
Finance and Resources Committee Meeting –23 June 2009

REGISTRANT DEBTORS AND CREDITORS POLICY UPDATES

Executive summary and recommendations

Introduction

This paper provides an update to the existing Registrant Debtors and Creditors policies. It also includes a refunds process for tracing registrants to refund them money owing.

Decision

The Committee is requested to approve the updated policies.

Background information

The Registrant Debtors and Creditors policies were last approved by the Committee in September 2006. Specific fee rates have been taken out of the policies to 'future proof' them. Some additional information has also been added in the Registrant Creditor policy under the section on refunds, relating to reissuing replacement cheques.

Refunds include those arising from voluntary removal from the register and where registrants have made an overpayment on their fees. Following advice from BDB about the need to make reasonable efforts to refund fee overpayments, a refunds process has been documented regarding tracing registrants in order to refund them the money owing – refer Appendix Three.

Based on transaction volumes recorded for the year to 31 March 2009, the average volume of refunds issued was about 105 per month, with an average value of £43. Only a small proportion (less than 5% of refund cheques) are not cashed.

Resource implications

Nil

Financial implications

Nil.

Appendices

Appendix One – Registrant Debtors Policy (updated)

Appendix Two – Registrant Creditors Policy (updated)

Appendix Three – Refunds process

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2008-10-233	a	F&R	PPR	Registrant Debtors and Creditors Policy Update	Draft DD: None	Public SL: None

Date of paper
11 June 2009

APPENDIX ONE

HEALTH PROFESSIONS COUNCIL (HPC)

Registrant Debtor Policy

1. Introduction

The Health Professions Council (HPC) is permitted under its fee rule legislation to obtain income from four sources:

- Scrutiny fees (international or grandparenting)
- Registration fees (graduate and non-graduate of approved programmes)
- Renewal fees
- Readmission fees

Scrutiny and Readmission fees can only be paid to the HPC by cheque, postal order, bank draft, debit card or credit card. Registration and renewal fees can be paid by cheque, postal order, bank draft, debit card, credit card or direct debit.

The HPC is an independent regulator with limited investments, so does not receive a significant portion of its income from other sources. Although it receives approximately 80% of renewal fees via registrant's direct debit arrangements, a robust debt management policy is necessary to ensure sufficient funds are available to meet its budgetary needs and ensure that no health professional is on the register without being a paid up registrant member.

The Registrations Debt Policy refers to all debts owed to the HPC from registrants. The HPC will recover debts by making early contact with registrants and by dealing with them firmly but sympathetically.

2. The Debt Recovery Procedure

All new health professionals applying to become registered with the HPC for the first time are required to pay the minimum fee applying over the remainder of their professional cycle and will be given the option either to pay by direct debit (every six months for the 2 year period) or entirely upfront (bi-annually).

International applicants pay the scrutiny fee upfront before an application is processed, regardless of whether their application to register is successful or not.

A number of payments will reject due to some seen or unforeseen circumstances of the registrants or applicants. Once the HPC has received notification that an applicant or registrant fee has been rejected, the HPC will identify and make contact by letter within ten days of receiving the notification. The HPC will allow three weeks (21 calendar days) for the registrant or applicant to pay the debt outstanding.

If no contact has been made with the Finance/Registration Department to make arrangement for payment, by the end of the three weeks (21 calendar days), the applicant or registrant will get a second and final letter giving two weeks (14 calendar days) to pay. If no contact is then made with the Finance/ Registration Department, the registrant will be advised in writing that they have been lapsed from the Register. Similarly, the application process will cease at that point. The registrant will then have to go through the readmission process to come back on to the Register.

3. Debt Control

On a monthly basis, the HPC will record by application/registration number a schedule of rejected payments as a part of the monthly Management Accounts.

All rejections must be actioned in NetRegulate (the HPC registration database) as well as entered into Sage (the HPC financial system).

The HPC will make reasonable attempts to recover debt from the registrant or applicant for unpaid fees. If the HPC is unable to recover debt, the registrant will be lapsed or application processing will cease.

If the HPC has failed to notify the registrant/applicant within ten days of receiving notification, HPC will still attempt to recover the debt, but will start the debt process from the date the notification is sent to registrant/applicant. HPC will attempt to recover the debt. If still unable to collect the debt, the application status will be reviewed. Some applications may remain under application status for a variety of legitimate reasons e.g. awaiting further information.

In all cases, reasonable judgement should be exercised in lapsing the registrant or ceasing the application process.

4. Debt Management

HPC will send out Renewal notices three months before the start of each professional cycle to notify the registrants of their payment options and the balance outstanding on their transaction record. The registrant has the option

to change their payment method at any time. All payment dates and amounts are notified to registrants and applicants in advance.

HPC will not charge interest on late payments nor charge an administration fee on unpaid cheques or banker's drafts. The HPC will not charge any administration fee for unpaid direct debits payments, credit or debit card payments.

Despatching renewal notices is the responsibility of the Registration Department, while the Finance Department maintains responsibility for the debt management aspects of Registration. Payments by registrants are sent to the Registration Department for processing. At peak times the Finance assist with some payments.

5. Miscellaneous

If HPC is unable to recover registrant debts, charges raised in NetRegulate will be reversed, hence reducing recognised income. For control purposes, only Finance personnel are able to reverse income charges on the system. The Transaction Manager, Financial Controller & Financial Accountant have the authority to reverse the charges.

For audit trail purposes, notes must be made on the registrant's or applicant's NetRegulate record of explanations of why the charge has been reversed.

APPENDIX TWO

HEALTH PROFESSIONS COUNCIL (HPC)

Registrant Creditor Policy

1. Introduction

The Health Professions Council (HPC) is permitted under its fee rule legislation to obtain income from four sources:

- Scrutiny fees (international or grandparenting)
- Registration fees (graduate and non-graduate of approved programmes)
- Renewal fees
- Readmission fees

The HPC operates a bi-annual registration cycle. Regarding renewal fees, a registrant can elect to pay either the entire amount upfront for the two years or a quarterly payment every six months by direct debit. Direct debit payments are collected two months in advance of the professional cycle.

The Registrations Creditor Policy refers to creditors that HPC owe monies to relating to registration or application to register. Where the HPC has evidence that it has collected fees which it is not entitled to, then it will make good faith efforts to repay the money and without requiring the person concerned to necessarily ask for a refund.

2. The Creditors Procedure

Applicants can seek a refund of their scrutiny fee in full where HPC has accepted an application which was not eligible, or the applicant has decided to withdraw their application before any assessment has been made.

Registrants can seek a refund of their registration fee, by three methods:

- Voluntary removal,
- Lapsed from the Register with a credit on their account, and
- Overpayment of monies.

The amount to refund will depend on where the registrant is in their professional cycle and their nominated method of payment.

3. Refunds

HPC on a monthly basis must record by application or registration number, a schedule of refunds. The refund schedule shows registrants/applicants that have been authorised a refund in Netregulate and cheques have been issued. The schedule is as a part of the monthly Management Accounts.

HPC has a service standard for sending out all refund cheques to registrants and applicants within 10 working days of the Finance department receiving notification of the refund due. Refund cheques are sent to the correspondence address stated in NetRegulate. It is the duty of the Registration Department to ensure that all registrant contact records are kept up-to-date. (See Refund Process).

If a registrant or applicant fails to cash in their refund within six months, the relevant amount will be removed from the Refund Control Account (a/c no 6307) to a Refund Holding Account (a/c no 6306). This is actioned by the Financial Accountant on a monthly basis.

The Finance Department will write to the registrant again after the six month period stating that the cheque has not cleared yet. Finally, if no registrant contact has been made to the Finance Department within one month of sending the second reminder, the relevant monies will be posted back as miscellaneous HPC income. (See Refund Process).

In cases where the registrant asks the HPC to issue a replacement cheque, for example if the original one was lost or destroyed by accident by the registrant, the Finance department will instruct the bank to cancel the original cheque. Following bank confirmation of this, a replacement cheque is despatched to the registrant. (See Refund Process).

In very rare cases, where after the second reminder (to cash the cheque) is sent and the refund amount subsequently written back to miscellaneous income, if the registrant then contacts the HPC at any point thereafter to request a replacement cheque, this is prepared, journalled as a miscellaneous expense and the bank notified to cancel the original cheque as appropriate. NB: UK trading banks now honour a full range of dates written on cheques.

4. Miscellaneous

For various operational reasons, HPC will only make refunds by cheque. For internal control purposes, only Finance personnel are able to action refunds

on NetRegulate and issue cheques. The Transaction Manager, Transaction Officer, Financial Controller & Financial Accountant have the authority to prepare refunds.

Notes and cheque number must be entered in the registrant's or applicant's NetRegulate record. A hardcopy of the refund proforma (refund details) is also held on file in the Finance department.

APPENDIX THREE

Refunds Process (refer Registrant Creditor's Policy)

