

<b>Title</b> Refund for Retail and Wholesale Customers	<b>Number</b> CS-330	<b>Rev. no.</b> 0
<b>Responsibility</b> Utility Accounts Division	<b>Supersedes</b> CS-103 CS-310.4	<b>Pages</b> 4
<b>General Manager/CEO signature</b>  Mami Hara	<b>Approval date</b> October 12, 2020	<b>Effective date</b> October 15, 2020

## 1. PURPOSE

To establish a uniform procedure for refunding to:

- Owners or tenants of residential or commercial property within SPU's retail water, wastewater, drainage and solid waste areas.
- Wholesale customers who purchase water from Seattle for the purpose of reselling water to its retail customers.

## 2. SCOPE

This procedure applies to Customer Response Division, Utility Accounts Division, SPU Accounts Payable, and City Treasury.

## 3. DEFINITIONS

*Account Holder.* The person named on the utility account in the SPU billing system, such as the property owner.

*Acceptable Payee.* The account holder is the Acceptable Payee, unless the Account Holder or their designee specifies another acceptable payee.

*Active Account.* An account that is open and receiving utility services.

*Inactive Account.* A closed account that is no longer receiving billing for utility services. Late fees or interest charges may continue to accrue on an inactive account.

*Mailing Address.* The address provided by the Account Holder where bills or refunds will be sent.

*Refunds.* Monies returned for payments/overpayments by a customer, escrow company, or other third party in the form of a physical check or credit card refund.

## 4. TIMEFRAME OF REFUNDS

Refunds are limited to a maximum of three years.

Standard processing time for refunds is 14 business days upon discovery of discrepancy.

**5. DESIGNATED AUTHORITY LEVELS**

The following levels apply when approving refunds. Business procedures and billing system functions must have clear and accurate documentation of approvals.

<b>Amount</b>	<b>Approval Authority</b>
\$1,000 or less	Lead (requires management oversight)
\$1,001 to \$4,999	Manager
\$5,000 to \$19,999	Division Director
\$20,000 to \$49,999	Deputy Director
\$50,000 or more	General Manager/Chief Executive Officer

These authority levels also apply to procedures CS-320, Billing Adjustments for Retail and Wholesale Customers and CS-340, Waivers for Retail Customers.

**6. REQUIREMENTS**

- Only an Acceptable Payee can receive a refund.
- If a refund is requested by a person other than an Acceptable Payee for payment made in error, the refund requestor may be required to submit additional documentation, such as:
  - Cancelled check
  - Credit card statement
  - Receipt from an in-person payment
  - Bank statement
- Account holders or their designees must authorize a tenant as an Acceptable Payee before SPU can process the refund to the tenant. The name of the account holder who gave the authorization must be noted on the account.
- Amount refunded generally cannot exceed the credit balance on the account.

**7. ROLES AND RESPONSIBILITIES**

Upon receiving a refund request:

**A. Customer Response Division**

Documents the following information in the appropriate Refund To Do type:

- Acceptable Payee name
- Utility account number
- Dollar amount to be refunded
- Mailing address for the refund
- Authorization details from Account Holder or designee if the payee is not the Account Holder

**B. Utility Accounts Division**

- 1) Validates the request to verify the amount to be refunded and to ensure the Acceptable Payee is the appropriate party to receive the refund.
  - \$150 or less – verifies refund against customer account ledger balances
  - Over \$150 – verifies refund against the customer account ledger for credit balances through a review of account payment methods, charges, and adjustments. Confirms payments posted properly by City Treasury.
- 2) For amounts up to \$1,000- submits batch report for refund approval and forward to SPU Accounts Payable.

- 3) For amounts greater than \$1,000 - generates a refund request form for approval and forward to SPU Accounts Payable.
- 4) Records the following information on the customer's account:
  - Payee
  - Refund amount
  - Check number
  - Date

### **C. Accounts Payable**

- 1) SPU Accounts Payable:
  - For amounts up to \$1,000 - seeks approval for batch report and prints and mails the check.
  - For amounts greater than \$1,000 - generates a request to City Treasury for refund via the City's enterprise financial system.
- 2) City Treasury:
  - Reviews request, and prints and mails the check.
  - Records the following information in the City's enterprise financial system for the payee:
    - Date check was issued
    - Voucher number
    - Exact dollar amount of refund

## **8. DOCUMENTATION AND EXPECTATIONS**

In compliance with this procedure, Customer Service job aids may be created for technical reference. The Utility Accounts Division Director oversees the job aids and ensures compliance with Director's Rule [FIN-160](#), Customer Account and Billing Management. A list of job aids will be stored on the division's SharePoint site.

Documentation for a refund may include, but is not limited to

- Nature of the refund
- Justification for the refund
- Investigations and communication by the lines of business with customers, contractors, or developers
- Findings and decisions

Creating and retaining records that document what transpired, including but not limited to

- System notes that summarize the chronology of events
- Spreadsheet(s) showing the calculations
- Electronic record exchanges between SPU and the customer
- Copy of the customer's written dispute letter
- Any other supporting documentation submitted that captures the amount of the refund sought or outcome desired

Retention of records shall comply with City of Seattle and State of Washington retention schedule.

**9. QUALITY ASSURANCE**

On a monthly basis, the Utility Account Division Director shall review refund transactions submitted by management. Management shall identify any issues for review and resolution. On an annual basis, the Deputy Director of the Utility Accounts Division shall submit a refund report to the General Manager/Chief Executive Officer based on this review for further analysis and decision making.

**10. AUTHORITY/REFERENCES**

- Director's Rule FIN-160, Customer Account and Billing Management
- Procedure CS-320, Billing Adjustments for Retail and Wholesale Customers