



## DEBT RECOVERY POLICY

### Introduction

The school's Governing Body has a responsibility to ensure that appropriate procedures are in place to enable the school to receive all income to which it is entitled. Tittensor CE (VC) First School will therefore take all reasonable measures to collect any monies owing to it as part of the management of public funds. Collecting money from parents or carers is a sensitive area; we deal with issues of debt collection with sensitivity and confidentiality at all times.

### Aims and Objectives

At Tittensor CE (VC) First we comply with all Staffordshire requirements for Financial Regulations for Schools with regard for the following aims:

- To make sure there are sound and proper financial procedures in school for dealing with the school's finances;
- To ensure that proper controls are in place;
- To provide a clear framework for managing school finances;
- To protect the school governors, head teacher and school employees.

### Procedures

As school uses the Capita Integra Finance System for invoices and payment, the County Council Income Team will carry out standard debt recovery procedures on behalf of the school.

The following procedure will be employed for all outstanding debts (of 21 working days or longer\*):

- A gentle reminder (telephone or one to one);
- A formal letter (by Dojo, e-mail or post) – After 10 working days\*;
- A second formal letter (Recorded post) – After a further 10 working days\*;
- A third letter informing the debtor that the debt has been passed to the County Council Income Team.

*\* The school reserves the right to 'fast track' this schedule if the family of a debtor is/are leaving the school before the timeframe can be completed*

When all practical and cost effective procedures have been exhausted by the County Council Income Team, the Chair of Finance will notify the school of the amount of the debt that is considered to be irrecoverable and should be written off. Writing off a debt will lead to a charge being made on the school budget as the income was credited to the school budget when the invoice was raised.

A write-off must not be communicated to the parent or organisation. It is not an acknowledgement that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.

The Finance Committee must:

- approve the writing off of any debt in relation to the school budget;
- take into account their review of the age and size of the debt together with the advice from The Chair of Finance.
- Individuals or organisations that have previously defaulted on payments to the school are not allowed credit facilities.
- the head teacher has the authority to write off a debt not exceeding £50 but will report all debts and write-offs at each meeting of the Finance Committee

Under some circumstances, an advance payment plan may be agreed with parents/carers so that fees for trips, etc can be paid in advance on a weekly or monthly basis. The School Office Manager will monitor this plan. Should the agreed payment plan be defaulted, the standard procedure for recovering debts (as described above) will be followed.

#### **Negotiation of repayment terms in certain circumstances 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.

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 for 'repayment terms' these may be negotiated at the discretion of the Head Teacher.

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 Head teacher or Finance 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.

This decision and its basis will be recorded and reported to the Finance Committee

#### **Costs of debt recovery**

Where the school incurs material additional costs in recovering a debt then the Head teacher/ Finance 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 Finance Committee.

#### **Dinner Money**

Payment for school meals must be made in advance. This would normally be the Monday of the week prior to the week in which meals will be taken using the School Money App.

This debt management policy in respect of dinner monies includes the refusal to provide a school meal when the parent has not paid in advance. Parents will be contacted by telephone and asked to provide their child with a packed lunch until sufficient funds and any debt has been settled

At each meeting of the Finance Committee, the Headteacher is required to inform the Governors of any outstanding dinner money debt.

**Adopted: June 2024**

**Review: June 2025**