



DEBT MANAGEMENT/RECOVERY POLICY

1 Introduction

The governing body (**GB**) is responsible for ensuring that procedures are in place for the recovery of outstanding debt.

This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

2 General Debt

Payment should be obtained as and when goods/services/facilities are provided wherever possible, where the value of goods and services are relatively small i.e. less than **£100**.

Where payment is not received at the time when the goods/services/facilities are delivered an invoice must be raised as soon as possible, but normally within 7 days of the goods/services/facilities being provided.

Invoices should state that the bill is due and payable at the invoice date.

If no payment is received within 21 days from date of issue of the invoice a final reminder should be issued to the debtor. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

Where only part of the debt has been settled a final reminder for the balance outstanding should be issued 21 days from the issue of the invoice. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

Where a debtor requests permission to settle the debt by instalments and extend the normal terms and conditions of supply they must submit an application in writing explaining the reasons for their inability to meet the original contract terms. The Headteacher (**HT**) and Chair of Finance Committee (**FC**) will agree the revised terms, which must not exceed 49 days from the date of issue of the invoice. If the debt is not settled within the terms set by the HT and chair of FC then a final reminder should be issued to the debtor. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

At each meeting of the GB/FC, the HT is required to inform the governors of any debt which is still outstanding after the 14 day period following the final reminder, together with any proposed action: This may be a referral to solicitors for legal action, a debt collection agency or to write-off the debt if there is no realistic prospect of debt recovery being successful, or if further action is not cost-effective.

A write-off must not be communicated to the debtor. It is not an acknowledgement that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.

Individuals or organisations that have previously defaulted on payments to the school are not allowed credit facilities.

Where a debtor's payments are regularly or consistently paid outside the terms of supply the HT must consider withdrawal of credit facilities and request the individual/organisation to pay for goods/services/facilities at the time they are consumed.

3. School Meals

Maximum debt limit £10

Payment for school meals should be made weekly in advance. This would normally be the Monday of the week for which the meals are being paid for.

On the first day of non-payment, a member of school staff will attempt to contact the parents/carer (**P/C**) in **person** or by **telephone** to discuss the debt and requesting payment on that day or by the end of that week.

Children will not be provided with a school meal unless it is paid for, except for those that are entitled to free school meals. If (**P/C**) believe that their child may qualify for entitlement to free school meals, they should be advised to contact the 'One Stop Shop' or school office. This allowance is a statutory right and it is important that **P/C** are encouraged to register for free school meals if they are entitled as this also enables the school to access **Pupil Premium** funding.

Any arrears of dinner money that arise **must be** pursued by the school on a daily basis.

If Dinner money remains outstanding at the beginning of the second week, a **reminder** letter should be issued to the **P/C**. The letter will also inform the **P/C** that if the Dinner money debt remains unpaid, the school can refuse to provide a school meal for the child and the **P/C** will need to provide the child with a healthy packed lunch or be taken home for lunch

Social services may also be informed that these **P/C's** are not carrying out the 'responsibility of care' by failing to provide food for their child at lunchtime.

It is **not** the responsibility of the school to provide lunch for pupils, it is the responsibility of the **P/C** to provide a meal, either a school lunch, packed lunch or to take the child home.

If Dinner money remains outstanding at the beginning of the third week, a **final warning** letter must be issued to the **P/C**. This letter will remind the **P/C** of the previous reminder letter and the current amount outstanding. It will also advise them that the Headteacher will contact them to make an appointment to discuss outstanding monies.

This debt management policy in respect of dinner monies includes the refusal to provide a school meal when the **P/C** has not paid or made contact with the school and payment has been outstanding for 1 week. This policy is intended to keep debts to a minimum and thereby avoid the cost of a referral to solicitors for legal action or debt collection agency, or to write-off the debt if there is no realistic prospect of debt recovery being successful.

4. Breakfast Club, Morning Club and After School Club.

Maximum debt limit £10

Payment for Breakfast Club, Morning Club and After School Club should be made weekly in advance. This would normally be the Monday of the week for which the sessions are being paid for.

Any arrears of Breakfast Club, Morning Club and After School Club that arise, **must be** pursued by the school on a daily basis.

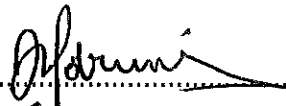
On the first day of non-payment, a member of school staff will attempt to contact the **P/C** in **person** or by **telephone** to discuss the debt and requesting payment on that day or by the end of that week.

If the Breakfast Club/Morning Club/ After School Club monies remain outstanding at the beginning of the second week, a **reminder** letter should be issued to the **P/C** along with notification that the child will no longer be able to access these services until the debt is cleared.


If Breakfast Club/ Morning Club/After School Club monies remain outstanding at the beginning of the third week, a **final warning** letter must be issued to the **P/C**. This letter will remind the **P/C** of the previous reminder letter and the current amount outstanding. It will also advise them that the Headteacher will contact them to make an appointment to discuss outstanding monies.

5. Conclusion

We hope that by implementing this debt policy, we are able to help **P/C** manage School Dinner money, Breakfast Club, Morning Club money and After School Club money effectively, reduce the administration time and costs involved chasing outstanding debts and at the same time ensure that money which should be spent on the children's education is **not** used to pay for debts incurred by **P/C** and debtors.

Signed  Headteacher

Date 15/10/18

Signed  Chair of Governors

Date 15.10.2018