

CHISELDON PARISH COUNCIL

BAD DEBT POLICY

Scope:

This policy is to minimise the council's risk of any unpaid invoices "Bad debt" and ensure the controlled and prompt payment of funds to the council that it is owed by its customers.

This policy will also include the management of obtaining refunds of payments made to contractors where the contractor has not met the terms of their contract, and will also including withholding payment for work not carried out as per contract terms.

Historical debt:

For any debt currently in place, the RFO will in the first instance work with the debtor to arrange prompt payment in full of the debt amount.

If full payment is not possible, the RFO will work with the debtor to arrange a regular payment plan to pay off the debt in a timely fashion which the debtor and RFO are in agreement of.

If the debtor is unable or unwilling to pay the full debt amount in a timely fashion, the details of the debt will be added to the next Full Council or Finance Committee meeting for discussion. The item will be held in confidential session if details of the debt will identify the individual.

The council or committee will agree any and all payment plans, or other avenues to follow up to retrieve the debt, including but not limited to civil legal action.

It is hoped in most cases that a payment plan can be arranged that suits the debtor and the council and allows them to pay back the debt in a controlled manner.

New debt:

The Clerk and RFO will ensure that council policies and procedures prevent the possibility of bad debt wherever possible.

This includes the requirement that payment is made prior to allowing access to council buildings for bookings, or taking on allotment plots, or making burial arrangements.

If in the unlikely event that new bad debt is created, the Clerk and RFO will refer to the "Historical debt" section above.

Obtaining refunds and withholding payments:

The Clerk and RFO will monitor contractors work against their contract. In the event of work not being undertaken, or being undertaken to a sub-standard quality the Clerk or RFO will write to the contractor asking for an explanation and timeline for work to be completed to a satisfactory fashion.

The Clerk and RFO will check the terms of the contractor contract for conditions relating to non-payment or refunds.

If the work is not carried out or rectified satisfactorily, the issue will be brought to the relevant committee or Full Council for discussion and vote. The committee or Full Council will vote on the appropriate action for the Clerk and RFO to take.

The Clerk and RFO will either report back on the successful conclusion of the actions required, or bring back to a subsequent meeting is required for further council decision.

Restrictions of future use:

In the event of a repeated potential “bad debtor” the council will reserve the right to no longer engage in supplying services to a customer. This will be voted on at the applicable committee or Full Council meeting. This decision is final.

Approved date.....14.8.23..... Minute ref.....**ADD**.....

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Version control:

Version	Date	Changes
V1	24.7.23	Created – no changes

