

Title: Debt Management Policy

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Authors Name:			
Authors Job Title:	Credit Controller		
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Policy to be followed by (target staff):Finance & Trust Managers			
To be read in conjunction with the following documents:			
SBS Debt Management Policy (Appendix 1)			
CQC Fundamental standards:			
Regulation 17 – Good governance			

Disclaimer

Since every patient's history is different, and even the most exhaustive sources of information cannot cover every possible eventuality, you should be aware that all information is provided in this document on the basis that the healthcare professionals responsible for patient care will retain full and sole responsibility for decisions relating to patient care; the document is intended to supplement, not substitute for, the expertise and judgment of physicians, pharmacists or other healthcare professionals and should not be taken as an indication of suitability of a particular treatment for a particular individual.

The ultimate responsibility for the use of the policy, dosage of drugs and correct following of instructions as well as the interpretation of the published material **lies solely with you** as the medical practitioner.

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Policy Statement

This policy sets out the process that the Trust follows in the management of Trust Debts and includes the Debt Management Policy for SBS who undertake the majority of the Trust's debt management.

Purpose and scope

This policy applies to all debtors of the organisation and can include private or public healthcare organisations, staff, private and overseas patients. It is also relevant to managers involved in providing services and recognising income to these groups and the Finance department whose role it is to issue invoices and collect debt.

Effective debt management maximises the cash flows from each area of the organisation and minimises the risk to the Trust of bad debt. It is vital that all decision makers within the organisation are aware of the importance of cash management and fully co-operate with the Finance Directorate staff who manage the administrative process. The Trust has an outsourced debt management policy operated by SBS (Shared Business Services) and this policy includes the policy that is operated by the third party provider.

This policy will enable the Trust to run an efficient and effective method of debt management. The aims of the policy are:

- To manage categories of debtors appropriately
- To reduce the risk of bad debt to the organisation
- To provide clear escalation channels that can be communicated to all stakeholders
- To write-off bad debt in a structured way to ensure good governance and that administrative resources are used effectively.

Abbreviations used

SBS - Share Business Services

1.0 Roles and Responsibilities:

Chief Executive

For NHS debt, when all queries have been resolved, the Chief Executive of the Trust will be the officer of last resort for chasing debt.

Director of Finance

As detailed in the Trust Financial Standing Instructions, the Director of Finance is responsible for the appropriate recovery action on all outstanding debts. Income not received should be dealt with in accordance with losses procedures. Overpayments should be detected (or preferably prevented) and recovery initiated.

Credit Controller

The credit controller is responsible for the reporting of the debt position weekly, escalating outstanding debts not collected, involving debt collection agencies where required and carrying out regular reviews of all debt in a repayment arrangement.

Debt over 60 days and over £5,000 is reviewed by the Credit Controller and where appropriate escalated to the Finance Director for further action. These debts are also reported to the Finance and Investment Committee monthly.

Accounts Receivable Liaison Officer

The Accounts Receivable Liaison Officer is responsible for reviewing the debt position alongside the Credit Controller, preparing write off schedules for the Audit Committee and assisting in the preparation of court papers where required.

SBS Debt management Team

The debt management team at SBS are responsible for writing to debtors in respect of all outstanding debts and regular follow up calls if required. A monthly debt management conference call is held with the Trust, progress in respect of non-clinical contract debts are discussed and appropriate action agreed with the Credit Controller and the Accounts Receivable Liaison Officer.

Heads of Departments

Heads of departments are responsible for ensuring that the correct contact details are provided to the credit controller at the onset of a debt recovery. When requested to by the Credit Controller, the Heads of Department will be engaged in informal debt collection where relationships exist that make it appropriate and formal debt recovery where further information may be required.

2.0 Implementation and dissemination of document

This policy will be placed on the Trust's intranet site and be available from the non-Clinical policy site.

3.0 Processes and procedures

All Debts are due within 14 days. The categories of debtor within the Trust (as defined with the financial system) are shown below

Reminder letters are issued on all invoices >£10 with the exception of Health Insurance Companies where no reminders are issued. In addition, the SBS Debt Management Team will endeavour to contact all debtors by telephone and / or e-mail providing sufficient contact details have been provided by the Client.

Invoices under an instalment plan are not subject to reminder letters, however monthly statements will still be generated.

Please refer to the SBS Debt Management Policy (**Appendix 1**) for full details of the debt management collection process carried out in relation to each debtor type and referral of debt to the Trust's external debt recovery agency.

Payment can be made to the Trust in the form of Cash, Cheque, Debit/Credit Card or BACS/CHAPS transfer. In some circumstances the Trust will accept a payment plan.

A monthly update on the Trust's debtor position, incorporating an analysis of debtor by type and age, is submitted to the Finance and Investment Committee on a monthly basis, including an individual analysis of all debts greater than £5,000 and over 60 days.

3.1 Debt Write Off

Debtor positions are reviewed on a monthly basis and other than Pharmacy Prescriptions debt, which is prepared for write off after a 182-day period, all other debt will be prepared for write off after 365 days unless it is subject to a payment plan, the debt is classified as unrecoverable or the sensitivity of the debt prior to 365 day period determines an earlier write off. A Schedule of proposed debts to be written off is prepared by the Credit Controller and the Accounts Receivable Liaison Officer and submitted quarterly to the Audit Committee for approval.

3.2 Court Referral

Selective debts over £1,000.00 are reviewed by the Credit Controller and the Accounts Receivable Liaison Officer for recovery via legal action in line with the authority from the Financial Controller. All debts selected are forwarded to the Trust's external debt recovery agency (CCI) who prepare all documentation, with support from the relevant trust department where required, and carry out representation on behalf of the Trust.

4.0 Governance

4.1 Document review history

Version number	Review date	Reviewed by	Changes made
4	Sept 22		<ul style="list-style-type: none"> . Addition of court referral section (3.2) . Replace SBS policy with updated version

4.2 Consultation History

Stakeholders Name/Board	Area of Expertise	Date Sent	Date Received	Comments	Endorsed Yes/No
	Financial Controller	1.7.22	20.7.22	Small changes to wording that have no impact on the substance of the document purpose Requested updated SBS policy	Yes
	Receivable Liaison Officer	1.7.22	15.7.22	No changes	Yes
Shared Business Services	Outsource provider for debt recovery		1.9.22	Updated outsource provider debt management policy	N/A

4.3 Audit and monitoring

Audit/Monitoring Criteria	Tool	Audit Lead	Frequency of Audit	Responsible Committee/Board
Ensure that debt management policy is being implemented	Internal audit report	Internal audit	Annually	Audit Committee

4.4 Equality Impact Assessment

As part of its development, this policy and its impact on equality has been reviewed. The purpose of the assessment is to minimise and if possible remove any disproportionate impact on the grounds of race, gender, disability, age, sexual orientation, religion or belief, pregnancy and maternity, gender reassignment or marriage and civil partnership. No detriment was identified.

Equality Impact Assessment			
Division	Corporate	Department	Finance
Person completing the EqlA		Contact No.	
Others involved:		Date of assessment:	3.8.22
Existing policy/service	Yes	New policy/service	
Will patients, carers, the public or staff be affected by the policy/service?		Private patients, public & Staff	
If staff, how many/which groups will be effected?		All staff	
Protected characteristic	Any impact?	Comments	
Age	NO	Positive impact as the policy aims to recognise diversity, promote inclusion and fair treatment for patients and staff	
Disability	NO		
Gender reassignment	NO		
Marriage and civil partnership	NO		
Pregnancy and maternity	NO		
Race	NO		
Religion or belief	NO		
Sex	NO		
Sexual orientation	NO		
What consultation method(s) have you carried out?		For example: focus groups, face-to-face meetings, PRG, etc	
How are the changes/amendments to the policies/services communicated?		Update provided on the Finance hub (trust intranet)	
What future actions need to be taken to overcome any barriers or discrimination?			
Who will lead this?	Who will lead this?	Who will lead this?	Who will lead this?
Review date of EqlA			

Appendix 1: SBS Debt Management Policy



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