



## **POLICY STATEMENT ON BAD DEBT**

Whitnash Town Council will collect all debt owing to it promptly, effectively, efficiently and economically, while ensuring fair treatment to all debtors.

### **Invoices and Payment**

All invoices raised must be properly supported by documentary evidence that supports the debt. Where practical and legally allowable advance payment should be requested.

All invoices will bear contact details and a brief explanation of why the Council requests payment. This should be within the invoice text.

Invoices must be raised promptly.

All invoices must request payment within **28 days**.

All debts should be paid in full by the due date.

### **Credit Notes**

A credit note must be issued to cancel an incorrect invoice, before re-invoicing correctly.

A credit note must only be applied to, or reduce the balance of, the invoice it was raised against.

A credit note must not be used as a method to write off debt.

The Responsible Finance Officer must authorise all relevant paperwork.

### **Bad Debt Write Off**

This will only be done if:

Absconded or Unable to Trace

Bankruptcy

Compassionate

Deceased

Uneconomic

**Date Approved: 21<sup>st</sup> June 2012**

**Review Date:**

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If, after reminding the client the debt remains outstanding the following will apply:

If the total value of the customer's debt(s) is less than £50 and it may be considered uneconomic to pursue further, the invoice will be 'written off'.

For all other debts over **£50**, the following action will apply:

1. Refer the debt to a Debt Collection Agent.
2. Refer to a Solicitor.
3. If all options have been exhausted and we are unable to collect the debt the Town Council should write off the debt.

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