

Income Collection & Debt Management Policy

1.0 Introduction

- 1.1 This policy outlines Warfield Parish Council's procedures for collecting income relating to hire of facilities including allotment facilities and the process the council will use for dealing with late payment and outstanding accounts.
- 1.2 The aim of this policy is to make clear the procedure that Warfield Parish Council will follow to ensure collection activity proceeds as quickly as possible and to identify, minimise and recover potential bad debts and write-off any debts which cannot be recovered.

2.0 Casual Hall Hire

- 2.1 All casual hires (parties, on-off events etc) will be invoiced at least one month ahead of the event date, with payment due by return. Hires booked less than one month before the event date will be invoiced for immediate payment.
- 2.2 Payment must be made ahead of the event date, or the booking may be cancelled.
- 2.3 The Parish Clerk as the letting agent for the council has discretion to invoice bookings after the event where an existing relationship with the hirer (for example: Bracknell Forest Council) exists.

3.0 Regular Hire

- 3.1 A regular hirer and the regular hire rate are applied at the discretion of the Parish Clerk as the letting agent. This will be based upon the frequency of the booking.
- 3.2 The terms of hire will set out the rate to be charged and arrangements for payment. All accounts must be settled within 31 days.
- 3.3 Billing will take place according to the following cycle:
 - End of term – community groups such as Scouting and Girlguiding
 - Mid-term – pre-school and term time youth activities
 - End of the month – all other groupsAll invoices will be raised no later than five working days after month end and completed before the closure of the monthly financial accounts.

4.0 Allotments

- 4.1 Allotment rent is due at the commencement of the tenancy and then annually on 1st April thereafter, unless otherwise stated in the Tenancy Agreement. The tenant must pay the rent in each year during the continuance of the tenancy.
- 4.2 Rent is due for payment within 31 days. If the rent has not been paid within 40 days of issue the council may terminate the tenancy by giving one month's written notice.

5.0 Collection methods

- 5.1 The preferred method of payment of invoices is by bank transfer to the council's bank account, with the appropriate reference number to identify the payment. Payment will also be accepted by cheque to the Parish Office.

6.0 Invoice generation

- 6.1 All invoices will be raised in the RBS accounting system in line with the terms set out in this policy.

7.0 Credit Control

- 7.1 All income due will be collected in accordance with this policy and Financial Regulations. Any sums found to be irrecoverable, or any subsequent bad debts shall be reported to the Finance & General Purposes Committee and Full Council.
- 7.2 Unpaid income and bad debts shall be treated in the following manner:
 - 7.2.1 Invoices which remain unpaid after 30 days will receive a telephone call or email reminding the customer that the invoice remains unpaid.
 - 7.2.2 Invoices which remain unpaid after 45 days will receive written correspondence reminding the customer that the invoice remains unpaid.
 - 7.2.3 Invoices which remain unpaid after 60 days will receive written correspondence reminding the customer that the invoice remains unpaid and that future bookings will be suspended until the invoice is paid.
 - 7.2.4 Invoices which remain unpaid after 90 days will receive a letter reminding the customer that the invoice remains unpaid and notifying them of the withdrawal of the service provided. This letter will also include a statement that Warfield Parish Council will actively pursue all outstanding debts through the legal system.
 - 7.2.5 All letters will be accompanied by a statement of account from the parish council's financial system.

8.0 Legal recovery

- 8.1 It may be necessary for the council to begin legal proceedings to recover any debt owing. The Responsible Financial Officer (RFO) will consider if such action is in the financial interests of the council and will submit a written report to the Chair of the Finance & General Purposes Committee detailing the course of action to be followed.

9.0 Write-off bad debts

- 9.1 Warfield Parish Council will seek to minimise the cost of write-offs by taking all necessary action to recover what is due. Debts will be subject to the full recovery, collection, and all reasonable legal procedures.
- 9.2 The parish council recognises that where a debt is irrecoverable then prompt and regular write off of such debts is good practice. Whilst writing off bad debts is a non-routine function; all practical means should be taken to recover outstanding amounts due to the parish council before the RFO recommends writing off a bad debt to the Finance & General Purposes Committee. Before this decision is made, due diligence consideration should include the following: -
- The cost of recovery against the amount owed.
 - The likelihood of success.
 - Were the correct credit control procedures followed.
 - Could procedure and practices be improved.
- 9.3 Any debts to be written off should be reported in the form of a write-off schedule to the Finance & General Purposes Committee, who have delegated powers to write off bad debts of up to £3,000; any larger debts must be reported to Full Council. The write-off schedule should contain the following information:
- Invoice number.
 - Date of invoice.
 - Amount of debt.
 - Reason for write off.
 - Recovery history.
 - Date of write off.
 - Authorisation of write-off.
- 9.4 If the debt is subsequently repaid, the debt will be written on again to account for the sum paid.

9.0 Year-end

The RFO should ensure any bad debts and doubtful debts are correctly accounted for at year end.