Sheepy Magna Church of England

Primary School

Debt Policy

Headteacher: Alison Field

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Governor: David Wright

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Policy reviewed: February 2024

Policy review date: February 2026

The school will actively pursue the collection of monies owed to it. This policy incorporates School Meals Debt for parents. The school will ensure confidentiality and anonymity of the families involved will be preserved at all times.

1. Introduction

1.1 The Governing Body is responsible for ensuring that procedures are in place for the recovery of any outstanding debt.

1.2 This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

2. Policy – General Debt Recovery

2.1 Payment should be obtained as and when goods/services/facilities are provided wherever possible.

2.2 Where payment is not received at the time when the goods/services/facilities are delivered an invoice must be raised as soon as possible, but normally within 7 days of the goods / services / facilities being provided.

2.3 Invoices should state that the bill is due and payable at the invoice date.

2.4 If no payment is received within 30 days from date of issue of the invoice a final reminder should be issued to the debtor. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

2.5 Where only part of the debt has been settled a final reminder for the balance outstanding should be issued within 30 days from the issue of the invoice. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

2.6 Where a debtor requests permission to settle the debt by instalments and extend the normal terms and conditions of supply they must submit an application in writing explaining the reasons for the request. The Head Teacher will agree the revised terms. If the debt is not settled within the terms agreed then a final should be issued to the debtor. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

2.7 A each meeting of the Finance Committee, the Head Teacher will inform the Governors of any debtors in excess of £50 still outstanding after 60 days, together with any proposed action: This may be a referral to solicitors for legal action, a debt collection agency or to write-off the debt if there is no realistic prospect of debt recovery being successful, or if further action is not cost effective.

2.8 Outstanding debt of up to £50 may be written-off by the Head Teacher provided that the appropriate follow-up action outlined above has been taken and the details of the debtor, amount

written-off and the reason for no further action being taken is reported to the Finance Committee for information at their next meeting.

2.9 Write-off of outstanding debt in excess of £50 must be approved by the Finance Committee following submission of details of the debt by the Head Teacher together with reasons for no further action being taken.

2.10 A write-off must not be communicated with the debtor. It is not an acknowledgment that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.

2.11 Individuals or organisations that have previously defaulted on payments to the school are not allowed credit facilities.

2.12 Where a debtor's payments are regularly or consistently paid outside the terms of supply, the Head Teacher must consider withdrawal of credit facilities and request the individual/organisation to pay for goods/services/facilities at the time they are consumed.

3. Policy – School Meals

3.1 Request for payment of school meals is made weekly in arrears.

3.2 Any long-term arrears of dinner money that arise are automatically pursued by the school through the school money system.

3.3 Arrangements can be made to clear any dinner money debt by instalments; however, the amount should be acceptable to both the school and the parents.

3.4 If payment is not received, a reminder letter should be issued to the parent on the first day of non-payment requesting payment on the following day. This letter will advise the parent that if the debt remains unpaid the school may refuse to provide a school meal and request contact with the school to discuss any problems in making the outstanding payment.

3.5 If dinner monies remain outstanding at the beginning of the second week a member of the school staff will attempt to contact the parent to discuss the debt.

3.6 If dinner monies remain outstanding at the beginning of the third week a 'final warning' letter must be issued to the parent. This letter will remind the parent of the previous reminder letter and the current amount outstanding. The letter will also inform that parent that if the debt is not settled the child will need to be provided with a healthy packed lunch or be taken home for lunch.

3.7 If dinner monies remain outstanding at the beginning of the fourth week a 'notification of withdrawal of school meals' letter must be issued to the parent. This letter will give the parent a final opportunity to clear the outstanding debt. The letter will inform the parent that the child will not be provided with a meal with effect from the following Monday if the debt is not cleared in full and requesting that the parent makes alternative arrangements.

3.8 This debt management policy in respect of dinner monies includes the refusal to provide a school meal when the parent has not paid or made contact with the school and payment has been

outstanding for 4 weeks. This policy is intended to keep debts to a minimum and thereby avoid the cost of a referral to solicitors for legal action of debt collection agency, or to write-off the debt if there is no realistic prospect of debt recovery being successful. This course of action would not be cost effective with the amounts concerned.

3.9 Outstanding individual school meals debt of up to £50 may be written off by the Head Teacher provided that the appropriate follow-up action outlined above has been taken and the details of the debtor, amount written off and the reason for no further action being taken is reported to the Finance Committee for information at their next meeting.

3.10 Write-off outstanding debt in excess of £50 must be approved by the Finance Committee.

3.11 A write-off must not be communicated to the parent. It is not an acknowledgment that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from records.