Draft Income Collection/Debt Write-off Policy

Approval Date	Prepared by:	Approved by
April 2024	Town Clerk Cathy Kennedy	Finance & Governance Committee

Introduction

This Income Collection/Debt Write-off Policy outlines the procedures and guidelines for Cowbridge with Llanblethian Town Council ("the Council") in managing income collection and debt write-offs. This policy is developed in accordance with the Council's financial regulations.

Objectives

The primary objectives of this policy are as follows:

a. To ensure efficient and effective income collection processes.

b. To establish transparent and consistent procedures for managing debts.

c. To minimise the risk of financial loss due to unrecoverable debts.

d. To comply with the Council's financial regulations and guidelines.

e. To maintain public trust and confidence in the Council's financial management practices.

Income Collection Procedures

The Council shall implement the following procedures to facilitate timely and efficient income collection:

a. Billing and Invoicing: All income-generating activities shall be properly invoiced to the relevant parties in accordance with established rates and terms.

b. Payment Terms: Clear payment terms shall be communicated to debtors, specifying due dates, acceptable payment methods, and consequences of late payment.

c. Monitoring and Follow-up: Regular monitoring of outstanding debts shall be conducted, and follow-up actions shall be taken promptly to remind debtors of their obligations.

d. Debt Recovery: In cases of persistent non-payment, appropriate debt recovery measures shall be pursued, including legal action if necessary.

Debt Write-off Procedures

Despite diligent efforts to recover outstanding debts, certain situations may arise where it is deemed appropriate to write off a debt. The Council shall adhere to the following procedures when considering debt write-offs:

a. Criteria for Write-off: Debts may only be considered for write-off if they meet one or more of the following criteria:

i. The debtor is deceased with no assets of value.

ii. The debt is legally unenforceable.

iii. The cost of pursuing recovery exceeds the amount owed.

iv. The debtor is insolvent and unable to pay.

b. Approval Process: Debt write-offs shall require approval from the Council's Finance & Governance Committee, following a thorough review and assessment of the circumstances.

c. Documentation: All decisions regarding debt write-offs must be documented, including rationale, supporting evidence, and approvals obtained.

d. Reporting: An annual report on debt write-offs shall be prepared and presented to the Council, detailing the amount of debt written off, reasons for write-off, and any relevant trends or patterns identified.

Compliance

This policy shall be implemented in compliance with the Council's financial regulations, including but not limited to the Accounts and Audit Regulations 2003 issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation.

Review and Amendment

This policy shall be subject to periodic review to ensure its effectiveness and compliance with changing regulations and best practices. Amendments may be made as necessary with approval from the Council.

Communication

This policy shall be communicated to all relevant stakeholders, including Council members, employees involved in income collection and debt management, and the general public through appropriate channels.

This Income Collection/Debt Write-off Policy shall take effect upon approval by the Council.