

Good Practice for OMC

Debt Collection

Board Level

— [One Director to be nominated as debt collection director

— [Adopt or Develop a written debt collection policy

— [Determine if the lease allows interest to be charged on outstanding service charges

— [Determine the interest rate that can be applied

— [Communicate the policy with the membership

Board Level & Managing Agent

— [Agree date by which payment or arrangement must be made

— [Provide flexible payment methods eg monthly standing orders, quarterly

— [Communicate with membership that interest will be applied if payment arrangements are not in place by set date

— [Instruct MA to apply interest and issue invoice

Director & Managing Agent

— [Conduct a review of service charge accounts

— [Determine what cases should be given for legal debt collection

— [Prepare documents for solicitor

Director & Managing Agent

Essential Documents

- Up to date invoice showing yearly service charge, interest if applied, fines
- Confirmation that this invoice was issued- date
- Address of the member
- Counterpart lease or generic lease for OMC

Director & Solicitor

— [Provide Solicitor with relevant background information eg member claims no access to car parking, plumbing defects, lack of services being provided

— [Advise if other solicitors have acted for the OMC

— [Arrange for the transfer of the files

Director, Solicitor & MA

— [Director to be copied on all correspondence between solicitor and MA

— [If file given to solicitor, the member to be advised by MA to deal directly with solicitor- one point of contact

— [Solicitor and Director to be advised of any correspondence and or monies received by MA

— [Queries raised by solicitor to be answered promptly

Director, Solicitor & MA

— [Arrange regular meetings between all three parties

— [Provide solicitor with quarterly service charge account reports

— [Obtain lodgement reports at relevant intervals

— [Brief the Board & Committee on the progress of the debt collection