



## **Bad Debts Policy**

### **Forward**

This Policy forms part of the Parish Council's Financial Regulations and supports Regulation 9 (1.90 to 1.99).

### **Review**

In general the Parish Council does not send out invoices for goods or services rendered. The Parish Hall is owned by St. Mary's church and the Council have no management over Hirers or Hiring charges.

The Council needs to have a Policy in place in the event that Bad Debts occur as they would need to be recorded as dialogue in the Annual Accounts.

Any Bad Debt could only be written off following approval of full Council. The Responsible Financial Officer (RFO) is responsible for implementing the terms of the Policy.

### **Policy Terms**

Invoices – all invoices sent out for goods or services will be sent out in advance of these provisions and will show a 'due by' date for payment. This will be 30 days after the invoice date.

Recharges – Utility charges (where relevant) will be invoiced on a quarterly basis. Hiring charges will be invoiced at the beginning of each month for a regular hirer. A casual hirer will be required to make payment in full prior to the commencement of any hiring. The Council may cancel a hiring booking if payment is not received.

Payments – Reminders will be sent if payment has not been made by a due date. The reminder will state that payment should be made in full within 14 days of the date of the reminder. Administration charges may be added to the original invoiced amount outstanding. Should payment not be made after a 14 day reminder letter, the matter will be referred to full Council for further action or debt recovery.

Further action – The (RFO) will advise the full Council:-

- details of the outstanding debt
- warning letter to be sent to debtor stating payment must be made within 7 days
- the matter may be referred to the County Court (Small Claims Court)
- consideration to recover any court costs

Should payment not be made following a 7 day warning letter, the Court cost incurred from using the Small Claims Court would be added to the outstanding debt(s).

Where appropriate the Parish Council and (RFO) will endeavour to work with the Debtor and implement a suitable repayment programme. Failure by the Debtor to agree to this course of action or make payment will result in immediate referral of any debt to the Small Claims Court.

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