

Finance and Resources Department



To Strategic Finance Group
From Julie Thompson
Date 10 February 2010
Subject Procedure for writing off bad debts

Following the Strategic Finance Group meeting of 28 January 2010 I am writing to confirm the procedure for the write off of bad debts.

At the meeting there appeared to be some confusion over which committee the report should be taken to. I understand that in October the former Director of Corporate Services took a report to Strategic Policy and Resources to write off bad debts and this may have led to the confusion.

This was a one-off deviation from the normal procedure in order to deal with debts outstanding from pre-CTU/SAP days and to try and bring the write-offs up to date. However, it is not the procedure to be used on an ongoing basis.

As per the Financial Regulations, K.12, and the Accounting Manual, the normal procedure is split as follows:

- **Debts under £500**
Each Chief Officer may write off debts not exceeding £500 subject to notification to the Director of Finance and Resources.
- **Debts over £500**
Debts over £500 may be written off by the appropriate committee, i.e. Health, Development, etc.

In both cases write off of debt shall only be authorised where:

- (a) There is a properly established enforceable debt which
- (b) Remains unpaid in whole or in part and is
- (c) Irrecoverable at reasonable effort and expense and is
- (d) Not attributable to fraud, theft, irregularity or negligence of an officer.

I hope this clarifies the matter. We can of course discuss at our next meeting if required.

A handwritten signature in black ink, appearing to read 'Julie Thompson'.

Julie Thompson
Director of Finance and Resources