




Debt Recovery Policy

Version	© Luton Model Policy Date: Sept 24		
Policy Adopted By:	Bramingham Primary School Full Governing Body		
Policy Sign off by (Print Name)	Chair of Governors P Turner	Signature:	
Date:	07/11/24		
Review date:	Any updates to this policy will be shared with the full governing board.		

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 particular:

- the Governing Body will approve the write-off of all debts, stocks, stores and surplus assets
- all such write-offs will be recorded in the minutes of the governing body
- a formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- the school will seek the advice of the Council's Legal Services Section should they consider taking legal or other action to recover the debt.

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 are outlined below and should be followed by all School staff.

2. **Acceptable 'credit period'**

The Governing Body must determine the length of time they deem as an acceptable 'credit settlement period' before the debt recovery procedures are applied.

The Governing Body may consider that an 'acceptable' credit period may vary between different income generating activities; for example;

- School lettings: 14 days terms for regular hire arrangements, invoiced monthly. One off lettings payment 5 days in advance.
- Residential Trips and activities: Clear payment terms and deadlines will be stipulated in writing to parents. Reminders that payment is available will be issued fortnightly to parents, and on the day prior to the payment deadline. Where payments are not received by the deadline date, contact will be made by telephone with the parent to determine if the place is still required, and to agree payment terms. At this point a deadline or payment plan will be agreed in consultation with the Co-Headteachers, dependent upon the terms and conditions of the organising company.
- Trips: Voluntary Contributions: Where voluntary contributions are applicable reminder texts and email messages will be sent fortnightly advising a voluntary contribution payment is available, a further reminder will be sent one day prior to the payment deadline, with a pre-agreed date determined with the Co-Headteachers to enable cancellation of the activity if not enough

payments are received. When the deadline is reached the Co-Headteachers will determine if the trip is viable.

- School Clubs: Once a place has been booked a payment deadline will be issued and advised via text and email. Payment for clubs will be prior to attendance unless a payment plan is agreed with the Business Manager, who will report to the Co-Headteachers. (See exceptions in Charging and Remissions Policy)
- School Lunches: Bramingham lunches are booked in advance with payment via the parents Eduspot (School Money) account. Where meals have not been pre-booked and payment has not been received, a reminder text and email will be sent on the day the pupil is in receipt of the meal. If payment is not received this will be chased daily, with a total of no more than £10.00 debt allowed to accrue before the parent is advised that their child will not receive a meal without settlement of the debt, and they must provide a packed lunch and the school DSL will be advised. Should payment still not be received, debt recovery procedures as detailed at Point 4. will be followed.

The Governors may have stipulated a maximum settlement period for school lettings in a separate 'Lettings policy'. However, in order to ensure a consistent approach and demonstrate transparency, the 'acceptable' period for each activity should be stipulated in this policy.

Debt recovery procedures should be applied in accordance with item 4 of this policy.

3. Reporting of outstanding debt levels

The Co-Headteachers 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 Resources Committee.

The Co-Headteachers / Finance Committee / Governing Body will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

(Monitoring of outstanding debts may be differentiated by type, e.g. if lettings debts prove more of a problem then the frequency and degree of monitoring will reflect this).

4. Debt Recovery Procedures

4.1 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) Initial reminders with request for payment will be made through the automated (Eduspot) school money payment system. All reasonable efforts will be made to recover the debt in this way in regard to school lunches and residential trip repayment where a voluntary contribution does not apply.

- (a) Should payment not be received an invoice should be issued on official school stationery for the full amount in order to officially set up the debt; Where invoices are raised they should state the date by which payment is due [date/month/year](#).
- (b) 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, for example contributions for a school trip should be received by [date/month/year](#).
 - payment for items purchased should be sent to the school office by [date/month/year](#).
- (c) A record of all goods and services will be maintained detailing:
- type of good/services supplied;
 - value;
 - date(s) good/services supplied; and;
 - the identity of the 'debtor', e.g. parent, hirer, etc.

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.

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced.

It is therefore important that at least one, but preferably two, written reminders are sent.

5.2 *Initial 'overdue payment' reminder*

An initial reminder may be informal and can be made either in person (when a parent/guardian comes to collect/drop off the child), or by telephone.

In general, *Finance Assistant* will notify the parent/guardian.

The date of the initial reminder should be recorded.

5.3 *First 'overdue payment' reminder letter*

A formal reminder letter should be issued 3 weeks after the informal [reminder/ the date of supply](#).

If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time that the debt first became overdue.

The date of the initial reminder should be recorded.

5.4 *Second 'overdue payment' reminder letter*

A second reminder letter will be issued 2 weeks after the First Reminder Letter.
The date of the initial reminder should be recorded.

6. Failure to respond to reminders / settle a debt

If after 2 reminders, a response or payment is not received, a letter will be sent to the debtor advising them that the matter will be referred to the school's legal advisers. At the discretion of the [Governing Body / Finance Committee / Headteacher](#) 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.

This decision and its basis will be recorded and reported to the [Governing Body / Finance Committee](#)

7. Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

However, 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 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 debt – 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.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

If a debtor requests 'repayment terms' these may be negotiated at the discretion of the [Co- Headteachers](#).

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 [Co-Head teachers](#) 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.

This decision and its basis will be recorded and reported to the [Finance & Resources Committee](#)

8. Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Co-[Head teachers](#) 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 [Finance & Resources Committee](#)

9. Bad debts

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 & Resources Committee](#).

A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

10. Policy Review

This policy will be reviewed and approved annually by the [Finance & Resources Committee and reported to the Full Governing Body](#).

RECORDS OF DEBTS WRITTEN OFF

Debtor	Details of debt	Amount (£)	Invoice reference and date <i>(where applicable)</i> .	Reason for write-off <i>(including brief details of measures taken to secure payment - as appropriate)</i> .	Authorisation of write off – <i>name and signature of the authorising individual and date. Cross reference to entry in the accounts where applicable.</i>