



Bad Debt Write Off Policy

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Review Requirement	3 Years

ORE VALLEY HOUSING ASSOCIATION LTD

BAD DEBT WRITE-OFF POLICY

1.0 INTRODUCTION

1.1 We will implement systems and procedures to identify all income due to be received, and will ensure, so far as is possible, that all monies due, are paid to us.

1.2 The areas of risk with regard to income are:

- Rent from properties
- Recovery of housing benefit
- Rechargeable costs to tenants and owners
- Rent from retail units
- Loan payments from subsidiary companies
- Payment of outstanding inter-company balances
- Sundry debts

1.3 The procedures for dealing with bad debts will include:

- Identify any debt which may prove uncollectable;
- Putting in place a provision to cover the potential bad debt;
- Carrying out all reasonable steps to recover the debt;
- When the debt proves uncollectable, writing-off the debt.

2.0 IRRECOVERABLE DEBTS

2.1 Debts will be regarded as being irrecoverable (uncollectable) where:

- due to legal reasons the debt cannot be pursued;
- it is too difficult or expensive (i.e. it is not cost effective) to recover the debt;
- the debtor has no forwarding address;
- the debtor is deceased.

3.0 PROCEDURAL FRAMEWORK

3.1 The procedures for bad debts will cover rent, housing benefit, rechargeable costs, rent from retail units, outstanding inter-company loan payments and balances, and sundry debts.

3.2 Rechargeable repairs will be paid for in advance, where possible.

3.3 Debts of up to £50 will only be pursued if there is a high expectation of

collection.

3.4.1 All debts of over £50 will be pursued. The Board will review the adequacy of the £50 level regularly, and at least annually.

3.4.2 Write-off lists will be submitted to the Board on an annual basis.

4.0 MONITORING AND REVIEW

4.1 The CEO will ensure that this policy is implemented and that the appropriate procedures are in place to identify potential and actual bad debts, and to arrange for write-off where required.

4.2 The CEO will ensure that this policy is reviewed by the Board at least every three years, and any amendments required are submitted to the Board for approval.