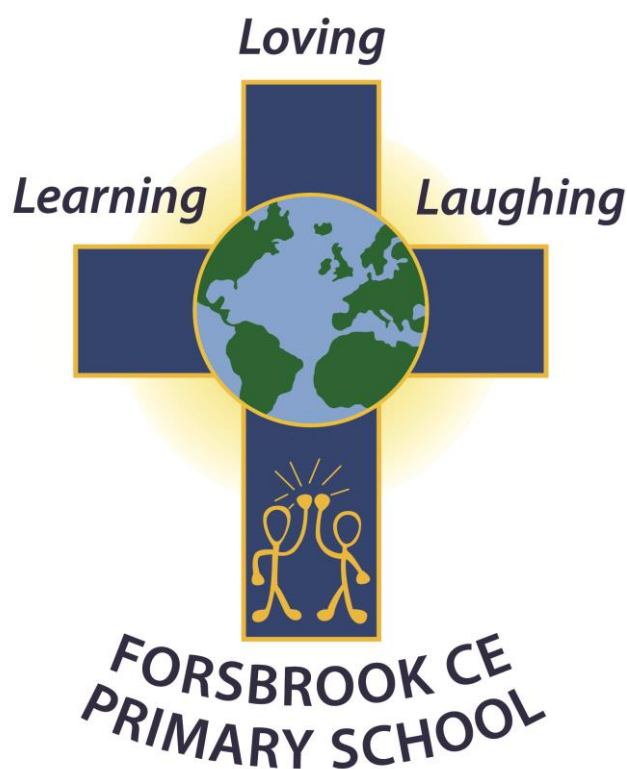


FORSBROOK C.E. (C) PRIMARY SCHOOL

Policy: Debt Policy



<u>Adopted:</u>	Updated February 2019
<u>Chair of Resources Committee:</u>	Mrs C Bratt
<u>Next Review Date:</u>	February 2020

Forsbrook C. E Primary School

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. Forsbrook Primary 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

And Procurement 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 MyFinance 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 days or longer):

- A gentle reminder (telephone, text or one to one);
- A formal letter (by pupil mail, e-mail or post)
- A second formal letter (Recorded post)
- A third letter informing the debtor that the debt has been passed to the County Council Income Team.

When all practical and cost-effective procedures have been exhausted by the County Council Income Team, the Director of Finance and Resources 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 Resources 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 Director of Finance and Resources.
- 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 Resources Committee

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 Resources 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 Resources Committee

Costs of debt recovery

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

Dinner Money

Payment for school meals must be made in advance. This would normally be the Friday of the week prior to the week in which meals will be taken as parent pay can take up to 48 hours to show credit on your account. However, parents can pay termly or half termly in advance using the parent pay system; this can be accessed on line or can be credited in your local pay point store. Codes are available from the school office.

Parents are able to deposit any amount onto your parent pay account which will be deducted on a daily basis if your child has a school dinner, alternatively parents may want to pay in advance for a week or for the half-term or term. Where the child is absent there will be no charge to your account.

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 have been cleared on your parent pay account.

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

Nursery / Out of School Club

A separate policy for non-payment of or outstanding fees has been written and is included in **the Nursery Policy Manual**.