INCOME COLLECTION AND DEBT MANAGEMENT POLICY

YEOVIL TOWN COUNCIL

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1. Introduction

1.1. Yeovil Town Council raises more than £2.7 million in revenue per annum. It has a duty to ensure cost effective billing, collection and recovery of all sums due to the Council.

1.2. It is essential that money due to Yeovil Town Council is paid in good time. Most of this income is paid as requested. However, a proportion is not and requires Yeovil Town Council to undertake recovery and/or enforcement action.

1.3. The policy details the procedures for income management and the management for any debts that may occur because of non-payment.

1.4. This policy should be read in conjunction with the Council's Financial Regulations.

2. Scope of Policy

2.1. The Policy applies to the collection of all income streams, including (but not limited to):

- Hire Fees
- Rents
- Recharges
- Ticket sales
- Food and drink sales
- Advertising

3. Charging for Goods and Services

3.1. Goods and services should only be provided on receipt of an official order or booking form from the customer.

3.2. Charges will be reviewed at least annually. Officers should be notified of any changes and customers made aware in writing, where appropriate.

3.3. Before undertaking any additional works or supplying any supplementary goods or services, it is essential to obtain written authority from the customer, including acceptance of the additional costs involved.

3.4. An invoice will be raised once a service has been agreed and will be payable withing the agreed payment terms.

3.5. All VAT charges will comply with the requirements of HMRC.

4. Raising Invoices

4.1. Invoices should be raised before goods and services are supplied.

4.2. All sales of goods and services must be identified and charges raised accordingly. Responsible Officers must ensure that all income due has been claimed and that appropriate invoices have been raised. There must be a valid documented reason for works and services that have not been invoiced. These must be approved by either the Responsible Finance Officer or the Deputy Responsible Finance Officer.

4.3. No manual invoices should be issued. All invoices must be in the format output from the accounting system.

4.4. If the goods and services are subject to VAT, this must be shown and coded separately on the invoice.

4.5. All invoices should be checked for accuracy to reduce the number of credit notes that the Councill will need to issue.

4.6. Debtors will be encouraged to make prompt contact if they disagree with the invoice or have difficulty in making payments. Any discrepancies should be resolved within two working days to prevent unnecessary delays in payment. It may be necessary to refer any disputes back to the originating service.

5. Credit notes

5.1. If an invoice is raised in error, it must be offset with a credit note. Adequate documentation or information should be supplied to support the credit note.

5.2. A credit note should be raised to offset the invoice in full or to reduce the value.

5.3. A credit note will also be raised as part of refunding customers (where applicable).

6. Write Offs

6.1. A debt should only be written off when it is a valid debt and the Council is unable to secure payment.

6.2. Any sums found to be irrecoverable (including bad debts) shall be reported to the Finance and Policy Executive by the Responsible Finance Officer or the Deputy Responsible Finance Officer. and shall be written off in the year.

6.3. All write-offs should be supported by relevant documentation/information as to the reason of the write-off.

6.4. In accordance with HMRC regulations, VAT will be reclaimed by the VAT return.

7. Debt Recovery

7.1. All staff must recognise the importance of recovering outstanding debts.

7.2. An aged-debtor report will be produced on 1st of each month and sent to the relevant Director. It is the responsibility of the Director to ensure that debtor accounts for their services are monitored correctly and to ensure that overdue accounts are pursued directly with the debtor.

7.3. Reminder letters will be sent from the Responsible Finance Officer or the Deputy Responsible Finance Officer (via the Finance Team) to the debtor via letter or e-mail.

7.4. Pre-stage: The Finance Team shall contact the originating service who will contact the debtor to chase payment.

7.5. Stage 1: A first reminder letter is produced 14 days after the due date, stating payment is required within seven days and that any further provision of services and goods will be put on hold until payment is received in full. The letter may also state that where the value is greater than £100, the Council reserves the right to add a charge to cover lost interest on outstanding amounts.

7.6. Stage 2: After a further 7 days (21 days after due date), a second reminder is sent, notifying the customer that unless payment is made within seven days, the Council is likely to take court action.

7.7. Stage 3: If there is no response after the second reminder (28 days after the due date), the Responsible Finance Officer or the Deputy Responsible Finance Officer shall determine the appropriate action in consultation with the Chair of the Finance and Policy Executive, and report to the next meeting of the Finance and Policy Executive.

7.8. At each stage of the collection process, full records must be kept of any discussion or correspondence between the Council and the debtor.

7.9. If a dispute or query is raised regarding the invoice, further recovery should be suspended until the matter is resolved promptly.

7.10. Any requests for repayment on an instalment bases should result in full settlement within twelve months and be agreed by the Responsible Finance Officer or the Deputy Responsible Finance Officer.

8. Excess Payments

8.1. A payment made in excess of the invoiced amount will result in the amount rightly due being retained by Yeovil Town Council and any excess monies (over £1) returned to the customer as soon as practicable.

9. Conduct in Collecting Debts

9.1. Yeovil Town Council will not use oppressive or intrusive collection methods.

9.2. Yeovil Town Council will always remain professional when attempting to contact the debtor, whether by telephone, e-mail or letter.

9.3. Yeovil Town Council will ensure that all attempted contact with debtors is made at reasonable times with reasonable intervals.

9.4. Yeovil Town Council reserves the right to disclose customer information to any agent or body instructed to obtain payment on their behalf.

Yeovil Town Council
May 2025

To be reviewed: March 2030