

Sherington Primary School

Debt Recovery Policy



Our Vision Statement

Sherington Primary School is an inclusive community. We place the child at the centre of all that we do. We strive to maintain the highest standards in an environment that is creative, stimulating, inspiring and enabling.

Aspire

- Motivating and exciting all to become life-long learners

Believe

- Developing the skills and confidence to foster self-belief

Create

- Engaging all learners through creative practice and personal reflection

Achieve

- Experiencing success and embracing future challenges

Our Aims

To place the child at the centre of all that we do.

To foster positive, supportive relationships with families and the wider community.

To provide models of excellence drawing on the expertise of our highly skilled team.

To provide an enquiry based curriculum, that promotes the values of resilience, adaptability and perseverance.

To promote life-long learning through developing a whole school culture of challenge and growth.

To prepare learners for a future in an increasingly interconnected global economy.

Policy Reviewed	January 2018
Agreed by Staff	
Ratified by Governors	February 2018
Date due for review:	February 2021

An essential part of a school's function is to promote a set of values. These values are incorporated under our Aims of the School as well as being made explicit in our Equal Opportunities Policy and Agreed Code of Behaviour

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General Requirements

Sherington Primary 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.

Sherington Primary School's Debt Recovery Policy will observe the relevant financial regulations and guidance as set out in the Financial Handbook for Schools and any other legal requirements. In particular:

- The Governing Body will not write-off any debt belonging to the school which exceeds £200. Any sums above this will be referred to the Director of Children's Services for approval and the formal agreement of the Local Authority's Finance Director will be obtained before writing-off. (if any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).
- A formal record of any debts written off will be maintained and this will be retained for seven years (the record of this is specified below)
- Sherington Primary School will not initiate any legal action to recover debt, but will refer any debts which it has not been able to collect (unless a decision to write-off the debt is demonstrably a reasonable course of action) to the Local Authority to 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'.

Acceptable 'Credit Settlement Period'

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

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

- School meals
- Trips and activities
- School lettings

The Governing Body has stipulated that the settlement for school lettings must be made prior to the letting period and this is detailed in a separate 'Lettings Policy'.

The Governing Body have stipulated that six weeks is the acceptable 'credit settlement period' for the payment of school meals, trips and activities. In the case of school meals, if debts have not been recovered after six weeks no more school

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meals will be provided and the parent/carer will need to provide a packed lunch until the debt is repaid.

Reporting of Outstanding Debt Levels

The SBM and Admin Assistant will ensure that the level of 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 Personnel Committee.

The SBM and AA together with the Headteacher will review the level of debt termly to determine whether this level is acceptable and whether action to recover debt is effective.

Debt Recovery Procedures

School staff are expected to follow the following procedure to secure the collection of all debts:

- The supply of goods or services where payment is not received in advance or 'at the point of sale' must be recorded.
- The record will detail what was supplied, the value, the dates(s) and the identity of the 'debtor', e.g. child, parent, hirer etc.
- Where invoice are raised these should state the date by which payment is due.
- Correspondence with parents/carers ec must indicate the maximum period that the school regards as reasonable before payment is overdue e.g.

Contributions for the school trip should be received by _____ payment for items purchased should be sent to the office by _____

- A record of all verbal and written reminders must be maintained by the school. Letters must be posted and or sent via email

Initial Verbal & SMS Reminders

Initial verbal reminders may be informal and made either in person (when a parent / carer comes to drop off or collect the child) or by telephone after one week of a debt not being paid. Normally, the admin staff will undertake this having built up good relationship with the parent / carer. A record of the reminder must be kept.

First Reminder Letter

A formal letter reminder should be issued after one week from the informal verbal reminder.

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The letter should contain reference to the possibility of unpaid debts resulting in the non-supply of school meals / services in the future and the offer to discuss any factors the parent / carer would like the school to be aware of. An agreement to pay the debt in installments may take place at the meeting.

A copy of the letter must be kept on file. 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 the debt became first overdue.

Non-Provision of School Services

A second reminder letter will be issued two weeks after the first reminder letter.

The letter should offer the parent / carer the opportunity to discuss the non-payment of the debt and state that if no payment or communication has been received the school will stop providing a school meal for the child on a specific date.

Timetable of Debt Recovery

Time Frame	Action	Documentation
5 Days after payment was due	Verbal reminder	Keep a record of date verbal reminder was given and by whom
2 weeks after payment was due	Send first letter	Letter 1
4 weeks after payment was due	Send second reminder	Letter 2
5 weeks after payment due	Send non-provision of meals / service	Letter 3
6 weeks after payment was due	Send letter advising of referral to the Council's Legal Services Department	Letter 4

Failure to Respond to Reminders or Settle a Debt

If no response is received from the reminders issued, a letter will be sent to the debtor advising them that the matter will be referred to the Council's Legal Services Department.

At the discretion of the Governing Body, 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.

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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 reminder'.

Extenuating Circumstances

The school may reduce or cancel the debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account:

- **Hardship** – where a parent / carer has been unable to pay due to ill-health and 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 and signpost to debt counseling service if applicable.

If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the Finance & Personnel Committee. This responsibility will be delegated to the Headteacher. A record of all such agreements will be kept. A letter will be issued to the debtor confirming the agreed terms (unless not judged necessary). The settlement period should be the shortest that is judged reasonable.

The Finance & Personnel Committee will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will be required to pay in advance in future.

Cost of Debt Recovery

Where the school incurs material additional costs in recovering a debt the Finance and Personnel Committee will decide whether to seek to recover such costs from the debtor. This responsibility will be delegated to the Headteacher.

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.

The decision and its basis will be recorded and reported to the Finance and Personnel Committee.

Bad Debt

The Headteacher, without the Finance and Personnel Committee's permission, can write-off a debt up to £100. Debts above this amount will require the written approval

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of the Finance and Personnel Committee. Debts above £200 will be referred to the Director of Children's Services.

Policy Review

This policy will be evaluated, reviewed and approved every three years or sooner if deemed necessary.