

## ALL SAINTS CE FIRST SCHOOL DEBT RECOVERY GUIDANCE

### General requirements

The school will take all reasonable measures to 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.

This debt recovery guidance will observe the relevant financial regulations and guidance set out in the Uttoxeter Learning Trust Financial Policy and Procedures Manual

- Debts Under £50.00 can be written off by the Headteacher
- Debts between £50.01 - £499.99 can only be written off with the approval of the Governing Body.
- Debts Over £500.00 - guidance sought from the CFO

The school will not initiate any legal action to recover debts, 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 MAT to consider.

*All Saints CE First School appreciates that collecting money from parents or carers is a sensitive area: we will always deal with issues of debt collection with sensitivity and confidentiality.*

School staff are expected to follow the procedures detailed below to secure the collection of all debts.

### **Recording of goods or services supplied where payment is not received in advance or 'at the point of sale'.**

A record will be kept of all such supplies that details what was supplied, the value, the date(s) and the identity of the 'debtor', e.g. child, parent, hirer, etc.

Where invoices are raised these should state the date by which payment is due.

In all other cases correspondence with parents, etc. should indicate the maximum period that the school regards as reasonable before payment is overdue, e.g. contributions for a school trip should be received by, payment for items purchased should be sent to the school office by, etc.

The Head teacher should determine what the reasonable 'credit period' is.

### **Initial reminders**

Initial reminders will be made to parents using the messaging service on School Money (Online Payment System) this messaging service is undertaken weekly.

### **First reminder letter**

A formal reminder letter should be issued after 3 weeks from any 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 and messages sent via School Money.

### **Second reminder letter**

A second reminder letter will be issued 1 week after the First Reminder Letter.

### **Using reminder letters**

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. Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file.

## **Failure to respond to reminders / 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 Headteacher & Governing Body.

At the discretion of the Local Governing Board/Head teacher 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.

## **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'.

If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the Headteacher/Local Governing Board.

A record of all such agreements will be kept. A letter will be issued to the debtor confirming the agreed terms (unless this not judged necessary). The settlement period should be the shortest that is judged reasonable.

The Head teacher / Local Governing Board 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.

## **Reporting of outstanding debt levels**

The Head teacher will ensure that the level of outstanding debt is known and can be determined at any time.

The Head teacher/ Local Governing Board will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

## **Bad debts**

The school's debt recovery guidance will be cross-referenced to the Utttoxeter Learning Trusts Financial Policy & Procedures Manual.

Write-off of any debt requires the written approval of the Local Governing Board up to a maximum of £499.99. Above this amount ASFS will contact the CFO for guidance. A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

Any debt belonging to the MAT will be referred to the appropriate officer for consideration/ action without delay once the school has taken reasonable measures to collect the debt (i.e. has followed the reminder notification procedures set out above).

### Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Local Governing Board / Head teacher/ etc. will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded.

The debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

Signed 



Chair of Governors

Headteacher

Policy Agreed

Date: 07/06/22

Policy Review: Annually