



Abbot Beyne School

Policy:	Debt Recovery Policy
Person Responsible:	Mr J P Tickle
Governors' Committee:	Policy and Finance Committee
Date Adopted:	November 2020
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Signature:	
Staff Accepted:	

Debt Recovery Policy

Introduction

Abbot Beyne 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.

1. General requirements

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;
- Trips and activities.

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 Headteacher/Bursar 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 Policy & Finance Committee Chair.

The Policy & Finance 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.

(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 should reflect this).

4. Debt Recovery Procedures

All payment items are added onto the cashless system ParentPay, parents access this via their own login to enable payments to be made to the school for lunch monies, trips, resources and i-Pads. Where payment from the parent/carer has not been received in advance, or 'at the point of sale', the following process should be applied.

- An item on ParentPay will be set up and the parent notified, this should also state the date by which payment is due
- A record of all goods and services will be maintained within ParentPay detailing:
 - type of good/services supplied (lunch monies / resources / trips / iPad payments)
 - value (£)

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. In the instance of iPad payment reminders letters these are sent out every half term.

5.2 *Initial 'overdue payment' reminder*

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

In general, the Bursar / Finance Assistant will notify the parent/guardian via ParentPay.

A text/email will be send out each week to remind parents of lunch monies which are outstanding

A text/email will be send out each half term to remind parents of iPad payments which are outstanding and a letter send home if the debt is over £10

5.3 *First 'overdue payment' reminder letter*

A formal reminder letter will be issued every half term

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.

5.4 *Second 'overdue payment' reminder letter*

A second reminder letter will be issued 2 weeks after the half term break.

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 Policy & Finance Committee Chair 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 Policy & 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 on one repayment plan to include all debts will be established.

If a debtor requests 'repayment terms' these may be negotiated at the discretion of the Headteacher.

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 Headteacher 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 P&F 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 Policy & Finance 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 Policy & Finance Committee.