Debt Recovery Policy

Reviewed: October 21

Ratified December 21

To be reviewed December 24

Debt Recovery Policy

Any money owed to school has an impact on the budget and may affect the resources we can provide to all children. We hope that parents understand this and will make every effort to avoid owing the school money.

The school will take all reasonable measures to vigorously collect debts as part of its management of public funds.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements.

The school will ensure Trustees are kept up to date with the school debt situation.

The School is required to ensure that:

- All invoices outstanding are accurately recorded and maintained
- There is documentary evidence of all the steps undertaken by the school to recover the debt. This includes recording the dates that reminders were distributed, and/or phone calls made to debtors
- For all outstanding debts, a final statement is issued to all persons liable for the charge. This statement must state "further action will be taken if this account remains outstanding after a period of no less than 30 days."
- Services may be withdrawn where the debt is not settled
- Any action related to an outstanding debt or the waiving/reducing of a debt should be dealt with confidentially between the debtor and the Headteacher
- Debt will continue to be chased when a child leaves school and will transfer any debt to a younger child if a sibling leaves

The Trustees must:

- Consider the arrangements for debt recovery
- Approve the school undertaking legal action
- Ensure the anonymity of the families involved is preserved at all times

Debt Recovery Procedures
Where payment from the parent / carer/ supplier has not been received in advance, or at the post of sale the following process should be applied:

Initial informal overdue payment reminder
This may be informal when a parent or carer comes to the school or by telephone or text. The date of the initial reminder should be recorded.

Debts by suppliers will be sent a reminder invoice.

Step 1 – In the case of school meals payment reminders are sent each week by text for 3 consecutive weeks.

If no response – an email is sent for one further week and if no response school meals are stopped.

Reminder invoices are sent to suppliers each week for 3 weeks. A phone call will be made to the school reminding them of payment on week 4. The Headteacher will also be asked to assist in recovering debt from suppliers by contacting Headteachers of school suppliers.
An additional admin charge of £20 will be added if no response by week 4.

Step 2 - Final Notice
An official invoice may be issued for the full amount. This will trigger the Local Authority Debt Recovery processes and may be referred to the legal department. The debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them.

Trustees may reduce or cancel a debt in certain circumstances.

The School will:
- Always adopt a sensitive approach to debt recovery
- Give the debtor appropriate notification and time to pay the outstanding charge
- Send the debtor a final statement, which states that this is the final notice and what further action will be taken

Waiving of Debt

- The Headteacher can reduce the debt, where it is shown that the debtor is experiencing financial hardship
- A debt may be written off by resolution of the Trustees on the recommendation of the Headteacher
- A recommendation to write off a debt can be made when all reasonable avenues to recover the debt have been exhausted, and where it is not cost effective to pursue the debt through legal action or where it is shown that the debtor is experiencing financial hardship
- A record of any write-off and both the reason and approval will be retained for 7 years.