

# Income Collection and Debt Write off Policy

## Introduction

Pontesbury Parish Council has several income streams in addition to the Precept. Generally, this income is received promptly in response to an invoice or other request for payment however this policy sets out the procedure where debts remain outstanding after 30 days and to deal with any that are irrecoverable.

## Income Collection

### *Room Hire*

Pontesbury Parish Council will issue an invoice for room hire either at the time of booking (new users) or by the end of the month the room is hired (regular hirers). Invoices are marked as being due before the room booking date (new users) or by the end of 30 days (regular hirers).

Accounts will be reconciled monthly and any debts older than 30 days will be sent a reminder email requesting prompt payment. Any debts remaining outstanding after 60 days will be sent a final reminder email including a warning that future bookings will not be accepted until the debt is cleared. Room hire invoices are seldom larger than £100 so the risk of default is small. Debts of less than £100 outstanding after 90 days shall be written off and no further bookings shall be accepted from the hirer without full payment in advance. Debts larger than £100 shall be dealt with in accordance with the Debt Recovery and Write-off section of this policy.

### *Newsletter Advertisements*

Advertisers will complete an order form detailing the size of advert and number of months required and will make payment in advance of publication.

### *Leases & Service Charges*

Pontesbury Parish Council leases several spaces to other organisations and the terms are set out in signed leases. Invoices for each lease period are issued by the RFO in accordance with the lease agreements. Accounts are reconciled monthly and any debts older than 30 days will be sent a reminder email.

Any debts outstanding after 60 days will be sent a final reminder referring to the relevant clause in the lease and requesting payment within 7 days. Leases generally relate to larger payments and delays can impact significantly on cash flows, so a lack of response to the final reminder will be referred to the next applicable Council (or Committee) meeting to consider whether to levy interest charges or debt recovery charges on the debt.

An aged debtor report will be presented to the Council at least quarterly for a decision relating to debt recovery or write-off.

## Debt Recovery and Write-off

If interest is to be charged to a business it shall be 'Statutory Interest' based on HMRC guidelines, ie 8% per annum plus Bank of England Base Rates. This will be converted to a daily interest rate and a new invoice issued to include the interest owed.

If the Council decides to claim debt recovery costs in addition to interest charges they shall be in accordance with late payment legislation. These charges vary according to the debt owed and may be charged each time the Council attempts to recover the debt.

Any decision to levy additional charges or to write off a debt shall be recorded in the minutes of the meeting.

If after 90 days the Council decides that all appropriate efforts to recover the debt have been exhausted, they may decide to write off the debt. The debt shall be written off within the financial year in accordance with Financial Regulations.

*Debt Recovery Costs 2025*

<b>Amount of debt</b>	<b>What you can charge</b>
Up to £999.99	£40
£1,000 to £9,999.99	£70
£10,000 or more	£100

Date of adoption \_\_\_\_\_ 9<sup>th</sup> June 2025 \_\_\_\_\_

Next review date \_\_\_\_\_ May 2027 \_\_\_\_\_