



Debt Recovery Policy

POLICY CONTROL

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1. 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. Highbury School will take all reasonable measures to collect debts as part of its management of public funds. Collecting payment from parents or carers is a sensitive area; we will deal with issues of debt collection with sensitivity and confidentiality at all times.

2. General requirements

In general payment for all goods and services supplied by the school should be collected in advance or 'at the point of sale'. 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.

A debt will be written off if:

- a) The debtor cannot be traced or has been declared bankrupt
- b) The value of the debt is less than the cost of pursuing payment
- c) The debt has been outstanding for at least two years
- d) In exceptional circumstances (further details in section 6)

3. Acceptable 'credit period'

3.1 Invoices

In general payment for all goods and services supplied by the School should be collected in advance or at least within 30 days upon receipt of an invoice.

3.2 School lunches

School lunch payments are required by the Monday in order to cover that week's lunches. The parent/carer can decide each week if they want to change to/from school lunch. Should the parent/carer fall into arrears of one week, the following process in 5.1 will be applied.

4. Reporting of outstanding debt levels

The School Business Manager 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.

5. Debt Recovery Procedures

5.1 Parent/Carer Debt Recovery

When corresponding with parents, the maximum period that the school regards as reasonable before payment is overdue should be clearly stated, for example contributions for a school trip should be received by date/month/year or payment for items purchased should be sent to the school office by date/month/year.

Where payment from the parent/carers has not been received in advance, or 'at the point of sale', and a debt has accrued and no response has been received from the parent/carers, the following process should be applied:

Debt length	Action	Method
1 week	Standard reminder	School communication app message Phone call from Assistant School Business Manager (ASBM)
2 weeks	Standard reminder	School communication app message Email Phone call from ASBM
3 weeks	Urgent reminder	School communication app message Email Phone call from ASBM
4 weeks	Urgent reminder with offer of support from Family Liaison Officer	School communication app Email Phone call from School Business Manager (SBM)
5 weeks	Urgent reminder with offer of support from Family Liaison Officer	School communication app Email Phone call from Family Liaison Officer
6 weeks	Urgent reminder with offer of support from Family Liaison Officer	School communication app Email Letter by recorded delivery Phone call from SBM
7 weeks	Final reminder with offer of support from Family Liaison Officer	School communication app Email Letter by recorded delivery Phone call from SBM

The school will endeavour to put in place a supportive payment plan during this process.

If action is to proceed further, it will be 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.

Details of all reminders, whether verbal or in writing, should be maintained, including the date it was made. Where a letter is issued, a copy must be retained in the pupil file. Where this includes support from the Family Liaison Officer, a record will be added to CPOMS.

At the discretion of the Headteacher 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 Governing Body.

5.2 Staff Debt Recovery

Debt length	Action	Method
1 week	Standard reminder	School communication app message
2 weeks	Standard reminder	School communication app message
3 weeks	Urgent reminder	School communication app message Email Confidential discussion
4 weeks	Notification of recovery from salary	School communication app message Email Confidential discussion

6. Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the initial 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 one repayment plan to include all debts will be established.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher/School Business Manager. 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/School Business Manager will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and in future will be required to pay in advance.

7. Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Headteacher/School Business Manager 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 Governing Board.

9. Bad debts

This debt recovery policy should be cross-referenced to the Scheme for Financing Schools. A record of any debt write-off, the reason for it, and the approval for it, will be retained for 7 years (see Leadership>Debtors).

Within Highbury School:

- Debts in excess of £5000 must not be written off without the prior approval of the Governing Body
- Debts in excess of £500 must not be written off without the prior approval of the Headteacher
- Debts of between £50 and £500 may be made at the discretion of the School Business Manager, but the Headteacher must be informed
- Debts below £50 may be made at the discretion of the School Business Manager and the Headteacher need not be informed

Where a debtor's payments are regularly or consistently paid outside the terms of supply the Headteacher will consider withdrawal of credit facilities and request the individual/organisation pay for goods/services/facilities at the time they are consumed. Where this will have a negative impact on the well-being of a child and a suitable agreement cannot be reached between the school and the family a referral may be made to social services.

10. Monitoring and Reporting of outstanding debt levels

The Headteacher 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 Governing Body.

The School Business Manager will review the level of outstanding debts every month and report this to the Headteacher.

Where the level of outstanding debts reach £1000 this will be reported to the Governing Body, who will review this at each meeting to determine whether the debt level is acceptable and whether action to recover debts is effective.

Monitoring of outstanding debts may be differentiated by type and during certain time periods. For example, if school meal debts prove more of a problem than those for lettings of premises then the frequency and degree of monitoring will reflect this.

Example Payment Plan Agreement

Ensure the parent signs one copy in agreement and returns to the School Office and it is kept on file.

Dear _____

Following our conversation regarding the outstanding debt for Breakfast club/Tea-time club/School lunch payments, please find below repayment schedule in order to clear your account.

Balance outstanding £ xxx

Repayment week commencing XXXXXXXXX

Repayment week commencing XXXXXXXXX

Repayment week commencing XXXXXXXXX

Repayment week commencing XXXXXXXXX

Can you please sign and return one copy of this letter showing agreement to the proposed repayment schedule. Repayments need to be made via xxxxxxxx.

Until the outstanding debt is cleared, please provide a packed lunch for your child.

If you need to discuss this matter further, please do not hesitate to contact me on the above number.

Yours sincerely

Rebecca Bull, School Business Manager