



**Castle Cary Town Council**

The Market House

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**Castle Cary Town Council**

**DEBT POLICY**

**Purpose: To define the Debt Policy for Council staff**

**Document Properties**

File Name	Debt Policy
Current version	V2.0
Last Changed Date	17 <sup>th</sup> January 2022
Review date	17 <sup>th</sup> January 2024
Review Body	Marketing & Communications Committee
Council Approval Date	16 <sup>th</sup> January 2023

**Revision History**

<b>Version Number</b>	<b>Author</b>	<b>Issue date</b>
V1.0 Original	Zöe Godden	6 <sup>th</sup> January 2020
V2.0 Amended	Lisa Davis	17 <sup>th</sup> January 2022

**This Council Debt Policy was adopted by the Full Council on 20<sup>th</sup> January 2020 and will be reviewed annually.**

## **1. INTRODUCTION**

- 1.1. This Policy outlines the Council's procedures for dealing with late payments and outstanding accounts (bad debts) in accordance with Financial Regulation No 9.4. which states:

*“Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year in accordance with the Council Debt Policy”.*

## **2. POLICY:**

- 2.1. All accounts due will be collected in accordance with Financial Regulation No 9 and any sums found to be irrecoverable or any subsequent bad debts shall be reported to the Town Council.
- 2.2. Overdue accounts and bad debts will be treated in the following manner:
- i. Customers with outstanding accounts over £250 at 90 days shall be passed to a registered debt collector following a final seven-day warning at the discretion of the RFO of the Town Council.
  - ii. Any bad debts that cannot be recovered shall be referred to Town Council for authorisation to be written off.

## **3. CREDIT CONTROL**

- 3.1. Invoices are raised and reminders sent at 30, 60 and 90 day intervals.
- 3.2. After 90 days, a letter is sent by recorded delivery to the debtor advising that if no payment is made within 7 days, the debt will be passed to a debt collector for recovery.
- 3.3. In some instances, specific debts will be reported to the Marketing and Communications Committee or Properties and Infrastructure Committee prior to being passed to the debt collector.
- 3.4. Where the debt collector is unable to secure payment, the debt will be referred to the Town Council.

## **4. PAYMENT COLLECTION**

- 4.1. The Council receives income from the following sources:

- The Allotment Association
- Cemetery Fees
- Cemetery Chapel
- Museum Rent
- Events
- Fun Fair

- Gazebo Hire
- Market House Hire
- Markets
- Pavilion Hire
- Use of Office Facilities, e.g. photocopying

#### 4.2. Allotments:

An annual invoice is sent to Castle Cary Allotment Association to recover the cost of the rent for the allotment site. Allotments holders are invoiced directly by the allotment association and the Town Council has no involvement in invoicing allotment holders.

#### 4.3. Cemetery Fees:

Cemetery fees comprise of 3 elements:

- Reserving a grave;
- Actual interment (of ashes or body);
- Installing a headstone.

When a person(s) reserves a grave(s) they will be issued with an invoice with payment required within one month. The invoice amount will be as per the fee agreed by the Council's Property & Infrastructure Committee. Payment will be made by BACS or cheque. Upon receipt of payment an official Council receipt will be issued and a grant deed produced. An interment will be arranged through the undertaker. The Town Council will raise an invoice after the actual interment when the total costs are known. This invoice will be sent to the undertaker or executor for payment following liaison with next of kin or executor/solicitor. The invoice amount will be as per the fees agreed by the Council's Properties & Infrastructure Committee. Payment will be made by BACS or cheque. Upon receipt of payment an official Council receipt will be issued.

Installation of a headstone will be arranged between the next of kin's appointed memorial mason and the Town Council. The memorial mason will submit to the Town Council a headstone application form and arrange an appropriate time for booking and fitting the memorial. The Town Council will raise an invoice in accordance with the fees agreed by the Council's Properties and Infrastructure Committee. This invoice will be submitted to the memorial mason upon receipt of the headstone application form. Payment will usually be made by BACS or cheque. Upon receipt of payment an official Council receipt will be issued.

#### 4.4. Cemetery Chapel:

The Cemetery Chapel is a property owned by the Town Council that can be rented out for events relating to burials or other uses, such as meetings etc. Ad hoc bookings of the Chapel are invoiced when the booking is made. This again is in accordance with the fees agreed by the Council's Properties and Infrastructure Committee. Payment is due within one month from receipt of invoice. Payment will be accepted in the form of BACS or cheque.

#### 4.5. Museum rent

The Museum are invoiced quarterly. Payment is due within one month from receipt of invoice. Payment will be accepted in the form of cheque or BACS. Rental charges are reviewed in line with the respective tenancy agreements.

#### 4.6. Events:

Throughout the course of a year the Town Council holds a number of events. Any income from these events, for example, from stall holders, is invoiced, collected and banked by the Town Council. Payment will be accepted in the form of cash, cheque or BACS.

#### 4.7. Funfair

The annual funfair books the Fairfield through the Town Council office. Income is usually received in cash and should be banked on the same day or as soon as possible after receipt. A third of the income should be shared with Ansford Parish Council.

#### 4.8. Gazebo Hire:

The Town Council holds on behalf of the Town a supply of gazebos for community usage. These gazebos can only be hired by groups from within the Town in accordance with the fees agreed by the Council's Marketing and Communication Committee. Payment is due within one month from receipt of invoice with payment expected by either cash, cheque or BACS. Anyone hiring a gazebo(s) is required to make (and pay for) their own collection/return arrangements.

#### 4.9. Market House Hire:

Regular bookings – Regular users of the Market House are invoiced either monthly or quarterly by arrangement in accordance with the fees agreed by the Council's Marketing and Communications Committee. Payment is due within one month from receipt of invoice. Payment will be accepted in the form of cheque or BACS.

Ad hoc bookings - Ad hoc bookings of the Market House Hall are invoiced once the booking has taken place. This again is in accordance with the fees agreed by the Council's Marketing and Communications Committee. Payment is due within one month from receipt of invoice. A 50% deposit to be paid by ad hoc users where their bookings are valued at £250 or more. Payment will be accepted in the form of cheque or BACS.

Weddings – A booking deposit of 50% for is invoiced on the date of booking. The remaining balance is due 3 months before the date of the wedding. This again is in accordance with the fees agreed by the Council's Marketing and Communications Committee. Payment is due within one month from receipt of invoice. Payment will be accepted in the form of cheque or BACS.

#### 4.10. Markets

Income from the Tuesday Market is collected by the Market Manager using a card payment machine. The Town Council records all income from the Tuesday Market on its accounting software.

#### 4.11. Pavilion:

The Cricket and Football Clubs lease the Pavilion from the Town Council. Provision of cleaning and caretaker services are recharged to each club annually, with the cricket club

paying 1/3 and the football club paying 2/3. Payment is due within one month from receipt of invoice. Payment will be accepted in the form of cash, cheque or BACS.

Ad hoc bookings - Ad hoc bookings of the Market House are invoiced when the booking is made. This again is in accordance with the fees agreed by the Council's Marketing and Communications Committee. Payment is due within one month from receipt of invoice. Payment will be accepted in the form of cash, cheque or BACS.

#### 4.12. Use of Office Facilities, e.g. photocopying:

The Town Council allows certain groups to use the office photocopier during opening hours. Regular users have set up photocopying accounts whereby their usage is recorded and the Town Council issues an annual invoice in mid-March to each user based upon fees agreed by the Full Council. Payment is expected within one month. Payment can either be in the form of cash, cheque or BACS.

Ad hoc users are charged as they make their photocopying based upon fees agreed by the Full Council. In these instances, an official receipt is not given, however, a record is kept of the amount of money taken for such a service.