
BAD DEBTS PROVISION POLICY

Title:	Bad Debts Provision Policy
Purpose of Procedure:	Guidance in relation to writing off arrears and making provisions in relation to doubtful debts. Guidance in dealing with debts relating to rechargeable repairs and factoring.
Section:	Housing Management/Finance
Date:	October 2018
Review Date:	October 2019
Charter Standards:	The customer/landlord relationship 1. Equalities Getting good value from rents and service charges 13: Value for money

BLAIRTUMMOCK HOUSING ASSOCIATION

BAD DEBTS PROVISION

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1.0 INTRODUCTION

- 1.1 Blairtummock Housing Association takes recognition of Scottish Housing Regulator's Housing Charter Standards, 1 & 13 which state:

Charter 1: Equalities

Social landlords perform all aspects of their housing services so that:

- *every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services*

Charter 13: Value for money

Social landlords manage all aspects of their businesses so that:

- *tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.*

2.0 WRITE OFF POLICY

- 2.1** The following has been agreed by the Association as its policy in relation to writing off former tenant arrears.
- 2.2** If the tenant is deceased or the arrears are below £20 a report will be put to the Housing Management Sub Committee following the termination of the tenancy to approve the write off of any arrears outstanding.
- 2.3** All other cases will be reported to the Housing Management Sub-Committee no sooner than three months after the termination and approval sought to write off the arrears balance.

3.0 DOUBTFUL DEBTS

- 3.1** The following has been agreed by the Association as its policy in relation to doubtful debts.
- 3.2** The rent part of the doubtful debts provision will include
a specific provision for
- all former tenants
 - all tenants where the debt has increased at the end of March from the previous rent period
- a general provision for
- 30% of all debts over £400 (excluding where this has been provided for as a specific provision)
- 3.3** Specific provisions are made for 100% of tenant recharges and for all other debtors over 90 days eg factoring, District Heating. A general provision is made for 30% of the other debtors balances remaining after the specific provision.

4.0 RECHARGEABLE REPAIRS

- 4.1** The Association's Rechargeable Repairs policy sets out the circumstances under which repairs will be carried out prior to payment being made.
- 4.2** The following has been agreed by the Association as its policy in relation to writing off rechargeable repairs.
- 4.3** If the tenant dies or the tenancy is terminated a report will be put to the Housing Management Sub Committee following the termination of the tenancy to approve the write off of any outstanding rechargeable repair.

5.0 FACTORING ARREARS

- 5.1** The following has been agreed by the Association as its policy in relation to factoring arrears.
- 5.2** All cases will be reported to the Housing Management Sub-Committee and any action will be approved by them.
- 5.3** If an owner sells the property any outstanding arrears will be paid to the Association from the proceeds of the sale.

6.0 YEAR END ACCOUNTING PROCEDURE

- 6.1** At the end of the financial year an appraisal of the debts over £400 will be undertaken with comments on how likely the Association is to recover these debts. This report will be available to the Association auditor's on a yearly basis if required.