PORINGLAND PARISH COUNCIL

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Bad Debt Policy

Policy Reference	PPC 7
Version Number	3
Associated Documents	• PPC5 Financial Regulations
Last Review Date	June 2025
Frequency of Review	Two Years
Approved by	Full Council
Date for Next Review	June 2027

This is a non-contractual policy that does not require approval from employees before changes are made. Staff will remain bound by amended non-contractual policies.

BAD DEBT POLICY

Approval and Review

The Council has approved this Bad Debt Policy, which forms an attachment to the Financial Regulations and supports Financial Regulation 9.

Actions to be followed

1. Where possible invoices are sent out for goods and services ahead of the supply of those goods and services. All invoices will show a 'Due By' date which will normally be 30 days after the invoice date.
2. Recharges to the Police for utilities will be invoiced according to the individual meter readings and invoiced on a quarterly basis.
3. Regular hirers of the Community Centre will be invoiced for hire at the end of the month of hire (eg December hire will be invoiced on or around 31st December). Casual hirers will be required to make payment in full prior to commencement of their hire. Failure to pay will result in their hire being cancelled.
4. In the event of payment not being received by the due date a reminder will be sent detailing that payment is now requested within 14 days of the date of the reminder. Administration charges will be added as detailed within the contract of hire, where applicable.
5. In the event of payment not being received after the 14 day reminder, then Council will consider action to recover late payment at their next meeting. A letter will be sent by or on behalf of the Responsible Financial Officer (RFO) advising:
    i. that Council will be made aware of the debt, including the date of the meeting at which the matter will be discussed;
    ii. that unless payment is received within 7 days (of the date of the letter) the matter may be progressed through the County Court (Small Claims Court);
    iii. the Council will also seek to recover its court costs;
    iv. no further reminders will be sent.
6. In the event of payment not being received within those 7 days then the RFO will, when instructed by Council, refer the matter to the County Court. There is a court cost incurred in using the Small Claims Court and this will be included as part of the claim made by the Council.
7. The Council and RFO will, where appropriate, seek to work with the debtor to implement a manageable programme of repayment. Failure to agree terms or make payment according to agreed terms will result in immediate referral of the debt to the Small Claims Court.
8. The RFO is responsible for implementing 1 – 4 above. The RFO will report all unpaid invoices to the Council which exceed 44 days. Bad Debts can only be written off with approval from the Council, and when 1 – 4 above have been implemented. All Bad Debts will be recorded in the Notes to the Annual Accounts.