

# Debt Recovery Policy



**PICKNALLS FIRST SCHOOL**

**Approved: September 2021**  
**Due for review: Autumn 2022**  
**Part of the Uttoxeter Learning Trust**



# PICKNALLS FIRST SCHOOL DEBT RECOVERY POLICY

## Extract from School Aims:

- We aim to manage the school's resources properly by applying effective budgetary control

## General requirements

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 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 Financial Handbook for Academies and any other legal requirements. In particular:

## **School staff are expected to follow the following procedures 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 if this is not otherwise specified, e.g. the governors may stipulate the maximum settlement period for school lettings in a separate 'lettings policy'.

### **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 policy will be cross-referenced to the ULT Financial & Procedures Manual.*

The following debt recovery policy will be applied:

- If payment has not been received 30 days after invoice payment date, a reminder will be sent asking for payment within 7 days.
- If payment is not forthcoming, a further reminder will be sent, requesting immediate payment or contact to arrange repayment by instalment.
- If payment is still not forthcoming, for debts over £100, a threat will be issued to put the matter into the hands of a nominated Solicitor if payment is not received within the next 7 days.
- If not received after 7 days, the nominated Solicitor will be asked to pursue the debt and the debtor will be notified accordingly.

- Debts of £100 and less will be pursued without reference to the nominated Solicitor and will be reported on at Finance Committee meetings where governors will decide on action to be taken.
- The current aged debtors report together with details of any debts written off (under £50) and solicitor's letters sent will be provided for each Finance Committee meeting.

The trust may perform the following financial transactions up to the limits set out below:

Debts under £50 may be written off by the Headteacher.

Debts over £50 may be written off only with the approval of the Local Governing Board or sub-committee.

A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

**Yummy Club debts** (*cross referenced with the ULT Financial & Procedures Manual & Yummy Club Agreement 2021/22*)

In case of Nursery 'yummy club' debts the following additional procedures for debt recovery.

If a parent goes into a deficit balance each week, a text will be sent as a reminder to remind parents to pay the outstanding balance or top up their account.

If this debt is not paid with a 4-week period, a £20.00 charge will be added to the parent account in Parentpay (*as stated on the Yummy club agreement 2021/22*)

If the balance is then not paid, office staff will comply with the guidance as specified in the ULT Financial & Procedures Manual.

At the end of an academic year, if there is any outstanding debt on a yummy account, an additional payment item is added to Parentpay, which allows the parent to settle the debt in the next academic year.

If any outstanding debt is not paid, office staff will revert to the debt recovery procedures in the ULT Financial & Procedures Manual.

### **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.

### **Covid 19**

In the event of financial hardship due to Covid 19 i.e. loss of working hours or redundancy, please contact the Headteacher/Bursar to arrange a payment plan in order to repay any debts due.

**Policy Review**

This policy was agreed by the Local Governing Board on 29<sup>th</sup> September 2021 and will be forwarded for approval at the next Governing Body meeting.

**Review date**

Review date – Autumn 2022