



Agent Accounting Team Debt Recovery Process

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Glossary

Word/term	Definition
AAT	Agents Accounting Team
Branch	The Post Office branch operated by the Postmaster
Branch Discrepancy (BD)	When Branch Trading is completed, Horizon calculates the expected cash position, using the transactions completed through Horizon. The branch then counts the actual cash in the branch and declares this. A branch discrepancy is where there is a difference between these two values, either a cash shortage or surplus.
Branch Trading	The act of the monthly balancing of the branch accounts. The Postmaster is required to reconcile the cash and stock in his branch against what the Horizon system is displaying there should exist in real terms.
DFR	Deduction from fees/ remuneration
FSC	Finance Service Centre
NBSC	Network Business Support Centre
Non-transactional Debt/Invoice debt	Refers to debt incurred outside of branch transactions. Incurred due to unpaid invoices for example: Franchise Insurance Waivers (once a year); Lease of electronic scales (once every quarter); Property projects (e.g. refurbishment work).
POL	Post Office Limited
Settle Centrally	In Horizon Postmasters can choose the option to “Accept and Settle Centrally” which signifies acceptance of a loss or gain within a branch unless the dispute process is instigated. “Settle Centrally” does not prohibit further investigation which might offset all or part of the loss/ gain accepted earlier, but this is the branch’s responsibility to initiate.
Transaction Correction (TC/TX)	Transaction Corrections are sent to the branches via their Horizon system when a discrepancy has occurred in their accounting or where a branch is considered liable for payment processing failures such as negligent acceptance of counterfeit currency. A discrepancy may not have arisen in branch but a loss has been identified at some point which

	is attributable to the specific branch. These are sent out by teams within Finance Service Centre who deal with various clients/products.
CA	Contract Advisor
Dunning	Dunning is the process of methodically communicating with customers to ensure the collection of accounts receivable

1. PURPOSE

The purpose of this document is to provide a clear and concise description of the POL Agent Accounting Team Debt Recovery Process in relation to Operators currently in post.

2. AGENT ACCOUNTING DEBT RECOVERY OVERVIEW

AAT recover any amount settled centrally by a branch and/or invoice debt following the defined monthly process.

3. DEBT RECOVERY PROCESS

Week 1 - Every Monday, following a group branch trading, a Dunning Run 1 is performed by AAT

A letter is produced and sent to branch, along with a statement of their account, giving them 7 days to pay



Dunning Letter
1.pdf

Week 2 - Every Tuesday, a Dunning Run 2 is performed by AAT, this will pick up any branches that have not cleared their debt from the Dunning Run 1 sent the previous week.

A letter is produced and sent to branch, along with a statement of their account, giving them 7 days to pay



Dunning Letter
2.pdf

Week 3 – SAP Collections management produces a worklist on the Wednesday after the Dunning 2, and picks up any branches that have not cleared their debt from Dunning Run 2, from this worklist, the branches are called a minimum of 2 times (debt up to £1k) up to a maximum of 4 times (debt over £1k)

4. VOLUNTARY PAYMENT

Payment can be made by the Operator at any stage in the debt recovery process

Payment methods:

Card

Cheque

BACS

DFR – one off payment

DFR – instalments

If the debt is more than 25% of the Operators remuneration, they have the option to pay in instalments via DFR, however only one plan will be allowed in any 12 month period – approval levels below

Up to 12 months – Admin

Up to 12 months & lump sum - Admin

12 to 24 months – Team Leader & Senior Manager

24 to 36 months – Senior Debt Manager – Postmaster will be required to submit a request with an explanation of the debt & required repayments

36 + months – Senior Debt Recovery Manager & Head of Agency Contracts Deployment - Postmaster will be required to submit a request with an explanation of the debt & required repayments

In the case of a pluralist or multiple operator, the aggregated pay for all branches will be taken into account

If DFR is agreed a letter is sent to the Postmaster detailing the deductions



DFR Voluntary
Singlef.docx



DFR Voluntary
Instalment.docx

5. FORCED PAYMENT

If after following the Debt Recovery Process no payment has been received. POL will force DFR.

Forced DFR will follow the same rules as agreed DFR with regards to the amount POL are able to deduct and the authorisation levels.

If DFR is forced a letter is sent to the Postmaster detailing the deductions



DFR Forced
Single.docx



DFR Forced
Instalment.docx

6. REVISED DFR

In the event that additional debt is added to an account that already has a DFR instalment plan in place, the length of the plan will not be extended.

The amount deducted can be increased up to the 25% maximum, if the maximum is already reached, then the debt must be made good in a single payment (not DFR), or agree to more than the 25%.

Exceptional cases will be agreed between FSC and Contracts Team

7. DISPUTES

At any point in the Debt Recovery Process an Operator can dispute the debt, POL will use the following guidelines

BD – known error – e.g. if the branch have completed a BT with a loss, but discover they have miscounted cash/stock etc., and expect to show a surplus at their next BT, POL will block the debt from further recovery, until after their next BT.

If the branch are waiting for a TC and have called NBSC to raise an issue, POL will block the debt whilst the investigation is ongoing

BD – unknown error – if the branch have completed a BT and declared a loss, but they are unaware of the reason, POL will not block the debt. The branch will be advised to call NBSC for assistance, and advised that the debt remains due for payment

TX – If the branch have settled a TC centrally, which they wish to dispute, the branch must provide evidence and forward to the appropriate team/TC issuer. POL will block the debt whilst the evidence is investigated

INVOICE – if the branch wish to dispute an invoice, they will be asked to evidence the dispute by email, this will be forwarded on to the invoice issuer for clarification. The debt will be blocked whilst the investigation is ongoing

If a dispute is found to be valid, then the debt will remain blocked until the compensating amount is applied to the Operators account via a credit invoice.

If the dispute is found to be invalid, the Operator will be informed, the debt will be unblocked, and the debt recovery process will continue from the point where it ceased.

8. CONCURRENCE

If an operator refuses to pay a debt after all investigations have been completed and found proper to stand, then the debt will be referred to the Contract Advisor for resolution.

The report will only be sent to the CA's that have a branch on the report.

In the case of invoice debt a copy of the original invoice must be supplied.

This is currently in the form of a weekly spreadsheet emailed to the Contract advisors, this process is currently under review for improvement.

9. PERSISTENT OFFENDERS

A trigger of the branch requesting more than one DFR instalment plan in a year will cause the branch to be referred to the Fraud Analysis team for investigation.

10. DEBT ANALYSIS

On a weekly basis AAT will check the balance of debt against the remuneration at each branch.

Any branch with a debt that would take longer than 12 months to repay at the 25% threshold for DFR, will be highlighted to Fraud Analysis and the Contract Advisor team

Any debt that the Postmaster agrees to pay within 12 month but at an increase to the 25% monthly deduction, will also be flagged to Fraud Analysis and the Contract Advisor team.

11. PROCESS MAP



Debt recovery
process
