



Late Payment & Bad Debt Policy

Version Control

Version	Date Approved	Minute Reference	Website Updated	Next Review
Ver 1	20.04.26	187/26	28.04.2026	March 2027

1. Introduction

Parish councils manage late payment and bad debts through structured reminders, legal recovery procedures and council approved write-offs to ensure financial accountability and minimise losses.

This policy sets out the procedures for handling unpaid invoices and outstanding accounts. Its main objectives are to identify, recover and, if necessary, write off debts that cannot be collected, whilst ensuring compliance with financial regulations and transparency in reporting.

2. Approval and Review

The parish council approved this Policy on 20th April 2026. It is included as an attachment to the Financial Regulations and supports Financial Regulation 11.3 *“Any sums found to be irrecoverable, and any bad debts shall be reported to the council by the RFO and shall be written off in the year. The council’s approval shall be shown in the accounting records.”*

The parish council will review this policy annually.

3. Actions to be Followed

- a) Invoices are sent out for goods and services ahead of the supply of those goods and services. The invoice requests that payment is received in FULL within 30 days of the date of the invoice.
- b) In the event of payment not being received, a statement is sent detailing that payment is now requested within 14 days of the date of the statement.
- c) In the event of payment not being received after the 14-day reminder, a letter will be sent advising:
 - i) Unless payment is received within 7 days of the date of the letter, the matter **may** be progressed through the County Small Claims Court.
 - ii) Should the Council seek this route, recovery of court costs will be included.
 - iii) No further reminders will be sent.
- d) In the event of payment not being received within those 7 days, the Clerk/RFO **may** refer the matter to the County Court. There is a cost incurred in using the Small Claims Court and this should be included as part of the claim made by the parish council.
- e) **Any decision to progress through the County Small Claims Court should only be made following parish council approval at the next meeting.**
- f) **In conjunction with the Financial Lead**, the RFO is responsible for implementing 1-3 above.
- g) The RFO will report all unpaid invoices to the parish council which exceed 44 days.
- h) Bad debts can only be written off with approval from the Council, and only when the above have been implemented.
- i) All bad debts will be recorded in the notes to the Annual Accounts.