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|  | Nederland Fire Protection District  Standard Operating Procedures and Guidelines | |
| **Title:** Accounts Receivable Collections | | **Section/Topic:** Accounting |
| **Number:** 7.06 | | **Issue Date:** 09/17/2025 |
| **Revision Date:** | | **Revision Number:** |
| **Prepared By:** Sherry Snyder | | **Approved By:** |

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| **1.0 Policy Reference** |

All open Accounts Receivable with late or delinquent payment activity will be handled in a timely and effective manner to ensure maximum collections and an optimum Accounts Receivable turnover ratio.

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| **2.0 Purpose** |

To provide the actions and methods for processing late or delinquent payments. Studies have shown that the sooner the collections process starts then the more likely that the debt will be collected.

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| **3.0 Scope** |

This procedure applies to the bookkeeper/accountant involved with the collection of accounts receivable funds.

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| **4.0 Definitions** |

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| **5.0 Procedures/Guidelines & Information** |

All invoices will reference payment timelines and the intent to send unpaid debts to collections and/or utilize property liens to satisfy debts.

ACCOUNTS RECEIVEABLE TIMELINE

* Initial Invoices - Invoices shall be sent out via email within five (5) business days upon permit application or fees/fines being incurred or other invoicing needs.
* First Reminder - Reminder of unpaid invoices shall be sent out via email as “past due” forty-five (45) days after the initial invoice is sent if the debt remains unpaid.
* Second Reminder – Reminder of unpaid invoices shall be sent out via email and regular mail to the address on file of the responsible party for the invoice (this could be property, vendor, owner, etc.) as “past due” ninety (90) days after the initial invoice is sent with an additional $50.00 past due fee applied.
* Third/Final Reminder - Reminder of unpaid invoices shall be sent out via email and certified mail to the address on file of the responsible party for the invoice (this could be property, vendor, owner, etc.) as “final notice” one hundred thirty-five (135) days after the initial invoice is sent with emphasis that the debt will be assessed and additional 35% fee prior to being sent to collections and/or the process for property liens will be initiated after one hundred-eighty (180) days if the debt remains unpaid.

COLLECTIONS V. PROPERTY LIEN

All debts less than $1000.00 will utilize the collections process of a $50.00 “past due” fee applied after ninety (90) and a 35% additional fee applied at one hundred-eighty (180) days with the delinquent account being sent to Bonded Business Services Ltd (BBS) for the purpose of collecting on such account.

Debts greater than $1000.00 involving real property within the Nederland Fire Protection District will utilize a Colorado Mechanic’s Lien filed with the Boulder County Clerk and Recorder with the minimum statutory interest rate as set forth in C.R.S. § 5-12-103(3). Debts greater than $1000.00 not involving real properties within District boundaries shall follow the collections process as defined above.