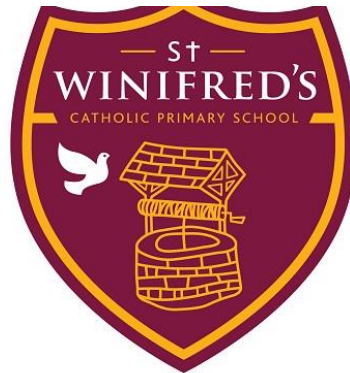


St. Winifred's Catholic Primary School

# Debt Recovery Policy



**Agreed by the Finance and Personnel Committee: January 2024**

**Review Date: January 2025**

## MISSION STATEMENT

At St Winifred's Catholic Primary School:

- We nourish a happy, safe and supportive school community in which every individual is welcomed, valued and respected for being unique
- We inspire a search for excellence by offering the best possible learning environment
- We provide a Christ-centred education, helping our children to develop and grow in faith and teaching them to promote the Gospel values of love of neighbour, fairness and forgiveness, both in school and in the wider community.

# St Winifred's Catholic Primary School

## DEBT RECOVERY POLICY

Any money owed to school has an impact on the budget and may affect the resources we can provide to all children. We hope that parents understand this and will make every effort to avoid owing the school money.

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 or passed onto an external debt collection agency. 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 Academies Financial Handbook and any other legal requirements

### **Acceptable 'credit period'**

The Full Governing Body has determined that one half term is an acceptable 'credit settlement period' before the debt recovery procedures are applied.

### **Reporting of outstanding debt levels**

The Head teacher 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 Committee and/or Governing Body. The Resources Committee and/or 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.

### **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:

#### ***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. The date of the initial reminder should be recorded.

In the case of school meals a reminder of any monies outstanding is sent home on a Friday.

#### ***First 'overdue payment' reminder letter***

A formal reminder letter is issued 2 weeks after the informal reminder. 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 letter should be recorded.

In the case of school meals, if the debt is not settled on the following school day then we will be unable to provide your child with a school dinner and you must provide a packed lunch or take your child home for dinner. If a child comes to school without clearing the debt and requires a hot meal then the School Office will telephone the parents to make alternative arrangements for lunchtime. If the parent does not do this then the school may refer the family to Social Services under our child protection procedures.

### ***Second 'overdue payment' reminder letter***

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

### **Failure to respond to reminders / settle a debt**

If there is no response to the second 'overdue payment' reminder letter the debtor will be invited to meet a member of the Governing Body to discuss how the debt will be settled. Failure to respond to this letter and/or failure to attend this meeting will result in the school passing the debt to an external debt collection agency.

The Governing Body will make every effort to work with parents to prevent debts mounting. At the discretion of The Finance Committee and/or Governing Body an official invoice may be issued for the full amount.

The debtor may be advised that they will be required to pay in advance for all future supplies and services or the supply will no longer be available to them.

This decision and its basis will be recorded and reported to the Finance Committee and/or Governing Body.

If a mutual agreement cannot be reached or if any agreed repayment is missed then the debt will be transferred directly to an external debt collector. This is currently Harley Legal & Collections Ltd.

### **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. Failure to meet any repayment terms will result in the debt being passed to an external debt collection agency.

### **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 debts – 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 for 'repayment terms' these may be negotiated at the discretion of the Finance Committee and/or Governing Body.

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 Committee and/or Governing Body 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 and/or Governing Body.

**Costs of debt recovery**

Where the school incurs material additional costs in recovering a debt then the Finance Committee and/or Governing Body 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 Resources Committee and/or Governing Body.

**Bad debts**

Write-off of any debt over the value of £500 requires the written approval of the Finance Committee, debts over the value of £500 will be referred to the Full Governing Body. A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

January 2024