

**Springbank Park For All Seasons (SPFAS)
Accounts Receivable and Collections Policy
Approved by SPFAS Board of Directors on December 17, 2018**

Effective December 17, 2018

Background

SPFAS, incorporated under the *Agricultural Societies Act*, is a community-based, not-for-profit society organized to promote and encourage educational, cultural, athletic recreational and community endeavours at its two facilities, the Springbank Park For All Seasons and the Springbank Lions Soccer Park, for the benefit of residents of Rocky View County.

As a community-based, not-for-profit society, SPFAS is typically required to generate 75% or more of annual budgeted operating revenues from the rental and leasing of the Society's facilities. As such, SPFAS recognizes that the renting and leasing of the Society's facilities, along with the collection of related facility rental and lease payments are essential for the ongoing viability of its facilities. SPFAS also recognizes the importance of working effectively and communicating clearly with a wide array of facility users and lessees to ensure that all facility rental and lease payments are remitted in a timely manner, and that, where necessary, accounts receivable collection practices are applied consistently, fairly and efficiently.

Principles

SPFAS recognizes that a consistent, fair and efficient administrative process for managing the collection of facility rental and lease payments is essential if the Society is to attain operational and cash flow sustainability objectives on an ongoing basis.

SPFAS also recognizes that a Board-approved Accounts Receivable Collections Policy serves as a valuable document which can ensure that payment collection practices are consistently and fairly applied.

SPFAS shall refer to this Policy, as deemed appropriate by SPFAS Management, to inform individuals and organizations of SPFAS requirements and expectations for the timely and complete payment of facility rental and lease charges.

Accounts Receivable Collections Policy

SPFAS strives on an ongoing basis to collect all facility rental and lease payments owing to the Society and expects all individuals and/or organizations to settle their outstanding accounts on a timely basis. To ensure that this objective is achieved, the following process shall be followed:

SPFAS shall provide the opportunity for an individual or organization making a booking to pay the facility rental charges at the time of booking;

Should payment not be made at the time of booking, SPFAS, within 30 days of the use of the facilities, shall issue an invoice for the rental charges;

SPFAS shall accept facility rental payments via cheque, credit card and/or cash (with cash being the least preferred payment alternative that is only used if other alternatives are not available or workable);

In cases where long-standing facility users who have no history of payments arrears and whose rental terms are extended in nature (e.g. Springbank Minor Hockey Association, Springbank Figure Skating Club, Springbank Soccer Club, Springbank Curling Club), SPFAS Management in its sole discretion may make arrangements that contemplate payments being made more than 30 days after the issuance of invoices; In such cases, details of payment arrangements shall be documented on the related invoices and they must be agreed to in writing by said facility user;

Subject to the exceptions outlined immediately above, SPFAS Management shall seek payment on any invoices outstanding beyond 30 days from the time the facilities have been used through the use of one or more of the collection practices outlined below, as deemed to be appropriate by SPFAS Management:

Payment owing beyond 30 days (30-59 days past due):

- A party who fails to remit payment of an invoice within 30 days of its issuance shall receive a written or electronic reminder that the payment in question is overdue, with the original invoice attached, and be referred to this Policy. SPFAS expects that the party in arrears, upon receipt of the reminder, shall immediately settle the outstanding account by delivering a cheque or providing credit card information to the SPFAS Administrative & Scheduling Coordinator.

Payment owing beyond 60 days (60-89 days past due):

- Should an account remain in arrears beyond 60 days from the date the initial invoice is issued, a second written or electronic reminder will be sent, with the original invoice attached, and any bookings in the name of a party who is in arrears shall be cancelled.

Payment owing beyond 90 days past due:

- Should an account remain in arrears beyond 90 days from the date the initial invoice is issued, a third and final written or electronic reminder will be sent, attaching the original invoice, advising the party in arrears that unless payment is made by the stated due date, counsel may be retained by SPFAS to collect on the account, and further advising that should counsel be retained, costs on a solicitor/client basis shall be sought against the party in arrears.

Declined Payments or Non-Sufficient funds (NSF):

- A party whose payment is not successfully processed and who therefore finds itself in arrears shall be contacted and an "Overdue Statement of Account" shall be issued;
- A \$50 processing fee shall be applied to any cheque that is returned by the bank as "NSF";
- A \$50 processing fee shall be applied to any payment by credit card that is declined.

A lease in which SPFAS is the Lessor shall include a provision requiring that the Lessee provide SPFAS Management with a series of post-dated monthly rental payment cheques for each 12-month period of the lease agreement;

A lease in which SPFAS is the Lessor shall also include a provision allowing SPFAS to terminate a lease agreement should the Lessee fail to forward to SPFAS Management the required series of post-dated monthly rental payment cheques within 14 days of the date

of execution of the lease, or if a post-dated monthly rental payment cheque presented is returned as "NSF";

SPFAS shall not consider requests from individuals and/or organizations to reduce or write off outstanding balances owing to the Society which are attributable to facility rental or leases.

Practical Application of the Accounts Receivable Collections Policy

The SPFAS Administrative & Scheduling Coordinator shall be primarily responsible for managing facility rentals and lease payments as well as for related accounts receivable and/or collections matters. The SPFAS employee in this position shall work jointly with the SPFAS General Manager to obtain any management support that may be required in order to address any outstanding accounts receivable matters.

SPFAS Management and SPFAS Board shall consistently adhere to the principles and implement the corresponding accounts receivable collection practices included in this Accounts Receivable Collections Policy.

SPFAS shall deposit cheques and/or cash received in payment of rental and lease fees within 10 days of receipt.

SPFAS shall process credit card payments of rental and lease fees within 10 days of charge authorization.

SPFAS Management shall inform the SPFAS Board of Directors of outstanding accounts receivable balances by including corresponding information in Financial Reports presented at Board Meetings.

Should a party with a history of SPFAS-related payment arrears wish to make a facility booking, SPFAS Management reserves the right to require payment at the time of booking. Should said party decline to make payment "up front", no booking shall be made.

The SPFAS Board of Directors and SPFAS Management shall work jointly to attain the common objective of collecting all outstanding accounts receivable balances for the benefit of the Society as a whole. SPFAS delegates primary responsibility for the administration of the Society's accounts receivable collections to SPFAS Management. However, should SPFAS Management wish to seek assistance from one or more Members of the SPFAS Board of Directors in relation to the collection of any outstanding accounts receivable balance, SPFAS Management shall do so by initiating communications with the SPFAS President and/or with the SPFAS Operations and Capital Enhancement Committee. Members of the SPFAS Board of Directors who receive inquiries regarding outstanding accounts receivable balances, issues of arrears or issues of collections shall immediately direct their such inquiries to SPFAS Management.

SPFAS shall post this Board-approved Accounts Receivable Policy Directive on the SPFAS website (www.springbankpark.com).