

# Locking Primary School

## Debt recovery Policy



### 1. General requirements

The school will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

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.

In general payment for all goods and services supplied by the school should be collected in advance or at the point of sale. The procedures to secure the collection of all debts should be followed by all staff.

### 2. Acceptable credit period

Debt recovery procedures will be applied after a three week period. This will also form part of the Lettings agreement and policy.

### 3. Reporting of outstanding debts

The Head teacher and Finance staff will ensure that the level of outstanding debt is regularly monitored. Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Finance and Building Committee. The Finance and Building committee will review the level of outstanding debts as required to determine whether this level is acceptable and whether action to recover debts is effective.

### 4. Debt Recovery Procedures

Where payment from the parent / guardian has not been received in advance or at the point of sale, the following process should be applied.

- a) A record of all goods and services will be maintained;
- b) Value
- c) Date(s) good / services supplied; and;
- d) The identity of the debtor, eg parent, hirer etc.

Where invoices are raised these should state the date by which payment is due.

In all other cases, such as;

- Correspondence with parents etc, the maximum period that the school regards as reasonable before payment is overdue should be clearly stated.
- Payment for items purchased should be sent to the school office.

### 5. Verbal and written reminders

5.1 Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file. The threshold amount should be commensurate with the supply debt. For example outstanding dinner money will activate debt recovery at £30. Should a debt need to be taken beyond two formal reminder letters. Further action including legal services may be taken.

5.2 An initial reminder may be informal and can be made either in person or by telephone.

5.3 A formal reminder letter should be issued 2 weeks after the informal reminder. The date of the initial reminder should be recorded.

- 5.4A second reminder letter will be issued 2 weeks after the first reminder letter. The date of the initial reminder letter should be recorded.
6. If after 2 formal reminders, a response or payment is not received, a letter will be sent to the debtors advising them that the matter will be referred to the Council's Legal Services Section. At the discretion of the Head Teacher the debtors 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. This decision and its basis will be recorded and reported to the Finance Committee.
  7. Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first overdue payment reminder. If people are unable to pay the school may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking into account factors of hardship, ill health, time, cost and multiple debt. If a debtor requests repayment terms, these may be negotiated at the discretion of the Finance and Buildings Committee. A record of all such agreements entered into will be retained. In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment. The settlement period should be the shortest that is judged reasonable. The Finance and buildings committee will decide whether any debtor who has been granted extended settlement terms will not be offered any further credit and will in future be required to pay in advance.
  8. Where a school incurs additional costs in recovering a debt the Finance and Buildings committee will decide whether to seek to recover such costs from the debtor. The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt. This decision and its basis will be recorded and reported to the Governing Body.
  9. This debt recovery policy should be cross referenced to the Scheme for Financing Schools.  
Write off of any debt requires the written approval of the Finance and Buildings Committee up to a maximum of £1000.  
A record of the write off, the reason for it, and the approval for it, will be retained for 7 years.

This policy will be reviewed and approved annually by the Finance and Buildings Committee and reported back to the Full Governing Body.

Signed: .....  
Chair of Finance and Buildings Committee  
Date: .....

Signed: .....  
Head Teacher  
Date: .....