



Managing Credits on Rent Accounts

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Version Control

Date	Owner	Version	Reason for Change
June 2023	Lesley Henderson	3.0	Cyclical Review

Summary of Changes

Section	Change
Whole document	Updated format
	Added Appendices
3.0	Additional steps added for the Senior Housing Services Officer/Head of Housing Services
4.0	Authorisation levels added in Housing Services Assistant changed to Customer Services Assistant Introduction of a target date of 10 working days to process
5.0	SHSO will authorise write on's up to £250 and HoHS above £250. SHSO will prepare the report rather than the Finance Officer.



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Managing credits on rent accounts

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1.0 Introduction

This procedure describes how we will monitor and deal with credit balances that have accumulated on tenants' rent accounts.

A Housing Services Officer (HSO) should carry out routine monitoring of rent credit balances to minimise the opportunity for any errors and to ensure that Housing Benefit overpayments are not being generated.

This procedure supports our [Rent Collection Policy & Procedures](#).

2.0 Identifying and checking credit balances

On a monthly basis each HSO will review the list of tenants with credit balances.

2.1 Credit due to overpayment of rent

If the credit balance is due to the tenant paying too much rent the HSO will contact the tenant by phone or e-mail to advise them of the correct monthly payment and to ask if they wish the credit balance repaid or credited against a future rent payment.

Although it is unlikely that this will happen, should the tenant advise that they wish to retain their credit balance and they do not wish a refund, the HSO will ensure that this is noted on the Housing Management System so that the tenant is not contacted again about their credit balance.

Before making any repayments the HSO will check if the tenant owes any amounts to Ark – see section 3 below. If there are no outstanding charges and the tenant wishes a refund, the HSO will initiate a request for payment – see section 4 below.

2.2 Credit due to housing benefit overpayments

Where the tenant is in receipt of full or partial housing benefit, the HSO will check whether the credit is the result of benefit overpayments. The HSO will liaise with the relevant local authority benefits section as required to establish the correct position.

Where there has been a housing benefit overpayment, the HSO will confirm with benefits staff whether the overpayment will be recovered from the credit balance.

3.0 Outstanding Charges

The HSO will check with Finance and Property staff that the tenant does not have any outstanding charges, such as rechargeable repairs or court expenses.

If the tenant has outstanding charges, or is about to be invoiced for a rechargeable repair, the HSO will contact the tenant by telephone, wherever possible, and seek to obtain their agreement that the credit on the rent account may be used to reduce or pay off the amount due.

If the tenant does not agree to the proposal the HSO will seek to persuade them that this is the best course of action to clear the debt, especially if a regular repayment agreement is not in place. They will be advised that we will take the necessary action, including legal action if required, to recover the debt which will result in the tenant facing higher costs through legal charges etc. Further action will depend on the tenant's response.

4.0 Repaying a credit balance

If the tenant agrees to transfer all or some of the credit balance the HSO will:

- Confirm the agreement in writing;
- Prepare a covering letter, Appendix 1
- Complete the Faster Payment Form, Appendix 2;
- Complete an Adjustment Form, Appendix 3;
- Ensure the tenants bank details are provided in writing from the tenant;
- E-mail all of the above to the Senior Housing Services Officer or Head of Housing Services for authorisation and initiation of the process to request a refund;
- The SHSO can authorise a refund up to £5K whilst the HoHS can authorise a refund up to £10K. Anything above £10K will be authorised by the Director of Finance.

The SHSO/HoHS will:

- Complete the checklist on the Faster Payment Form, e-mail all the paperwork to the Finance team at creditcards@arkha.org.uk and within that e-mail confirm that they are authorising the refund;
- Pass the Adjustment Form to the Customer Services Assistant (Property & Housing) (CSA) for processing;
- Ask the CSA to e-mail or post the covering letter to the tenant.

A member of the Finance Team will prepare and issue the Faster Payment, usually within 1 or 2 days of getting the request and e-mail the CSA once this has been done. If an e-mail is not

received the SHSO will check with the Finance team within 3 days of the request being sent to them.

All refunds must be processed with 10 working days of the initial request.

5.0 Adjusting credit balances

In instances where a credit balance has accrued and it will not be repaid to the tenant or recovered by the local authority, the balance will be treated as a write on.

At the end of each quarter a list will be prepared by the SHSO. The SHSO will decide what should be treated as a write on. The SHSO will be authorised to write on anything under £250. Anything over £250 will have to be authorised by the HoHS.

A full list of everything classed as a write on within the financial year will be presented to the Director of Finance at the end of the year.

6.0 Implementation and Review

6.1 Implementation

The Head of Housing Services is responsible for ensuring that this procedure is implemented.

6.2 Review

The Head of Housing Services will ensure that this procedure is reviewed every 3 years.

Appendix 1 – Covering Letter for Tenant

Name
Address
Postcode

Date

Dear XXXXXXXXX

(Reason for refund ie overpayment of rent) - £XXXX
Tenancy Reference Number - XXXX

I enclose a rent statement which shows you have a credit on your rent account.

We have now arranged for a refund of £XXXXXX to be paid directly into your bank account.

The amount will be refunded to you within the next 7 days.

If you have any queries please do not hesitate to call me on the number below.

Yours sincerely

Customer Services Assistant (Propety & Housing)
Tel: 0131 478 8146

FASTER PAYMENT FORM

Please complete all shaded sections below when wanting to make a faster (Bankline) payment to a supplier or customer.

Once completed, email this form to credit.cards@arkha.org.uk. Please allow 1 working day for the payment to be processed. If an urgent payment is required, please cc in your relevant Finance Business Partner.

Beneficiary Details	
Amount (£)	
Beneficiary Name	
Sort Code	
Account Number	
Reference*	

*The reference should be something that allows the beneficiary to identify the payment when looking at their bank account, such as an invoice number.

Reason for Manual Payment*

*What is it for and why paying manually?

Coding	
Cost Centre (xx-xxx)	
Account Code (xx-xx-xx)	
Project Code (if required)	

Supporting Information Checklist

Note – requests received without the necessary information and back-up will not be processed	Attached? Yes/No/n/a
Back-up for amount to be paid (e.g. Invoice, grant award, settlement agreement)	
Proof of beneficiary bank account details (e.g. headed letter, email from customer), or confirm taken verbally	
If customer refund, confirm that rent or customer account has been updated	
If paying a supplier set up on the Finance system, confirm that the invoice has been sent to purchase.ledger@arkha.org.uk for processing	
Evidence of Budget Holder approval (e.g. email)*	

*By approving you are confirming that you are authorised to incur expenditure to the relevant spend level as set out in Ark's Scheme of Financial Delegation (see Procurement policy [F02] for further information)

Appendix 3 – Rent Adjustment Form

Journal Credit/Debit Form

Name	Ten Ref. No.	Address	Comments/Text	Amount	JC/JD	Batch Number
			*			

Requested by *****

Date *****

If a JD needs done, the control screen needs to have a minus before the amount. On the actual posting screen DO NOT include the – sign.

***It is important that this comment is clear and concise so that the CSA can add this into the text section when doing a rent posting/ adjustment in Capita. If it is a JD/JC use the following example:**

- JD Trf to CT(CT account reference number)- pymt to FTA in error
- JC Trf from FT(FT account number) - pymt to FTA in error