



## **DIRECTIVE FI-004**

### **RECEIVABLES AND COLLECTIONS**

#### **1.0 PURPOSE**

- 1.1 Great Lakes Pilotage Authority (the Authority) strives to facilitate sustainable growth, develop strong customer relationships, and protect the company's margins and profits as to maximize the value of its accounts receivable. This is accomplished by minimizing exposure to bad debt and maintaining an acceptable level of risk by requesting advance payments from all new agents/owners.

#### **2.0 PILOTAGE TARIFFS**

- 2.1 All estimates and invoices are prepared pursuant to the *Great Lakes Pilotage Authority Tariff Regulations*. These tariff regulations can be found on the Authority's website [www.glpa-apgl.com](http://www.glpa-apgl.com) or on the Government of Canada's website <http://laws-lois.justice.gc.ca/eng/regulations/SOR-84-253/>.

#### **3.0 CREDIT APPLICATION/EVALUATION OF NEW CUSTOMERS**

- 3.1 All new customers are subject to pre-payments for the first three full voyages for the vessel they represent.
- 3.2 New customers are to contact the Authority's Chief Accountant to obtain estimates for the planned voyage.
- 3.3 The pre-payments are to be sent to the Chief Accountant's attention. Once received, the Chief Accountant will advise the Dispatcher that the vessel in question can be serviced with a pilot.
- 3.4 After three successful pre-payments, the agent/owner will be considered as a regular customer and will be entitled to the Authority's regular payment terms.

#### **4.0 ESTIMATES**

- 4.1 Any customer may request a tariff estimate for a given voyage by contacting the Billing Clerk by email at [billing@glpa-apgl.com](mailto:billing@glpa-apgl.com) or by telephone at (613) 933-2991 extension 203 and by supplying the Authority with the name of the ship, the intended voyage including stops and final destination, the overall length (OAL), width and moulded depth of the vessel.
- 4.2 There are four (4) Classes of ships in the St Lawrence Seaway and the Great Lakes. To properly classify a vessel, the Authority needs to determine the pilotage units. This is achieved by multiplying the overall length, breadth and the moulded

depth of the ship and dividing the product obtained by 283.17. For details of vessel classes, please refer to the table under the subsection 3(2) of our tariff regulations. For tariff rates for pilotage services in the district of Churchill, Manitoba, the information can be sourced in Schedule 3 of the same regulations.

- 4.3 Estimates provided do not factor the possibilities of slow moving vessels, delays or other unforeseen occurrences that may impact the cost associated with the transiting vessel.
- 4.4 Estimates provided by the Authority assume that the vessel will be assigned a Canadian pilot in International District No. 1, Lake Ontario, and International District No. 2.
- 4.5 Customers are encouraged to contact the U.S. pilotage entities directly to obtain cost estimates for their pilotage services.

## **5.0 REQUESTING PILOTAGE SERVICES**

- 5.1 Customers are responsible to provide the billing agent's name at the time of placing an order with the Authority's dispatcher. Failure to do so may result in the order not being accepted.
- 5.2 If there is a change of appointment of a billing agent for a vessel, the customer is expected to notify the Authority within twelve (12) hours.

## **6.0 INVOICING**

- 6.1 Invoices are only processed once all source forms have been completed and submitted by the pilots.
- 6.2 Invoicing is prepared from the information contained on source forms filled out by Authority pilots and validated by the captain of the vessel, as evidenced by the signature.
- 6.3 All customers will be invoiced in a timely manner. Invoices and source forms shall be issued on the same day of invoice date. Whenever possible, pilotage invoices will be sent electronically.

## **7.0 PAYMENT TERMS**

- 7.1 All invoices are due net 30 days from the invoice date.
- 7.2 For payments received after the 30 days payment terms, interest charges will be calculated at 2.0% per month (24% per annum) and will be calculated from the invoice date to the date payment is received.

7.3 All payment terms are listed on the individual invoice.

## **8.0 PAYMENT OPTIONS**

8.1 Customers have the following payment options to settle their accounts:

- Electronic Funds Transfer (EFT)
- Wire transfer, or
- Cheque, bank draft or money order

8.2 Starting with the 2019 navigation season, payments by credit cards are no longer accepted.

8.3 When sending a wire transfer or an EFT, customers are required to send a payment advice to [accountsreceivable@glpa-apgl.com](mailto:accountsreceivable@glpa-apgl.com), prior to or on the deposit date.

## **9.0 COLLECTIONS**

9.1 The Authority will review the customer accounts that are outstanding for more than 30 days. It will make collection/reminder calls to customers with overdue accounts. If reasonable payment arrangements can be agreed to and respected by the customer, the Authority will not seek further action.

9.2 Should a customer account continue to be in overdue status, the Authority will take one of the following corrective actions to minimize its financial risk exposure:

- Require the customer to make deposit for each future vessel voyage.
- Require the customer to pre-pay the full cost of the future vessel voyage in advance.
- Refuse future pilotage services to a customer until the account is fully settled.
- Take legal action to collect all outstanding balances.

9.3 Accounts will be reviewed individually to develop the appropriate payment plan.

9.4 Should a customer be required to pre-pay a deposit for a given voyage, the deposit will only be applied to the specific vessel voyage and not used to offset any other outstanding balances.

9.5 The Authority reserves the right at its sole discretion, and without notice, to cancel all available credit and refuse to service vessels when the customer is not paying their pilotage services.



9.6 All outstanding invoices, including interest invoices, for a given navigation season must be paid prior to the start of the following navigation season. Failure to do so will result in the disruption of pilotage services to the customer/vessel involved. Refer to section 42 and 45 of the *Pilotage Act* for treatment of unpaid pilotage invoices. The *Pilotage Act* can be found at <https://laws-lois.justice.gc.ca/eng/acts/P-14/>.

## 10.0 INTEREST INVOICES

10.1 Interest invoices will be prepared as payments of overdue invoices are received. All interest invoices will be due within 30 days of invoice date. Omitting to pay all or any of the interest invoices will put the account in default.

## 11.0 PAYMENT DISPUTE PROCESS

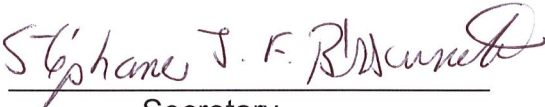
11.1 Should a customer wish to dispute an invoice, he/she should contact the Authority within fifteen (15) business days of receiving the invoice. The customer is to contact the Authority's Billing Clerk at (613) 933-2991 ext. 203 or by email as indicated at the top of the Authority's invoice.

11.2 The Billing Clerk is responsible to answer any queries or concerns the customer has with the invoice.

11.3 Should the customer not be satisfied with the explanations obtained, the customer is encouraged to contact the Chief Financial Officer to resolve the concerns expressed.

This policy will be reviewed as needed.

Approved by the Members of  
the Authority on February 26, 2015

  
Secretary

Date of revision: February 27, 2019