



St Mary's Hampton
Church of England Primary School

DEBT RECOVERY POLICY

Review Frequency: Annual
Next Review: Spring 2020
Review Committee: Resources
Agreed: Spring 2019

Signed:

(Headteacher)

(Chair, Resources Committee)

Introduction

St. Mary's C of E Primary School will take all reasonable measures to collect debts as part of its management of public funds. A debt will be cancelled only after all reasonable measures have been taken to recover it.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Academies Financial Handbook. In addition:

- The Governing Board will not cancel any debt belonging to the school that exceeds £500. Any sum above this will be referred to the Education and Skills Funding Agency. If a debtor has a number of debts, which together exceed this limit then the total amount will be referred.
- A formal record of any cancelled debts will be retained for 7 years.
- The School will not initiate any legal action to recover debts, but will refer any debts it has not been able to collect (and not cancelled) to the Education and Skills Funding Agency or the LDBS to consider taking legal or other action to recover the debt.

Procedures for parental debt

School staff are expected to adhere to the following procedures to support the collection of all debts.

1. **Records:** A record will be kept of what was supplied (e.g. lunch, a school trip or hired venue), the value, the date and the identity of the purchaser (e.g. parent or carer). Invoices or other correspondence should state the date by which payment is due.
2. **Reminders:**
 - a. Initial reminders may be informal. The Office Manager will telephone a parent when the school meals debt exceeds two weeks of non-payments.
 - b. First reminder letter. A formal reminder letter should be issued 2 weeks after an informal reminder (see Appendix B).
 - c. Second reminder letter: A second reminder letter should be issued 2 weeks after the first reminder letter (see Appendix B).
 - d. Failure to respond to reminders and settle a debt: If no response is received and the school meals debt remains, school meals will cease to be provided until the debt has been repaid.
3. **Negotiation of repayment terms:** Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first reminder.
If a debtor asks for repayment terms and the debt is under £500, the terms may be negotiated and agreed by the Headteacher. For debt over £500 the terms may be negotiated by the Headteacher but must be agreed by the Governing Board. A record of all such agreements will be kept, and a letter will be issued to the debtor confirming the agreed terms. The settlement period should be the shortest that is judged reasonable.
4. **Costs of debt recovery:** Where the school incurs additional costs in recovering a debt then the Resources Committee will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded. The debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.
5. **Reporting of outstanding debt levels:** The Finance Manager will ensure that the level of outstanding debt can be determined at any time. The Resources Committee will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.
6. **Bad debts:** Cancellation of any debt up to £500 requires the written approval of the Governing Board. Debts over £500 will not be cancelled.

Bad debts of over £250 will be reported to the Resources Committee.

A record of written-off debts will be retained for 7 years.

7. If people are unable to pay

The School may reduce or cancel a debt up to £500 in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account.

- Hardship – where paying the debt would cause financial hardship.
- Ill health – where our recovery action might cause further ill health.
- Time – where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.

- Cost – where the value of the debt is less than the cost of recovering it.
- Multiple debts – where someone owes more than one debt to the School. In this situation an attempt to agree one repayment plan to include all debts will be established.

Procedures for other debts

School staff are expected to adhere to the following procedures to support the collection of all debts.

1. **Records:** A record will be kept of what was supplied, the value, the date and the identity of the purchaser (Invoices or other correspondence should state the date by which payment is due).
2. **Reminders:**
 - a. Initial reminders may be informal. The Office Manager will contact the debtor when the payment is late
 - b. First Reminder letter (this can be an email) should be issued 2 weeks after the initial reminder.
 - c. Second reminder: a formal letter should be issued 2 weeks after the first reminder letter (see Appendix C for template).
 - d. Failure to respond to reminders and settle a debt: If no response is received and the debt remains, the Headteacher will refer the debt to the LDBS/ESFA as appropriate.

At the discretion of the Headteacher, the debtor may be advised that they will be required to pay in advance for all future supplies or services. This decision and its basis will be recorded.

3. **Negotiation of repayment terms:** Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first reminder.

If a debtor asks for repayment terms and the debt is under £500, the terms may be negotiated and agreed by the Headteacher. For debt over £500 the terms may be negotiated by the Headteacher but must be agreed by the Governing Board. A record of all such agreements will be kept, and a letter will be issued to the debtor confirming the agreed terms. The settlement period should be the shortest that is judged reasonable.

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Appendix A: Letter to Parents

St Mary's C of E Primary School has a no debt policy relating to school meals.

If debts are incurred the school budget has to pay for them. This means that money, which should be spent on the children's education, is used to pay for debts incurred by parents. Every parent will agree that this is unacceptable and we request that all parents give this policy their full support.

If parents believe that their children may qualify for entitlement to Free School Meals please contact the office for more details. This allowance is a statutory right and it is important that you use it if you qualify. We will help you all we can with your application.

Parents must pay in advance for school meals using ParentPay.

Children will not be provided with a school meal unless it is paid for, except those that are entitled to free school meals. If a parent fails to pay in advance, the school will be required to act in accordance with its Debt Recovery Policy.

If school meals are not paid for and a packed lunch is not provided, the school may need to inform the local authority that a child is not being provided with a suitable meal at lunch time and their parent is not fulfilling their duty of care.

We hope this debt policy ensures that all money that is for children's learning is available.

If you have any concerns, please don't hesitate in contacting me.

Yours sincerely

Head Teacher

Appendix B: School Dinner Reminder Letters

Example – Letter 1

Parent or carer of (Pupil Name)
(Address Line 1)
(Address Line 2)
(Address Line 3)
(Post Code)

Dear xxx

School Meals provided to (Pupil Name)

According to the school's financial records you have not paid dinner money for your child (pupil name) recently.

As at xx/xx/xx your account is showing a debt of £xx.

Please make arrangements for the outstanding dinner money debt to be paid immediately.

Once you have cleared the current debt I should be grateful if you could ensure that you keep your account in credit. The current cost of a school meal is £x per day.

If you have any queries regarding these arrears or wish to discuss the matter further, please do not hesitate to contact the school office.

Yours sincerely

Head Teacher

Example – Letter 2

Parent or carer of (Pupil Name)
(Address Line 1)
(Address Line 2)
(Address Line 3)
(Post Code)

Dear xxx

School Meals provided to (Pupil Name)

I am writing regarding the current level of outstanding school meal debt that is showing on your account. Despite previous correspondences and messages the debt for your child is still outstanding.

The school's records show that as at xx/xx/xx your account is £x in debt. The current cost of a school meal is £x per day.

I would ask that you please make arrangements to clear this debt immediately and take steps to ensure your account is kept in credit in the future.

Since the school has to fund all school meal debts from its budget it is essential that all payments are up to date so that the quality of the service provided to all pupils is maintained.

Unfortunately, if the debt is not cleared by xxxxx a school meal will no longer be provided to your child and you must make your own arrangements for your child's lunch.

The school reserves the right to inform the local authority that your child is not being provided with a suitable meal at lunchtime.

If you have any queries regarding these arrears, please contact the school office immediately so that this matter can be resolved.

Yours sincerely

Head Teacher

Appendix C: Second Formal Reminder – Other Debts

Name

Address

Date

Reference outstanding invoice number:

Dear

I refer to my letter of & invoice This is a second and further reminder that this payment remains in arrears.

I am happy to discuss a payment plan, or any mitigating circumstances you may have in regard to settling this outstanding amount.

Our next step following this letter & in the event of continuing non-payment, will be, to refer the matter to the LDBS & the ESFA, as appropriate.

Please contact me by to advise when payment will be forthcoming.

Kind regards

Matt White

(Headteacher)