

Date of Review	Authorised Signature
See Version Tracking Table	

- TITLE:** **04.17 Housing Services Dealing with Bad Debts Policy**
- SCOPE:** RQ Housing Portfolio Bad Debts
- POLICY:** RQ ensures that the collection of debts is undertaken in a fair and impartial manner, consistently, efficiently and effectively. If the debt is unable to be collected in a cost-effective manner the debt shall be written off.
- PURPOSE:** To provide guidelines on how to collect outstanding debts and write off of uncollectable debts.
- DEFINITION/S:** RQ - Roseberry Qld
 General Manager also refers to Acting General Manager
 Staff refers to all paid and unpaid workers
 RPM – Rental Property Management software
 Bad Debt – debts that have been assessed as being uncollectable
 RTRAA – Residential Tenancy and Rooming Accommodation Act 2008
 QCAT – Queensland Civil and Administrative Tribunal
- PROCEDURES:** **04.17.01 Preventative Measures**
1. RQ accepts that it will cost the organisation less to collect rents when they are due rather than pursue rent arrears or deal with payment for tenant damage which may become a bad debt. Similarly, tenants should be encouraged to pay invoices raised to them in a timely manner.
 2. RQ Housing Services ensures that RQ tenants:
 - a) are aware of their responsibilities regarding paying rent and responding/reporting repairs or maintenance issues verbally and in writing at the commencement and signing up of their tenancy, and throughout the tenancy
 - b) are proactively encouraged to discuss any concerns about non-payment of rent, repairs/maintenance or damage as soon it is identified with RQ Housing Services
 - c) who may be vulnerable and require extra information and support are identified and this is assistance is sourced and/or provided

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- d) are made aware of the importance of informing RQ of any change in circumstances or changes that may affect income and/or rent payment
- e) are aware that payment plans can be negotiated to pay outstanding debts including rent, repairs/maintenance and damage
- f) know what the procedures and RQ expectations are when they decide to terminate a tenancy including providing RQ a forwarding address
- g) are encouraged to advise RQ of any changes in personal circumstances and likelihood any missing any rent payments by creating a positive environment where tenants feel comfortable in providing this information
- h) are provided a number of different payment methods to pay rent or pay the costs of repairs/maintenance costs
- i) understand that the Bond will be accessed to cover costs wherever possible as per the Housing Services Bond Policy however any costs over and above the Bond they will expected to reimburse.

04.17.02 Ex Tenants Debts

1. As per the RQ Housing Services Rehousing Ex Tenants Policy, RQ will ensure that if an ex tenant is to be rehoused, they shall either:
 - a) be required to pay any outstanding debts before being housed, or
 - b) be required to sign up to a repayment schedule to pay the outstanding debt, which will then form part of the tenancy agreement.

04.17.03 Invoicing

1. RQ Business Team will raise an invoice to recoup the costs for any repairs and maintenance work for which the tenant is liable, during and at the end of tenancy.
2. At the end of tenancy, an invoice will be raised by the RQ Business Team for the amount of rent in arrears as per the Rent Record and advised by the Housing Team.
3. The Housing Team will obtain a forwarding address and contact details from the Ex-tenant, to allow for collection of the debt.
4. RQ prefers payment terms of 30 days from date of invoice but understands that longer terms may be necessary in some circumstances to extinguish the debt.
5. The tenant will be required to pay outstanding amounts according to payment terms unless they can demonstrate that they are unable to pay and:

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- a) An agreement has been made with RQ Housing Services to pay for the service with an undertaking to repay on a regular basis
- b) Or, if the tenancy has been terminated, refunds will be sought from the tenant's Bond wherever possible, as per the RQ Housing Services Bond Policy.

04.17.04 Legal Action and Debt Recovery

1. RQ Housing Services will liaise with the RQ Business Team and the General Manager to determine the financial benefits of debt recovery action.
2. RQ Housing Services will pursue debt recovery through legal action only when all other avenues of debt recovery have been exhausted and with the approval of the General Manager.
3. RQ Housing Services will consider what legal action and options are available for example, provision of the RTRAA, application to QCAT. Consideration will be given to the amount of the debt and the costs involved with pursuing recovery through legal remedy, before legal action is taken.
4. RQ Housing Services will continue to make attempts to negotiate an agreement with the tenant / ex tenant without any legal action being taken, if at all possible.
5. RQ Housing Services will ensure that all records and information pertaining to the debt will be maintained for the legally required length of time.

04.17.06 Writing Off Bad Debts

1. It is inevitable that some debts will need to be written off by RQ and there are a variety of reasons for this including, but not limited to:
 - Financial hardship
 - The tenant/ex tenant is not able to be located
 - The tenant has been incarcerated or institutionalised and will not be returning to their housing with RQ (please refer to the RQ Housing Services Absence from Dwelling Policy)
 - Continuing attempts to recover the debt is not cost effective.
2. The following process is to be adhered to regarding writing off bad debts:
 - a) The Housing Manager will recommend debts to be written off after all economic attempts to recover the amount owing have failed.
 - b) The Housing Manager will submit a request to write-off via Bad Debt Write-Off Request Form (Housing) to the Business Manager.

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- c) The Bad Debt Write-Off Request Form (Housing) contains the following information to allow the authoriser to make an informed decision:
 - Debtor's Name (Tenant's Name)
 - Address of Property
 - Amount outstanding in rent arrears/repairs and maintenance
 - Length of time debt has been outstanding
 - Actions taken to recover debt
 - Why further attempts to recover debt should not be pursued.
- d) The Bad Debt Write-Off Form (Housing) is an internal form for operational purposes. Tenant personal details will be removed and kept confidential should authorisation of the write-off sit at Board level.
- e) Authorisation of the write-off of bad debts will be performed in accordance with 02.08 Financial Delegations Policy
- f) If a Bad Debt Write-Off Request is rejected, the form will be returned to the Housing Manger for further action or review. The request may be re-submitted, if necessary.
- g) All approved bad debts written off during the month will be reported to the Board in the Business Manager's Report for ratification at the monthly Board of Directors' Meeting.
- h) All bad debts that have approval for write-off will be written back to the cost centre that received the credit when the invoice/rental charge was raised.
- i) Once the write-off is approved and the debt is removed, any subsequent recovery will be recorded against the relevant cost centre that initially recorded the income.

ACCOUNTABILITY: RQ Housing Officers
 RQ Housing Manager
 RQ General Manager
 RQ Business Manager
 RQ Board of Directors

EVALUATION METHOD: Annual Review by Finance Sub-committee

OTHER RELATED POLICIES / DOCUMENTS: Community Housing Rent Policy
 Housing Act 2003
 Housing Regulation 2017
 02.17 Complaints, Appeals and Disputes Policy
 RQ Housing Services Information Sheet – How to Make a Complaint or Appeal a Decision.
 02.08 Financial Delegation Policy
 Bad Debt Write-Off Request Form (Housing)

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Policy Review and Version Tracking				
Review	Reviewed Date	Policy Amended: Yes/No	Approved By	Date Approved
1	-	-	RCS Board	July 2013
2	March 2014	Yes	RCS Board	16/04/2014
3	25/05/2018	Yes	RCS Board	05/06/2018
4	16/06/2020	Yes	RCS Board	27/06/2020
5	December 2020	No	N/A	N/A

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