


Policy Title:		Refunds and Adjustments	
	OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER	Category	Customer Service
		Administrative Policy #	500-CS-Refunds & Adjustments
		Revision #	N/A
		Review Frequency	As Needed – no less frequently than triennially
Administrative Division	Customer Service	Reviewed By	Chief Administrative Officer, General Counsel, Chief Customer Service Officer
BOWC Approval	3/15/2019	Last Reviewed/Update Date	3/15/2019
Implementation Date	3/15/2019	Resolution #	19-0076

1. OBJECTIVES

- 1.1. To establish guidelines for consistent application of processes and uniform internal controls for refunds and adjustments processed by the Detroit Water & Sewerage Department (DWSD) at the customer service centers for commercial and residential customer accounts.
- 1.2. To establish approval threshold amounts for all Customer Service Specialists (CSS) when applying adjustments or requesting account refunds for commercial and residential customer accounts.

2. PURPOSE

- 2.1. Customers may request account refunds or adjustments. This document will delineate DWSD's policy for allowable requests and procedures for assessing and processing allowable requests.
- 2.2. The policy and procedures in this document will provide continuity and guidelines that ensure DWSD follows all protocol and ensures that refunds, credits and adjustments are properly applied to customer accounts.

3. DEFINITIONS

“Account refund” means a reimbursement of payment received by DWSD in the form of a payment disbursed to the account owner.

“Account adjustment” means a credit or removal of a charge applied to an existing customer account per the policies set forth within this document.

“Aggregate limit” is the total number of occurrences allowed over the course of one calendar year.

“Courtesy Adjustment” means an account adjustment made to an existing customer account, at the discretion of the CSS.

“Credit” means a positive amount applied to a customer account.

“Customer” means an Owner, Landlord or Tenant that establishes an account for DWSD services.

“Excessive bill” means the portion of the bill for water and sewerage services which is greater than the average consumption of the account for the prior six months of actual reads

“Landlord” means an Owner that enters into an agreement to rent a specific property to a Tenant or any third party property managers or representatives to whom Owner has delegated the authority to enter into agreements on Owner’s behalf with others.

“Owner” means the person that holds legal title to a property.

“Parcel” means a plot of land identified by the City of Detroit Assessor with a unique identification number or “parcel number.”

“Person” means an individual, business, partnership or corporate entity, or a governmental agency.

“Property” means a parcel or group of parcels treated as one unit for purposes of obtaining water and sewerage service.

“Refund” means a positive amount on a customer’s account that is issued to the customer as a check.

“Sewerage” means a combination of the water-carried wastes from residences, business buildings, institutions, and industrial establishments, together with such ground, surface, and storm waters as may be present.

“Tenant” means a person who is not the legal title holder to a property but has the owner’s actual or constructive authorization to occupy the property.

“Vandalism” means acts by a person, not under control of the customer or property owner, which causes damage to the plumbing system which cause waste of water.

4. SCOPE

- 4.1. This policy applies to all DWSD customer accounts and addresses how refunds and adjustments can be made and how they are applied to accounts.
- 4.2. This policy applies to all Professional Administrative Analysts (PAA), Customer Service Team Leads and Customer Service Specialists (CSS) who are responsible for handling customer adjustments and refunds. This policy establishes responsibilities, guidelines and internal controls for how adjustments and refunds must be applied to customer accounts.

5. RESPONSIBILITIES

- 5.1. Owner, Landlord or Tenant must abide by the DWSD Water and Sewerage Service Terms and Conditions agreement.
- 5.2. The DWSD Chief Customer Service Officer is responsible for administration and oversight of this policy.

6. POLICY

6.1. Courtesy adjustments

- 6.1.1. DWSD allows CSSs, Site Managers and Team Leads to make account adjustments upon request for the following charges:

- 6.1.1.1. Fee reversal (illegal usage, turn ons/turn offs)
- 6.1.1.2. Penalties/late charges
- 6.1.2. Fees may be adjusted due to DWSD processing error or delay for customers that have made payments on-time for the preceding six (6) months.
- 6.1.3. CSS, Site Managers and Team Leads shall not make an adjustment for estimated bills or frozen meters. Billing corrections shall be made through the normal billing process upon correction of the meter reads. Once a meter read is corrected this will automatically trigger the billing system to update the balance on the next billing cycle. The correction of the read is completed through Meter Operations or Billing through contact by Customer Service.

6.2. Authorization limits billing period constraints

- 6.2.1. The approval thresholds in this Section 6.2 apply to all CSS on the “floor” at payment centers, those that answer MYDWSD emails, and those who own the processes for managing permits/demolitions, the WRAP program, disputes, real estate closings, bankruptcy account updates and landlord/tenant accounts.
- 6.2.2. CSS at the call center shall not make adjustments to customer accounts.
- 6.2.3. Authorization limits do not apply to account balance transfers or corrections of misapplied payments.
- 6.2.4. The authorization and direction to make adjustments to water bills shall follow the approval thresholds listed below.
 - 6.2.4.1. \$0 - \$250 adjustment values may be completed by a CSS
 - 6.2.4.2. Adjustments made in the amounts above \$250 to \$2,500 must have a Team Lead or Site Manager’s approval
 - 6.2.4.3. Adjustments made in the amounts above \$2,500 to \$3,500 must have a Site Manager’s approval
 - 6.2.4.4. Adjustments that exceed \$3,500 must have the approval of the DWSD Chief Customer Service Officer
 - 6.2.4.5. Adjustments that result in a \$10,000 or greater reduction in a customer’s bill must have the approval of the General Counsel or Chief Financial Officer. Note that this does not apply to adjustments for misapplied payments or account transfers.
- 6.2.5. No courtesy adjustments shall be made to accounts for charges due and payable based upon the billing date of more than the preceding 365 days.
- 6.2.6. Any individual at DWSD is prohibited from initiating or approving an adjustment where an actual or perceived conflict of interest may exist. Adjustments to an employee, contractor or a vendor account must be approved by the onsite team lead or PAA.
- 6.2.7. Internal Audit is responsible for generating a report of all adjustments on a weekly basis and monitoring to ensure that the proper levels of approval were obtained and that justification is provided.

- 6.2.8. Any billing adjustments (e.g., drainage) enter the normal dispute process and are subject to DWSD's Dispute Administration Policy.

6.3. Refunds

- 6.3.1. Refunds shall be issued upon the closure of an account if the account has a credit balance, upon special request by a CSS, or other special circumstances. To submit a refund request, a CSS must complete the Refund Authorization Form.
- 6.3.2. Refunds shall not be issued to open accounts for amounts below \$150. Amounts at or below \$150 shall be issued as an account adjustment upon the review of appropriateness of the request made pursuant to established policies.
- 6.3.3. Refund approval thresholds shall follow the adjustment approval thresholds set forth in 6.2. Additionally, all refund requests at or below \$1,000 shall be reviewed for approval by Treasury. All refunds requests above \$1,000 shall also require approval by the CFO or delegate.

6.4. Reasonable and Necessary Accommodations

- 6.4.1. Management may take reasonable and necessary actions to accomplish the intent of this policy.

7. PROCEDURE

7.1. Adjustment processing

- 7.1.1. CSS receives customer request for an account adjustment and reviews supporting documentation to verify that the request falls within the allowable adjustment request time frame and is for an eligible adjustment reason.
- 7.1.2. Should a request not be approved, the CSS shall note the request, reason for denial and date in the comment field.
- 7.1.3. Adjustment shall be approved by the appropriate individual(s), in accordance with the policy.
 - 7.1.3.1. Upon review and approval or denial, the Chief Customer Service Officer shall complete the Adjustment Authorization Form and deliver the form back to the service center via interoffice mail. If approved, the CSS shall make the adjustment in the customer account system. Regardless of the approval, the CSS shall notify the customer of the outcome and attach the form to the customer account in the customer account system and update the comments field in the account with the date of the final decision, the approval decision, and method of notifying the customer of the outcome.

7.2. Refunds

- 7.2.1. Residential or Commercial Account Close - Refunds are made to an account when there is a credit balance, in accordance with the policy.
 - 7.2.1.1. If the account is closed, the CSS confirms that the final bill has been issued, prints a screenshot of the account with the credit, and initiates the refund work order in the customer account system.

- 7.2.1.2. If the account is active, the CSS confirms that the customer is eligible for a refund per the policy, prints a screenshot of the account with the credit, and initiates the refund work order in the customer account system.
- 7.2.1.3. CSS gives the Site Manager or Team Lead the printed screenshot with the Adjustment Authorization Form.
- 7.2.1.4. Site Manager or Team Lead retains a copy of the form and delivers the request to Customer Service Administration via interoffice mail, who, upon approval, forwards the request to Treasury for the refund to be processed.
- 7.2.2. Additional refunds may be requested via the Adjustment Authorization Form for special circumstances.

7.3. Transfers and Misapplied Payments

- 7.3.1. To transfer payment between accounts owned by the same person or to make a correction of a misapplied payment for a customer account, the CSS reviews proof of payment documentation provided by the customer and attaches the documentation to the customer account.
- 7.3.2. Upon verification of payment, the CSS transfers or posts the corrected amounts to the customer account.