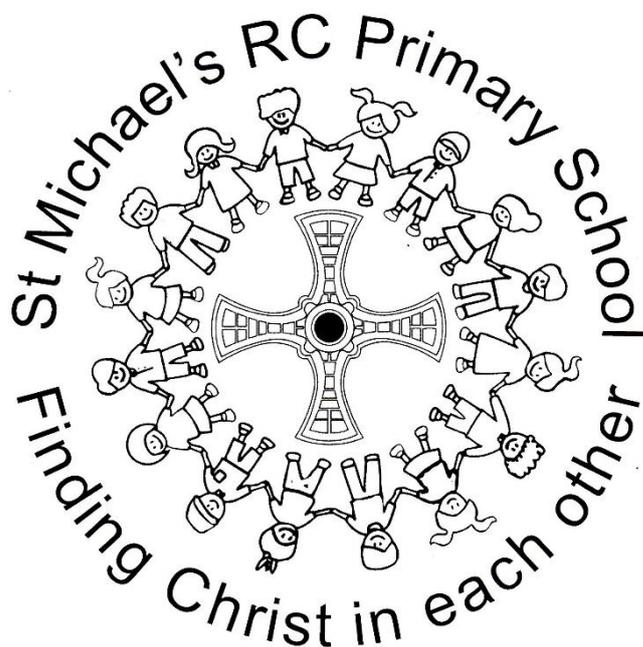


St Michael's RC VA Primary School



DEBT RECOVERY POLICY

November 2019

To be reviewed November 2020

St Michael's RC Primary School

Debt Recovery Policy

1. 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.

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 Finance Committee will approve the write-off of all debts
- 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 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 school tries to encourage parents to keep their ParentPay accounts in credit, wherever possible.

All parents must sign a ParentPay agreement in order to use/continue to use the ParentPay facility (see Appendix 1)

However, the Governing Body Finance Committee will determine the length of time they deem as an acceptable 'credit settlement period' before the debt recovery procedures are applied. These timescales will be reviewed annually.

The Governing Body may consider that an 'acceptable' credit period may vary between different income generating activities, for example:

- Breakfast & Tea Clubs
- Holiday Clubs
- Trips and activities
- Lettings

Debt recovery procedures will be applied in accordance with item 4 of this policy.

3. **Debt Level at which Recovery Procedure will be applied**

The Governing Body Finance Committee will determine the level of debt at which the debt recovery procedure will be applied. This will be reviewed as appropriate and at least annually.

4. Debt Recovery Procedure

Where payment from the parent/carer has not been received in line with the agreed credit/payment period and is above the agreed debt level (see Appendix 2), the following procedure will be applied:

4.1 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 email/telephone.

The date of the initial reminder should be recorded.

4.2 First 'overdue payment' reminder letter

A formal reminder letter should be issued 2 weeks after the informal reminder (see Appendix 3)

The date of the first reminder letter should be recorded.

4.3 Second 'overdue payment' reminder letter

A second reminder letter will be issued 2 weeks after the First Reminder Letter (see Appendix 4)

The date of the second reminder letter should be recorded.

4.4 Failure to respond to reminders / settle a debt

If after 2 reminders, a response or payment is not received, a further 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 Finance Committee / Headteacher the debtor may be advised that, until the debt is repaid in full, the activity will no longer be available to them (Appendix 5).

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

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

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. 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.

5. 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, 'repayment terms' may be negotiated at the discretion of the Finance Committee/ 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 Finance Committee/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 Governing Body Finance Committee.

6. Sensitivity Factors

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.
- Cost where the value of the debt is less than the cost of recovering it.
- Multiple debt where someone has more than one debt, an attempt to agree on repayment plan to include all debts may be agreed
- 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.

7. 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 Governing Body / Finance Committee.

8. 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 Finance Committee / Governing Body.

A record of the write-off, with the reason and approval details, will be retained for 7 years (see Appendix 6)

9. Policy Review

This policy will be reviewed and approved annually by the Finance Committee and reported to the Full Governing Body.

Signed:

Date:

Chair of Finance Committee

St Michael's RC Primary School
ParentPay Payment Agreement

Table with 2 columns: Child/Children's Names, Class. Includes dotted lines for text entry.

I agree to:

- keep my child's/children's dinner money and club accounts on ParentPay in credit, wherever possible.
ensure that my child/children's dinner money is in their ParentPay account on the Monday morning of each week.
settle outstanding Breakfast, Tea & Sports Club debts, as well as any other activities that involve a non-voluntary contribution, on ParentPay as follows (please tick one):

Form with checkboxes for payment frequency: at the end of each week, or on day (insert date) of each month

- settle Residential trip payments on ParentPay by the date stated in the trip letter.
pay Holiday Club booking payment son ParentPay within one week of payment notification. I understand that payment is due even if my child/children are unable to attend.
keep Mrs Brown informed if there is going to be a delay in payment to ParentPay for any reason. I understand that the school will be obliged to start the debt collection procedure if I do not settle my debts on ParentPay as agreed above.

I understand that the school may decide not to allow my child/children to participate in any clubs until any outstanding debts are settled.

Parent signature Date

Name (please print):

Agreed Payments Periods

The school encourages parents to keep their ParentPay accounts in credit.

However, should the accounts fall into arrears, the following schedule applies:

Type of Service	Payment due by:
Dinner money	First day of the week in which dinners are to be taken
Breakfast Club	End of week in which debt incurred <i>or</i> monthly agreed date
Tea Club	End of week in which debt incurred <i>or</i> monthly agreed date
Sports Clubs	One week from email notification date <i>or</i> monthly agreed date
Holiday Club	One week from email notification date <i>or</i> end of month in which club booked on agreed date
School trips	Date as stated on trip letter
Sports Hall hire	Date of booking if cash/date specified on invoice if cheque

The debt recovery procedure will apply to individual or multiple debts of £50 and over.

First overdue reminder letter template

Date

Dear

Overdue ParentPay account – first reminder

According to our records and despite a text/phonecall on your ParentPay debt(s) remain unpaid.

The breakdown of amounts is as follows:

Dinner money:

Breakfast Club:

Tea Club:

Sports Club:

Other:

Please would you ensure that the above amounts are settled by, which is a week from the date on this letter.

If you are having difficulties in paying, please ring the school to speak to Mrs Brown in complete confidence and we will endeavour to come to some arrangement with you.

Otherwise, we look forward to receiving full settlement by

Yours sincerely,

Mrs Bruton
Headteacher

Second overdue reminder letter template

Date

Dear

Overdue ParentPay account – second reminder

According to our records and despite a text/phonecall on and a first reminder letter onyour ParentPay debt(s) remain unpaid.

The breakdown of amounts is as follows:

Dinner money:

Breakfast Club:

Tea Club:

Sports Club:

Other:

Please would you ensure that the above amounts are settled by, which is a week from the date on this letter.

If you are having difficulties in paying, please ring the school to speak to Mrs Brown in complete confidence and we will endeavour to come to some arrangement with you.

Otherwise, we look forward to receiving full settlement by

Yours sincerely,

Mrs Bruton
Headteacher

Referral to legal advisers - letter template

Date

Dear

Overdue ParentPay account – referral for legal advice

According to our records and despite a text/phonecall on, a first reminder letter on and a second reminder letter on, your ParentPay debt(s) remain unpaid.

The breakdown of amounts is as follows:

Dinner money:

Breakfast Club:

Tea Club:

Sports Club:

Other:

In accordance with our Debt Recovery Policy we have no option but to refer this matter to the legal team at Durham County Council for advice.

Until the above amounts are settled, your child/children may not access any out of hours clubs offered by the school.

School dinners will still be provided, as we would not wish to deny a child a meal at lunchtime.

Yours sincerely,

Mrs Bruton
Headteacher

