



Policy Title:  
**Accounts Receivable  
 Policy**

Policy Number:  
**[X000-0-00]**

1-A-200 – [ 1: SWACO-wide or 2: Dept. Staff] – [Sequence Number]

|   |  |  |
|---|--|--|
| <p>Category:<br/>SWACO credit account revenue</p> <p>Policy Applicable to:<br/>Accounting and Finance and SWACO's Private Haulers</p> | <p>Prior Effective Date:<br/>7/27/2017</p> <p>Effective Date:<br/>1/01/2020</p> <p>Enabling Resolution:<br/><b>N/A</b></p> <p>Does this Policy <input type="checkbox"/> Amend or <input type="checkbox"/> Revoke a prior Policy or Resolution?<br/> <input type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>Accounts Receivable Policy -<br/>7/27/17</p> | <p>Author:<br/>Accounting and Finance – David Logan</p> <p>Approved By:</p> <ul style="list-style-type: none"> <li>× Executive Team</li> <li>× Distributed to the Audit and Finance Committee</li> <li>× Department Head Approval<br/>Date: <u>12/16/19</u><br/>[Dept. Head should check box, initial and date]</li> </ul> |
|---|--|--|

**I. Policy Statement**

The purpose of the Accounts Receivable Policy is to define parameters and the process for commercial haulers to obtain a credit account, remit payment and maintain credit worthiness.

**II. Objectives**

The purpose of this Policy is to set a standard to acquire a credit account, ensure a remittance process and protect SWACO from potentially fraudulent activities.

**III. Definitions**

1. Charges – means rates, fees, or charges due SWACO established pursuant to Chapters 343, 3734, or 3745 of the Ohio Revised Code, or by resolution of the SWACO Board of Trustees other than Generation Fees to SWACO by the Owner or Operator of a Non-Designated Solid Waste Disposal Facility or a Non-Designated Transfer Facility.
2. Credit Account – means an account established to provide for the payment of Charges on a monthly basis, in arrears, subject to the terms and conditions of this Policy and the Customer’s Credit Contract.
3. Credit Contract – means the document entitled “Credit Contract” attached hereto as Exhibit B, as may be modified by SWACO from time to time.
4. Credit Application – means the Application to SWACO by a customer or the resubmittal from previous Credit Account terminated by SWACO.
5. Customer – means any person, business, corporation, government, or other entity which uses SWACO Services and incurs Charges for such Services. Customer means both Public Customers and Private Customers.
6. Deposit – SWACO may require a deposit to open a Credit Account. The deposit will be based on estimated waste receipts and held by SWACO for a predetermined period-of-time. SWACO may use the deposit to satisfy any outstanding balances. Should the customer fail to remit payment during the deposit period, SWACO will automatically apply deposit the customers outstanding balance, close the account and return any excess amount remaining from the deposit.
7. Due Date – means the date an Invoice is due and payable as provided in section four (IV) of this Policy.

8. **Generation Fee** – means the fee authorized by ORC§3734.573 and as adopted or amended by the SWACO Board of Trustees from time to time on the generation of solid wastes within SWACO’s district.
9. **Invoice** – means generally a document which sets forth the Charges due from a Customer in a given period, either monthly or semi-monthly as set forth below, and the Due Date by which the Charges must be paid to SWACO. An example of an Invoice is attached hereto as Exhibit C. SWACO reserves the right to modify, alter or update the Invoice from time to time. Invoice shall also include any interest which may have accrued on an unpaid Invoice.
10. **Non-Designated Solid Waste Disposal Facility** – means any OEPA licensed landfill other than the Franklin County Sanitary Landfill.
11. **Non-Designated Transfer Facility** – means any OEPA licensed transfer facility other than the Morse Road Eco-Station or the Jackson Pike Transfer Station.
12. **Private Customer** – means any non-public person, business, corporation, or other entity which uses SWACO Services and incurs Charges for such Services.
13. **Policy** – means this “SWACO Accounts Receivable Policy.”
14. **Public Customer** – means any government entity which uses SWACO Services and incurs Charges for such Services.
15. **Service** – means the handling, transfer or disposal of Municipal Solid Waste at SWACO-designated facilities, in accordance with SWACO’s Solid Waste Management Plan, adopted and updated from time to time, as required by Chapter 3734 of the Ohio Revised Code.
16. **Suspended** – means that a Customer is not permitted to make Charges on a Credit Account. A Credit Account shall remain Suspended until all unpaid Invoices are paid by Customer.
17. **SWACO** – means the Solid Waste Authority of Central Ohio, a regional solid-waste management district established pursuant to Chapter 343 of the Ohio Revised Code.

#### **IV. Procedure**

1. **General Policy:** All Customers shall pay SWACO in full any Charges due to SWACO at the time of Service unless a Credit Account has been established. Charges made on a Credit Account may not be paid by credit card. For customers who do not have a Credit Account, payments made with cash, check or credit card at the time of service may include a convenience fee.
2. **Credit Application and Credit Contract:** All Private Customers that wish to establish a Credit Account with SWACO shall complete a Credit Application. If the Private Customer’s Credit Application is approved by SWACO, in SWACO’s sole and complete discretion, the Private Customer shall be required to complete and to execute, before a Notary Public, a Credit Contract which sets forth the terms and conditions under which such Credit Account is issued. The criteria for determining whether a Credit Contract will be offered to a Customer submitting a Credit Application shall be established, and may be altered from time to time, within the sole discretion of the Executive Director or their designee, including without limitation, whether a personal guarantee by one or more of the shareholder(s) and/or officer(s) of a corporation or limited liability company submitting a Credit Application, or some other form of credit enhancement, may be required.
  - a. The Credit Application, Credit Contract terms and related forms shall be prepared, and may be amended from time to time, by the Executive Director or their designee.
  - b. SWACO may perform an annual credit review on each Private Customer. Such review may include requests for updates to certain information previously provided in the Private Customer’s Credit Application. Failure to provide the requested information may result in the Credit Account being suspended at the sole discretion of SWACO’s Executive Director or his designee. The Credit Account may

also be suspended at the sole discretion of SWACO's Executive Director or his designee based on the outcome of the annual credit review.

- c. The Executive Director of SWACO, or their designee, may, in their sole discretion, waive the requirement for a Customer to submit a Credit Application, if they determine it to be in the best interest of SWACO to establish a Credit Account without a Credit Application.

3. Charges / Invoicing:

- a. Each Customer establishing a Credit Account is required to provide SWACO with a valid phone number and an e-mail address. SWACO is committed to reducing the use of paper in its business, resulting in the delivery of paperless Invoices via e-mail only. It is the responsibility of each Customer to provide SWACO with notice of any change in the Customer's e-mail address. In the event that SWACO receives an e-mail Non-Delivery Report (NDR) in response to an Invoice(s) emailed to the Customer, SWACO shall send a letter by Regular U.S. Mail to the mailing address on the Customer's Credit Application, but shall have no further obligation with respect to the delivery of the Invoice(s) to the Customer. Receipt of an NDR in response to the emailed Invoice(s) will not change the Due Date for payment of the Invoice(s) or interest due under this Policy.

- b. Private Customers who incur Charges to a Credit Account of less than \$25,000 during the first 15 days of a calendar month:

- i. An Invoice will be sent at the beginning of each month in the manner set forth above in subparagraph (a) to each Private Customer for all Charges incurred during the previous calendar month. Each Invoice shall be due and payable by the last day of the calendar month, following the calendar month during which Charges were incurred. An example of this would be an Invoice dated 7/31/2019, with a due date of 8/31/2019.

- c. Private Customers who incur Charges to a Credit Account of \$25,000 or more during the first 15 days of a calendar month:

- i. An Invoice(s) will be sent semi-monthly, on or around the 1<sup>st</sup> and 15<sup>th</sup> day of each month, in the manner set forth above in subparagraph (a) to each Private Customer for all Charges incurred from the beginning of the semi-monthly period. Each Invoice shall be due and payable on the last calendar day of the subsequent month, following the calendar month during which Charges were incurred. An example of this would be an Invoice dated 7/1/2019 (for services provided 6/15-6/30/19) shall be due 7/31/19 and an Invoice dated 7/15/2019, with a due date of 8/31/2019.

- d. Public Customers will be sent an Invoice at the beginning of each month in the manner set forth above in subparagraph (a) for all Charges incurred during the previous calendar month. Each Invoice shall be due and payable by the last day of the calendar month, following the calendar month during which Charges were incurred. An example of this would be an Invoice dated 7/31/2019, with a due date of 8/31/2019.

4. Delinquent Credit Accounts: If a Customer fails to pay in full an Invoice to SWACO by the Due Date, 1.5% interest shall accrue on the first day following the Due Date and shall continue to accrue on the unpaid amount at a rate

of 1.5% per month (18% annually) until the Invoice is paid in full. Any payments received by SWACO shall first be applied to the oldest outstanding principal amount and then to the interest due. Per the Credit Application, SWACO maintains the right to close any account at any time with or without notice.

SWACO will evaluate individual delinquent Private Customer Accounts to determine continued credit worthiness. It is at SWACO's sole and complete discretion to allow delinquent Credit Accounts to remain open. If the Credit Account is closed, the customer will be allowed to re-apply for a new Credit Account once the outstanding balance has been remitted in full.

If a Private Customer's Invoice remains unpaid in full or in part more than thirty (30) days after the Due Date, that Private Customer's Credit Account may be Suspended, and that Private Customer shall not be permitted to make Charges on its Credit Account until all unpaid Invoices are paid in full.

If a Private Customer's Credit Account is Suspended two (2) times or more within any twelve (12)-month period, that Credit Account shall be terminated, and all future transactions between SWACO and that Private Customer shall be paid in full at the time of the transaction.

Once a Credit Account has been terminated, the Private Customer may re-establish a Credit Account only by completing a new Credit Application and receiving approval from SWACO, which approval shall be at SWACO's sole and complete discretion. The terms for payment pursuant to a Credit Account established under an approved Credit Application may, at the sole discretion of the Executive Director or their designee, be more stringent than those otherwise set forth in this Policy. No Private Customer with unpaid Invoices shall qualify for a renewed Credit Account.

5. **Account Collection:** If an Invoice remains unpaid, SWACO reserves the right, in SWACO's complete and sole discretion, to refer that Customer's Credit Account to an attorney or a debt collection agency. Customer shall bear all costs and fees associated with collection of unpaid Invoices and any interest which has accrued in accordance with this Policy. SWACO also reserves any other rights or remedies available in law or at equity.
6. **Credit Account Not Assignable:** Customers shall not voluntarily or involuntarily assign, transfer or encumber any rights under their Credit Accounts. Any Credit Account established under this Policy shall be closed immediately upon the voluntary or involuntary assignment, transfer or encumbrance of any such rights and all Charges incurred there under shall become immediately due and payable notwithstanding any other provision of this Policy.
7. **Account Closure:** Per the Credit Application, SWACO may close a Credit Account for any reason, with or without notice.
8. **Policy Amendment:** This Policy may be amended from time to time by the Executive Director. Amendments will be placed on the SWACO website a minimum of two weeks (14 days) prior to becoming effective. Customers with Credit Accounts who have an e-mail address on file with SWACO will be notified of the website posting of any proposed revisions.