

Income and Bad Debt Write Off Policy

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Effective date:	Nov 2020	Review date:	Nov 2023
Approved by P&PRG:	Oct 2020	Approved by Finance Sub-Committee:	Nov 2020
Owner:	Stuart Green	Job Title:	Head of Finance
To be issued to:		Board of Management ARK Management All Staff	
Method of Delivery:		Email Policy Other	

Version Control

Date	Owner	Version	Reason for Change
October 2020	Stuart Green	3	3 yearly review Transfer to new format

Summary of Changes

Section	Change
Entire Policy	Transfer to new format
Entire Policy	Merged with 'Write-off for Bad Debts' policy [F05]
7.1 – Debtor Control & Bad Debt Write Off	<p>Changed wording to enable Director of Finance to approve write-off of all debts up to the authorisation limits set out in Procurement policy [F02], and for Finance Sub-Committee to approve above this level. Previously, Director of Finance was authorised to approve up to £10k. Items above this value required approval from the Finance Sub-Committee.</p> <p>The Director of Finance was also required to submit a summary report to the Finance Sub-Committee, on an annual basis, of the debt under</p>

	£10,000 written off. This requirement has been removed from the updated policy.
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Income and Bad Debt Write-Off Policy

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1.0 ARKs Values

Our organisational values are the basis for everything that we do, from providing housing, care and support to tenants and service users to ensuring that staff has clear standards of performance set. Ark believes that everyone should have the opportunity to lead a happy, healthy and safe life. We value:

- The worth of each person
- Trusting relationships
- Understanding difference
- Challenging oppression
- Personal and organisational accountability
- Caring for our physical environment
- Enjoyment

2.0 Purpose

The purpose of this policy, and the procedures which support it, is to set out our arrangements for:

- ensuring that Ark identifies and receives the income due for the various services provided; and
- approving the write-off of income which we have decided we will not be able to recover.

3.0 Policy Statement

All income due will be in line with our current aims, objectives and business priorities. We will aim to maximise the income due to us.

Ark will put in place measures to ensure that all actual or potential sources of income are:

- identified;
- allocated to the correct budget heading at the point income can be recognised; and
- recovered in a timely manner, to minimise the amount of irrecoverable income.

4.0 Scope

This policy is aimed at people who are:

- Members of our Board of Management and of the Board of Management of any of our subsidiaries; and
- All staff with budget holder responsibility across the organisation, including the Executive and Senior Leadership teams, and Care and Support managers.

5.0 Legal/Regulatory Framework

This policy complies with the Scottish Social Housing Charter, Standard 13, 'Value for Money' relating to financial management and Scottish Housing Regulator (SHR) Regulation 3.

All income will be recorded as required by the current accounting standards and 'Statement of Recommended Practice' (SORP) for charities and registered social landlords.

6.0 Responsibilities

6.1 Board of Management

Ark's Board of Management is responsible for consideration and approval of this policy, and for ensuring that its decisions are taken in accordance with relevant legislation, regulatory expectations, training and guidance.

6.2 Executive Team

Ark's Executive Team is responsible for ensuring that this policy is reviewed in accordance with Ark's schedule for review of policies, or sooner if required. The Executive Team is responsible for ensuring that its decisions, and the decisions of officers, are taken in accordance with relevant regulatory expectations, best practice, training and guidance.

6.3 Senior Leadership Team

The Senior Leadership Team will be responsible for approval of this policy and the effective implementation of this policy within their area of responsibility, as required. They must also ensure that each member of their staff, through induction, and team meetings, is made aware of this policy and participates in relevant training.

6.4 Managers

Ark Managers will be responsible for the effective implementation of this policy within their area of responsibility, as required. They must also ensure that relevant members of their staff, through induction and team meetings, are made aware of this policy.

6.5 All Staff

All relevant Ark employees are required to familiarise themselves with this policy and comply with its provisions as well as undertake any training implemented as part of the rollout of this policy.

7.0 Types of Income

Our main regular sources of income are:

- payments from local authorities, other agencies and individuals for the range of support services we provide to service users;
- rent and service charges payments from tenants;
- payments from tenants for furnishings provided by Ark;
- recovery of the costs of repairs to our rented properties, where the repairs are the tenant's responsibility;
- interest on bank deposits, and income from other investments made under our Treasury Management policy [F03].

Payment of monies due to us may be made by the following methods:

- Direct bank transfer (BACS)
- Direct debit
- Standing order
- Allpay card (Swipe card)
- Worldpay
- Cheque
- Postal order

The Head of Finance will ensure that there are appropriate internal procedures for identifying all actual or potential sources of income, so that Finance staff are able to allocate income received to the correct budget heading, and identify any outstanding amounts for follow up. These are set out in procedure [F04a] 'Receipt of Income and Bad Debt Write-Off'.

7.1 Debtor Control & Bad Debt Write Off

We will actively follow up payment of any outstanding income due to Ark.

If, after carrying out all recommended procedures for recovering a debt, it appears unlikely that the money will be recovered, we will consider writing off the amount[s] due.

Monies due to us will be regarded as being irrecoverable if:

- Due to legal reasons the debt cannot be pursued;
- It is decided that it is not cost effective to take action (or any further action) to recover the amount due;
- In the case of a former tenant with arrears of rent or chargeable repairs, there is no forwarding address.

The writing off of irrecoverable income will be authorised by the Director of Finance, up to their level of delegated authority as set out in our 'Procurement' policy [F02]. For levels above

this, (either individually or cumulatively over the course of a financial year), approval will be obtained from the Finance Sub-Committee.

8.0 Related Policies & Procedures

This policy is supported by the following detailed policies and procedures:

Policies

[F01] Financial Regulations
[F02] Procurement

Procedures

[F03a] Banking
[F04a] Receipt of income and Bad Debt Write-Off

9.0 Equality Impact Assessment (EIA)

No potential equalities issues have been identified in relation to the development of this policy, and consequently an EIA has not been completed.

10.0 Data Protection Impact Assessment (DPIA)

No potential data protection issues have been identified in relation to the development of this policy, and consequently a DPIA has not been completed.

11.0 Stakeholder Consultation

In developing this policy the following groups were consulted:

- Ark Board of Management;
- Ark Executive Team; and
- Ark Senior Leadership Team.

12.0 Monitoring and Review

12.1 Monitoring

Our Rules require the Board of Management to set our policy on Income and keep it under review. This policy has been approved by our Board of Management and is consistent with the requirements of our Codes of Conduct for Board of Management Members and for Staff. These Codes have been confirmed by the Scottish Housing Regulator as meeting their regulatory requirements.

Ark's Executive and Senior Leadership Teams will monitor implementation of this policy, and its supporting procedures on an ongoing basis.

12.2 Review

This policy will be reviewed within 3 years from the date of approval by the Board of Management, in accordance with Ark's policy review framework and approval process.