

Maidwell Primary School

Draughton Road
Maidwell
Northamptonshire
NN6 9JF

Debt Recovery Policy

History	Details
June 2014	New Policy
September 2014	Statutory Annual Review: no amendments
September 2015	Statutory Annual Review: no amendments
September 2016	Statutory Annual Review: no amendments
September 2017	Statutory Annual Review Amendments: Item 1 (Bullet 3) reference to use of LGSS/NCC Legal Services removed and replaced with gov.uk Money Claim Online Service Item 6: reference to use of LGSS/NCC Legal Services removed and replaced with gov.uk Money Claim Online Service Item 8: Governing Body replaces Headteacher as decision-maker
September 2018	Statutory Annual Review: no amendments
September 2019	Statutory Annual Review: no amendments
September 2020	Statutory Annual Review: reference to parental payment for peripatetic music lessons removed
September 2021	Statutory Annual Review: no amendments

The Governing Body of Maidwell Primary School have formally adopted this policy. The Headteacher and the Governing Body will review it annually at the first meeting of each academic year in line with requirements of SFVS.

Last Review

September 2021

Next Review

September 2022

GB Approval
Date

Signature
Chair of Governors

Debt Recovery Policy

1. General Requirements

Maidwell Primary 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 Scheme for Financing Schools and any other legal requirements. In particular:

- The Governing Body will not write-off any debt belonging to the school which exceeds £500. Any sums above £500 will be referred to Northamptonshire County Council for approval for write-off.
- A formal record of any debts written off will be maintained and this will be retained for 6 years in line with the school's financial records retention schedule (the form of this record is specified below).
- The school will refer any debts to the gov.uk Money Claim Online service (unless a decision to write-off the debt is demonstrably a reasonable course of action).
- The school will NOT write-off any debt belonging to the Local Authority or another party. If in doubt as to the appropriate action to collect any such debts the school will seek advice promptly from LGSS Finance officers at Northamptonshire County Council.

In general payment, for all goods and services supplied by the school should be collected within two weeks of invoice issue or 'at the point of sale'. Parent/carers will be reminded, via school newsletters, to check their ParentPay accounts regularly and pay for services such as breakfast club, after school club and external trips within the specified 14 day timescale.

The procedures to secure the collection of all debts are outlined in paragraphs 3 to 2.4 and should be followed by all school staff.

2. Acceptable 'credit period'

The acceptable 'credit settlement period' before the debt recovery procedures are applied is 30 days.

3. 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 in order that they can be determined at any time and reported to the Finance & Personnel Committee. The Committee will review the level of outstanding debts at each meeting to determine whether this level is acceptable and whether action to recover debts is effective.

4. Debt Recovery Procedures

4.1. Where payment from the parent/guardian has not been received in advance, or 'at the point of sale', the following process should be applied.

A record of all goods and services will be maintained detailing:

- type of good/services supplied
- value
- date(s) good/services supplied and
- the identity of the 'debtor', eg: child, parent, hirer, etc.

Where invoices are raised these should state the date by which payment is due date/month/year. In all other cases, such as:

- Correspondence with parents, etc. 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.

5. Verbal and Written Reminders

5.1. 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. Details of all reminders, whether verbal or in writing, should be maintained in the debt control file.

5.2 Initial 'overdue payment' reminder

For services such as Breakfast Club, After School Club and trips parents/carers will be reminded on a weekly basis if they fall behind on payments. The date of the initial reminder should be recorded in the debt control file.

5.3 First 'overdue payment' reminder letter

For arrears that are not cleared within a week following the initial reminder above, parent/carers will be advised by a more formal reminder letter (linked to the pupil's details on Sims) that the debt needs to be cleared, or a credit balance needs to appear before accessing the service again.

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, ie: at the time that the debt first became overdue.

5.4 Second 'overdue payment' reminder letter

A second reminder letter will be issued 2 weeks after the first reminder letter and the date recorded in the debt control file.

6 Failure to respond to reminders/settle a debt

If after two reminders, a response or payment is not received, a letter will be sent to the debtor advising them that the matter will be referred to the gov.uk Money Claim Online service. 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 Finance & Personnel Committee.

7 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, 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 'repayment terms' these may be negotiated at the discretion of the 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 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 Finance & Personnel Committee.

8 Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Governing Body 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 Finance & Personnel Committee.

9 Bad debts

Write-off of any debt requires the written approval of the Finance & Personnel Committee. A record of the write-off, the reason for it, and the approval for it, will be retained in the committee minutes.