

Levy Arrears Procedures

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A schedule of arrears can be configured to automatically issue notices or letters based on individual owner's circumstances. The billing of arrears fees on generation makes this process extremely efficient, and a notation on the owner's account provides a clear audit trail. You are able to set parameters around minimum arrears balances plus issues by levy period or the total amount outstanding. Different fees for each stage of the arrears process and delivery method of the arrears notices can also be recorded.

These instructions are available for global processing of arrears and to exclude a building from receiving the arrears notices, information is available on the [Arrears Notice Setup](#) article.

How Does Arrears Work?

When an arrears letter or notice is produced, it states the total amount outstanding, including interest and arrears notice fees (if applicable). It also puts a 'flag' on the lot account to say 'I have generated letter number X'.

If the owner pays and their balance either reaches \$0.00 or the balance threshold set in [Receipt Entry Configuration](#), then the arrears flag is 'reset'. So when the lot account falls into arrears again, they will be sent the first letter or notice in the arrears schedule.

What often happens is that an owner will pay the amount of their levies, but not necessarily pay the arrears fee and/or the outstanding interest, which is accruing daily. I.e. even if the owner pays the outstanding levy, the owner's account balance doesn't actually reach \$0.00 or the balance threshold set in [Receipt Entry Configuration](#), and subsequently does not reset their arrears flag.

The implications of this are that when the next levy period is generated and the owner doesn't pay and falls into arrears again, the system will not produce an arrears notice until the owner qualifies for the next notice or letter in the arrears schedule.

Before continuing with the arrears process you should be across the following configuration settings.

Arrears Notice Configuration

1. Open the **Arrears Notice** menu.
2. Click *File > Configure*.

New Owner Arrears Days - enter the number of days before an owner is issued an arrears notice / letter

Arrears Days Key Field – select either the 'Transfer Date' or 'Notice Receipt Date, to be the date which the new owner arrears days is calculated from

Clear all arrears log records upon levy generation – This setting will set the clear flag in the levy arrears log when a new levy is generated. Leave this un-ticked.

Arrears Record Detail – This is the name that will appear for any arrears fees charged on notices / letters issued.

Receipt Entry Configuration

See [Receipt Entry Configuration](#) for more info.

1. Open the **Receipt Entry** menu.
2. Click *File > Configure*.

Clear Arrears Flag

If enabled, the owner's *arrears flag* will be cleared automatically when their payment is received and their account balance becomes zero, or below the pre-configured tolerance allowance (see below). This is a global setting and will affect all users.

Clear Arrears Flag Tolerance

This field is only available if the *Clear Arrears Flag* setting (above) is enabled. Type in the amount that an owner's balance needs to be reach in order to reset their *arrears flag*. For example, if you set this to 50, and an owner's payment leaves them with a balance of \$50.01, their *arrears flag* will not be reset.

1. Overdue Report (Per building)

The overdue report provides a list of owners currently overdue for the selected building, total amount overdue, days overdue, last notice date, type of last notice issued, arrears fees & if the account is in legal action. This report may be configured to select the fields to report.

1. Select the building using the Building Selector Tool.
2. Search or select **Arrears Notice**.
3. Select *Options*.
4. Select *Overdue Report*.
5. Click *Proceed*.
6. The configuration settings will be shown, enter these or adjust and click *OK*.
7. Review report to ensure all lot accounts expected are listed to receive an Arrears Notice.

Overdue Report (Globally)

The Overdue Report provides a list of owners currently overdue for the selected buildings, total amount overdue, days overdue, last notice date, type of last notice issued, arrears fees & if the account is in legal action. This report may be configured to select the fields to report.

1. Search or select **Legal Action** (ensure you have a collection agent selected before proceeding)
2. Click *Options*.
3. Select *Overdue Report*.
4. Tag Buildings and click *OK*.
5. Check the settings on the report and click *OK*.
6. You may receive the following question if you also manage electricity *Do you want to save Include Electricity as default?* answer *Yes* or *No*.
7. Order the report in your preference (highlight the field and click *Select*).
8. Click *OK*.
9. Print or Export the report to Excel (Once the report comes to screen, you can configure the fields that you want to have available in Excel by clicking on the Report Setup button).
10. Review report to ensure all lot accounts expected are listed to receive an Arrears Notice.

2. Arrears Pre-Issue Report

This report is to be used when looking to issue arrears notices for lot accounts and will produce a report based on the arrears set up for days overdue and amount. This report should be run prior to running any arrears processes.

1. Open the **Arrears Notice** menu.
2. Click *Options* > *Pre-Issue Report*.
3. Click *Proceed*.

3. Print or Email Arrears Notices

Prior to sending arrears notices, make sure the *Arrears Notice Setup* has been set up and configured so that the correct notice is sent at the appropriate time. Refer to the following [article](#) for more information.

Interest will continue to charge even if the lot has been added to Legal Action, so if you would like to stop charging interest on the lot, see [Not Charge Interest for One Owner](#).

1. Open the **Levy/Arrears Notice** menu.

2. Review the *Condition* tab (see the next section below) to ensure all settings are configured as required.
3. In order for arrears fees to be charged, the *Process Fees and Log* box must be ticked.
4. Check Printer options (Screen or Printer), if set to Screen the Arrears Notice/s must have the the Print icon selected to initiate the email or print process and charging.
5. To issue notices to multiple or all buildings, click the *Change Building* button and tag only the required or all (*Ctrl+A*) buildings, then click *OK*.
6. Click the *Proceed* button.

If levy arrears notices are being printed and include ledger cards, be aware if using levy notice paper with StrataPay deposit slips in your printer, that due to the number of pages on ledger cards being different from lot to lot, lots with a lot of history on their ledger cards, will print transactions over the top of the deposit slip.

Conditions Tab

Report Order

This drop-down menu can be used to change the order of the arrears notices when printed or previewed.

Process Fees and Log

This box must be ticked in order to charge the arrears fees and create an entry in the arrears log.

Print Message

Will ensure the text in the *Message* box or the *Message Maker* are included on the notice (provided the template includes the field).

Include Current

Tick to include any current levies, including levies not yet due. Generally recommended to not tick this.

Ignore A/c Balance

Generally recommended to not tick this.

Advise if in Legal

If a lot account is in [Legal Action](#), a prompt will appear during the processing of the arrears. Generally recommended to not tick this if processing arrears globally.

