

POLICIES AND PROCEDURES MANUAL	Category Financial Management	Policy Number FM.017
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SECURITY DEPOSIT POLICY

1.0 POLICY

- 1.1 Security deposits on utility accounts will be collected by the Town of Inuvik when a customer initially applies for service, their consumption increases or when they have failed to maintain a good payment history. The security deposit amount will be applied to the customer's account and will appear as a line item on the bill.
- 1.2 Bulk-metered residential customers are eligible for treatment as residential customers for the purpose of security deposits.

2.0 DIRECTIVES

- 2.1 At the time an application is made for a utility account, the Town of Inuvik will collect a security deposit in the amount of \$150.00 in the form of cash, cheque or credit card payment. Interest shall accrue monthly at a percentage rate of as set by the Government of Northwest Territories on security deposits. Interest due will be paid on return of the security deposit or closure of the account, whichever comes first. Interest will be paid by credit to the account.
- 2.2 Upon closure of a customer's account, the Town of Inuvik will credit the security deposit to the customer's final bill. If the end result is a credit balance on the customer's account, the Town of Inuvik will issue a refund cheque to the customer within six (6) weeks from the date of the final billing.
- 2.3 A customer may apply to have his or her security deposit credited back to his or her account twelve (12) months after the date of paying a security deposit to open a utility account with the Town of Inuvik.
- 2.4 Annually, the Town of Inuvik will review all security deposits to determine whether they should be:
 - a) fully refunded due to good payment history;
 - b) partially refunded due to a reduction in water consumption;
 - c) increased due to an increase in water consumption; or,
 - d) remain unchanged.
- 2.5 Failure to pay the required security deposit at the time an application is made to open an account will result in no utility service.
- 2.6 Should a customer move to a new address, the security deposit may be transferred to the new address provided there are no outstanding charges on the account prior to the transfer of service.