 or 30;
 - (e) the information is about the third party's position, functions or remuneration as an officer, employee or member of a public body or as a member of a minister's staff;
 - (f) the disclosure reveals financial and other similar details of a contract to supply goods or services to a public body;
 - (g) the information is about expenses incurred by the third party while traveling at the expense of a public body;

- (h) the disclosure reveals details of a licence, permit or other similar discretionary benefit granted to the third party by a public body, not including personal information supplied in support of the request for the benefit; or
 - (i) the disclosure reveals details of a discretionary benefit of a financial nature granted to the third party by a public body, not including personal information that is supplied in support of the request for the benefit or is referred to in Clause (c) of Subsection (3).
- (5) On refusing, pursuant to this Section, to disclose personal information supplied in confidence about an applicant, the head of the public body shall give the applicant a summary of the information unless the summary cannot be prepared without disclosing the identity of a third party who supplied the personal information.
- (6) The head of the public body may allow the third party to prepare the summary of personal information pursuant to Subsection (5). 1993, c. 5, s. 20.

Confidential information

- 21 (1) The head of a public body shall refuse to disclose to an applicant information
- (a) that would reveal
 - (i) trade secrets of a third party, or
 - (ii) commercial, financial, labour relations, scientific or technical information of a third party;
 - (b) that is supplied, implicitly or explicitly, in confidence; and
 - (c) the disclosure of which could reasonably be expected to
 - (i) harm significantly the competitive position or interfere significantly with the negotiating position of the third party,
 - (ii) result in similar information no longer being supplied to the public body when it is in the public interest that similar information continue to be supplied,
 - (iii) result in undue financial loss or gain to any person or organization, or
 - (iv) reveal information supplied to, or the report of, an arbitrator, mediator, labour relations officer or other person or body appointed to resolve or inquire into a labour-relations dispute.

- (2) The head of a public body shall refuse to disclose to an applicant information that was obtained on a tax return or gathered for the purpose of determining tax liability or collecting a tax.
- (3) The head of a public body shall disclose to an applicant a report prepared in the course of routine inspections by an agency that is authorized to enforce compliance with an enactment.
- (4) Subsections (1) and (2) do not apply if the third party consents to the disclosure. 1993, c.5, s.21

Treatment of personal information

- 24 (1) Personal information shall not be collected by or for a public body unless
- (a) the collection of that information is expressly authorized by or pursuant to an enactment;
 - (b) that information is collected for the purpose of law enforcement; or
 - (c) that information relates directly to and is necessary for an operating program or activity of the public body.
- (2) Where an individual's personal information will be used by a public body to make a decision that directly affects the individual, the public body shall make every reasonable effort to ensure that the information is accurate and complete.
 - (3) The head of the public body shall protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal.
 - (4) Where a public body uses an individual's personal information to make a decision that directly affects the individual, the public body shall retain that information for at least one year after using it so that the individual has a reasonable opportunity to obtain access to it. 1993, c.5, s.24.

Use of personal information

- 26 A public body may use personal information only
- (a) for the purpose for which that information was obtained or compiled, or for a use compatible with that purpose;
 - (b) if the individual the information is about has identified the information and has consented, in the prescribed manner, to the use; or
 - (c) for a purpose for which that information may be disclosed to that public body pursuant to Sections 27 to 30. 1993, c. 5, s. 26.

Disclosure of personal information

27 A public body may disclose personal information only

- (a) in accordance with this Act or as provided pursuant to any other enactment;
- (b) if the individual the information is about has identified the information and consented in writing to its disclosure;
- (c) for the purpose for which it was obtained or compiled, or a use compatible with that purpose;
- (d) for the purpose of complying with an enactment or with a treaty, arrangement or agreement made pursuant to an enactment;
- (e) for the purpose of complying with a subpoena, warrant, summons or order issued or made by a court, person or body with jurisdiction to compel the production of information;
- (f) to an officer or employee of a public body or to a minister, if the information is necessary for the performance of the duties of, or for the protection of the health or safety of, the officer, employee or minister;
- (g) to a public body to meet the necessary requirements of government operation;
- (h) for the purpose of
 - (i) collecting a debt or fine owing by an individual to Her Majesty in right of the Province or to a public body, or
 - (ii) making a payment owing by Her Majesty in right of the Province or by a public body to an individual;
- (i) to the Auditor General or any other prescribed person or body for audit purposes;
- (j) to a member of the House of Assembly who has been requested by the individual, whom the information is about, to assist in resolving a problem;
- (k) to a representative of the bargaining agent who has been authorized in writing by the employee, whom the information is about, to make an inquiry;
- (l) to the Public Archives of Nova Scotia, or the archives of a public body, for archival purposes;
- (m) to a public body or a law-enforcement agency in Canada to assist in an investigation
 - (i) undertaken with a view to a law-enforcement proceeding, or
 - (ii) from which a law-enforcement proceeding is likely to result;

- (n) if the public body is a law-enforcement agency and the information is disclosed
 - (i) to another law-enforcement agency in Canada, or
 - (ii) to a law-enforcement agency in a foreign country under an arrangement, written agreement, treaty or legislative authority;
- (o) if the head of the public body determines that compelling circumstances exist that affect anyone's health or safety;
- (p) so that the next of kin or a friend of an injured, ill or deceased individual may be contacted; or
- (q) in accordance with Section 29 or 30. 1993, c.5, s.27.

Use compatible for purpose information obtained

28 A use of personal information is a use compatible with the purpose for which the information was obtained within the meaning of Section 26 or 27 if the use

- (a) has a reasonable and direct connection to that purpose; and
- (b) is necessary for performing the statutory duties of, or for operating a legally authorized program of, the public body that uses the information or to which the information is disclosed. 1993, c.5, s.28.

Appendix 8-F

Provincial Finance Act
CHAPTER 365
OF THE
REVISED STATUTES, 1989

- 19 (1) Where no provision is made in an enactment or agreement respecting the payment of interest on a debt due to the Province, interest shall be payable at the rate of interest per year declared by the Royal Bank of Canada as its prime rate for Canadian dollar commercial loans in Canada plus three per cent, compounded monthly.
- (2) The interest rate referred to in subsection (1) shall be determined quarterly on the first day of January, the first day of April, the first day of July and the first day of October of each year.
- (3) Notwithstanding subsection (1), the Minister may, by order, waive the payment of interest or prescribe a lower rate of interest than that referred to in subsection (1).

Appendix 8-G

Public Service Act
CHAPTER 376
OF THE
REVISED STATUTES, 1989

Powers of Minister

- 68 The Minister of Service Nova Scotia and Municipal Relations has, unless specifically assigned to another member of the Executive Council, the supervision, direction and control of all affairs and matters relating to . . .
- (la) the collection of debts for departments and governmental units under programs designated by the Minister of Finance;

