



BARTON-LE-CLAY PARISH COUNCIL
CREDIT CONTROL & BAD DEBTS POLICY

1.0 INTRODUCTION

1.1 This policy outlines the Council's procedures for dealing with late payments and outstanding accounts (bad debts) in accordance with Financial Regulation No. 9.4.

2.0 POLICY

2.1 All accounts due will be collected in accordance with Financial Regulation No. 9.4 and any sums found to be irrecoverable or any subsequent bad debts shall be reported to the Parish Council.

Overdue accounts and bad debts shall be treated in the following manner:

- (i) Customers with outstanding accounts at 90 days shall be passed to a registered debt collector following a final seven-day warning subject to the Registered Debt Collection (RDC) Procedure in 3.4.
- (ii) Any bad debts that cannot be recovered by a registered debt collector shall be referred to the Parish Council for authorisation to be written off or for authorisation to make arrangements to collect the debt in other ways.

3.0 CREDIT CONTROL

3.1 Invoices are raised, statements and reminders sent at 30, 60 and 90-day intervals.

3.2 After 90 days, a letter is sent by recorded delivery to the debtor advising that if no payment is made within 7 days, the debt will be passed to a debt collector for recovery.

3.3 In all instances, specific debts will be reported to the Policy & Resources Committee prior to being passed to the debt collector - see RDC Procedure.

3.4 The Registered Debt Collector Procedure is to set a threshold of debt ie. max £500 utilise a Debt Collector with a set fee limit ie 10%.

3.5 Where the debt collector is unable to secure payment, the debt will be referred to the Parish Council for alternative legal remedy and bad debt write off.

4.0 PAYMENT COLLECTION

4.1 The Council receives income from the following sources:

- Utility Recharges
- Burial Ground fees
- Allotment Rents
- Sport bookings
- Land Rent (Tennis & Football clubs)
- Use of Sports/Recreation Grounds for Events
- Tele Mast Leases

4.2 Utility Recharges:

Quarterly Re-Charges

Invoice to be sent quarterly to Unity Hall users (Scouts/Guides) recharge for utilities eg water consumption. Payment calculated on receipt of utility bill and settlement required within 28 days.

4.3 Burial Ground fees:

Invoice to be sent on receipt of order. Payment required within 28 days. Statements to be issued monthly. Report to Council if payment not received within 60 days of invoice and issue late payment letter to funeral director with statement. At 90 days it shall be passed to a registered debt collector following a final seven-day warning.

4.4 Allotment Rents:

Invoices to be sent out in September, as in accordance to the annual allotment agreement. Payment required by the 31 October. Reminder notice of settlement due erected on Allotment Notice Board the last week in October. Leisure Committee informed of non- payers the 1st week in November and reminder letters issued if payment not received within 14 days. 2nd letter issued if payment not received after deadline to advise rental agreement being terminated.

4.5 Sport bookings:

Regular / seasonal bookings

Invoice to be sent monthly in arrears for all games played during the previous month. Payment required within 28 days and statements to be issued monthly. Clubs to contact Clerk to arrange payment plan if required. Report to Council if full payment not received within 60 days of invoice or if agreed payment plan not honoured. Late payment letter to be issued. If payment not received within 90 days of invoice use of sports facility should be withdrawn.

Ad hoc bookings

Invoice to be sent on receipt of order. Payment required before date of event. Booking to be denied should payment not be received in advance.

4.6 Annual Land Rent (Tennis & Football Clubs):

Invoices to be sent out at beginning of financial year as in accordance with the Lease Agreement. Payment required within 28 days and statements to be issued monthly. Clerk to report to Council if full payment not received within 60 days of invoice and late payment letter to be issued.

If payment not received within 90 days of invoice use of land, send final letter before seeking legal action or passing to Debt Collection Agency.

4.7 Use of Sports Field for Events (e.g. Firework Display, Circus, Holiday Activity days):

Payment required in advance on submission of booking request. Booking to be denied should payment not be received in advance. Fee to be determined by Council.

4.8 Telemasts:

Statement sent after 30 days, Clerk to report to Council if full payment not received within 60 days of invoice, late payment letter to be issued. If payment not received within 90 days of invoice 2nd letter issued reserving the right to take alternative legal remedy.

5.0 REVIEW PROCESS

5.1 This Policy will be reviewed by the Policies & Resources Committee bi-annually before being submitted to the Council for adoption.