



**Canadian Electrical Stewardship Association
15 Allstate Parkway, Suite 601 Markham, ON L3R 5B4**

**CESA DELINQUENT ACCOUNTS POLICY
Revised June 23rd, 2016**

1. General

CESA's body of policies is intended to create the infrastructure required to support an effective and secure environment in which to carry out its mandate and activities. The purpose of the Delinquent Accounts Policy (the "Policy") is to provide a framework for the consistent handling of member accounts which have fallen into a state of delinquency pertaining to the timely submission of reports and/or remittances.

2. Definitions

"Board" means the CESA Board of Directors.

"Program Manager" means the assigned and contracted administrative management company (ies) for the CESA program.

"Delinquent" means a member who is late or overdue on submission of reports and/or on remittances.

3. Delinquent Account Classification Categories

CESA uses three delinquent account classification categories ("Categories"), defined as follows:

(a) "short-term" delinquency means member accounts that are delinquent in either reporting sales units or remitting payment for sales units for a period of less than 90 days from the date the report and/or remittance(s) was due;

(b) "long-term" delinquency means member accounts that are delinquent in either reporting sales units or remitting payment for sales units for a period of more than 90 days from the date the report and/or remittance(s) was due.

(c) "repetitive delinquency" means a member account that falls back into a state of delinquency after being previously delinquent/penalized.

4. Delinquent Account Criteria

Any account for which either reports and/or remittances are not current and up to date may be considered an account in a state of delinquency. Allowing for time lags in postage and other potential delays, an account is considered delinquent and will be contacted via the communications schedule outlined in section 6.0 when one of the following criteria are met:

- (a) Reports are outstanding by more than 60 days from the date the report was due.
- (b) Reports have been submitted, but no remittance received, and the account's balance exceeds \$50.00 (fifty dollars).

If the account continues to default on reporting and remitting, but does not meet the minimum threshold of \$50.00, the member will be contacted if/when the threshold is met, and shall be considered a long-term delinquency regardless of time period over which the account was delinquent.

5. Administrative Penalty

It is the responsibility of each member to ensure both reporting and remittances are current and up to date. In the event that an account becomes delinquent, all costs associated with the recovery of the overdue amounts will be the responsibility of the member.

A flat fee of \$25 will be applied to each report or remittance that is classified as a short-term delinquency that is not received within 90 days from its due date. These fees are intended to cover the administrative costs incurred to recover the debt.

If the member account is not paid in full, including all remittances, assigned administrative penalties and/or interest, and falls into a "long-term" classification, an additional \$25 flat fee administrative penalty will be applied to the account. These fees are intended to cover the continuing administrative costs incurred to recover the debt.

In the event that a member falls back into a state of delinquency after being previously penalized, a flat fee of \$50 for repetitive delinquency will be applied for the Member's account for each report or remittance that is overdue.

6. Communications with Delinquent Account Members

It is the responsibility of the Program Manager to identify delinquent account members, and to provide such information at the monthly Finance Committee meeting, as well as at the quarterly Producer Relations Committee meeting.

Based on the category into which the member account falls, one of three forms of communication will be exercised, by the Program Manager:

- (a) Short-term: Members with a short-term delinquency will be contacted via email after 60 days, using both primary and secondary contacts, to inform the member of the state of delinquency.
- (b) Long-term: Members with a long-term delinquency will be contacted via registered mail after 90 days, using the primary and secondary contact mailing names and addresses. If no response is received from the member within 30 days of receipt of the registered mail notification, a termination of membership notice will be issued to the primary and secondary member contacts by registered mail, and the Ministry of Environment will be copied on the termination notice.

(c) Repetitive delinquency: Members whose accounts have fallen back into a state of delinquency will be contacted via email after 60 days, using both primary and secondary contacts, to inform the member of the state of repetitive delinquency. If the member's account remains delinquent for more than 90 days, the same procedure will be followed as for long-term delinquent members (see section 6(b) above).

7. Disclosure

Any information pertaining to a delinquent member's accounts that are disclosed to a recipient who is subject to this Policy shall only be disclosed to and used by those of the recipient's employees, agents or representatives who have a legitimate need to know such information, are aware of the confidential nature of such Information and agree not to use or disclose same except as permitted herein.

8. Enforcement

As stated in section 5.2 of the CESA Membership Agreement, this policy may be enforced by way of injunction or any other equitable or other relief deemed appropriate. CESA may pursue any remedies available to it in contract or at law, in addition to any other remedies available to CESA, including termination of the Member's membership in CESA.

Nothing in this Policy shall be interpreted or applied contrary to the CESA by-laws, Articles, the Canada Not-for-profit Corporations Act or Regulations, or applicable privacy legislation.

9. Re-registering with CESA

A company whose membership with CESA has been terminated pursuant to section 6(b) may reapply to become a member, however any EHF's owing by the company to CESA at the time of termination, as well as any applicable administrative penalties and interest, shall be treated as a debt owing to CESA as per section 5.2 of the CESA Membership Agreement, and be required to be paid to CESA in full as a precondition to their application being accepted by CESA.