THE HASELWORTH WAY PO12

GOSPORT

HASELWORTH PRIMARY SCHOOL
DEBT RECOVERY POLICY AND PROCEDURES

Policy approved:	**Autumn 2024**	**FGB**
Signed:	*N Jones*	**Headteacher**
Signed:	*Dr C Roast*	**Chair of Governors**
Date of next review:	**Spring 2026**	**Two years**
Monitored and evaluated by:	**School Business Manager and FGB**	**Annually**

HASELWORTH PRIMARY SCHOOL DEBT RECOVERY POLICY 2024-2026

Introduction

The Governing Body has a responsibility for ensuring that appropriate procedures are in place to enable the school to receive all income to which it is entitled. For this reason it is important that the school has a policy for dealing with debts which is approved by the Governing Body.

Parents should be made aware of this policy and the school's procedures by being sent a letter as shown in Appendix 1, and this policy and information will also be published on the school website.

Principles

1. The School will actively pursue debtors, including parents/carers for the collection of monies owed to it.

2. The Headteacher and School Business Manager will ensure that:
   - All letters requesting monies outstanding are accurately recorded and maintained
   - There is documentary evidence of all steps undertaken by the school to recover the debt and this includes recording the dates that letters and statements were sent, and/or phone calls that have been made to debtors
   - For all outstanding debts, a final statement is issued by recorded delivery to the person(s) liable for the charge
   - Each case involving a family will be judged on the family's individual circumstances and the amount outstanding as to the length of time before legal action is started
   - The identity of a family involved is only disclosed to those who need to know under this policy.

3. The Governing Body:
   - Must consider the arrangements for debt recovery
   - Must approve the school undertaking legal action in any particular case
   - Must include in the minutes of its meeting and a record of its decision, it's approval to pursue any outstanding debt
   - Will ensure that the identity of a family involved is only disclosed to those who need to know under this policy

4. The Pursuance of Debt

   The School should:
   - Give the debtor appropriate notification and time to pay the outstanding charge
   - Send the debtor as a minimum a final statement by recorded delivery, which states that this is the final notice and that further action will be taken.

5. Waiving the Debt

   A debt may be written off or waived by resolution of the Governing Body on the recommendation of the Headteacher.

   A recommendation to write off or waive a debt can be made by the Headteacher when either:

a) All reasonable avenues to recover the debt have been exhausted, and where it is not cost effective to pursue the debt through legal action; or
b) It is believed the debtor is experiencing financial hardship.

Procedures

Haselworth Primary School will take all reasonable measures to rigorously 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.

School staff are expected to follow the following procedures to secure the collection of all debts

1. Recording of goods or services supplied where a 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, payments for items purchased should be sent to the school office by, etc.
- The Headteacher 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' – lettings policy states within one month of invoice.

2. Initial reminders

- Initial reminders may be informal and made either in person (when a parent/carer comes to collect/drop off the child) or by telephone. Normally one of the admin staff will undertake this having built up a good relationship with the parents/carers.

3. First reminder letter

- A formal reminder letter should be issued after two weeks from any informal reminder / the date of supply. *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.*

4. Second reminder letter

- A second reminder letter will be issued two weeks after the first reminder letter.
  Using Reminder letters – 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. Where a letter is issued, a copy must be retained on file.

Failure to respond to reminders / settle a debt

- If no response is received from the reminders issued, a letter will be sent to the debtor advising them that the matter will be referred to the HCC Debt Recovery Rossendales.
- 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.

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 reminder'.
- If a debtor asks for 'repayment terms' these may be negotiated as at the discretion of the Headteacher. A record of all such agreements will be kept.
- A letter will be issued to the debtor confirming the agreed terms (unless this is not judged necessary). The settlement period should be the shortest that is judged reasonable.
- The Governing Body will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will be required to pay in advance in future.

6. Cost 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. 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.

7. Reporting of outstanding debt levels

- The School Business Manager will ensure that the level of outstanding debt is known / can be determined at any time
- The Headteacher will review the level of outstanding debt at least once a term to determine whether this level is acceptable and whether action to recover debts is effective, and report these findings to the Governing Body.

8. Bad debts

- The Headteacher is authorised to write-off debts up to £100. Debts between £100 and £500 may only be written off with the written approval of the FGB.
- A record of the Write-off, the reason for it, and the approval for it, will be retained for six financial years plus current year.
- Any debt belonging to the County Council will be referred to the appropriate officer for consideration/action without delay once the school has taken reasonable measures to collect the debt i.e. has followed the reminder notification procedure as set out.

Appendix 1 - Letter to Parents

Dear Parents

School Meals Debt Policy for Parents

The Governing Body of Haselworth Primary School has adopted a **NO DEBT** policy relating to the provision of school meals. This means that all money must be **PAID IN ADVANCE.**

If debts are incurred, then the school will need to consider how the debt can be managed which may mean money which should be spent on children's education is used to pay for debts incurred by parents/carers. I hope you will agree that this is unacceptable and we request that all parents/carers give this policy their full support. **Parents/carers must pay in advance for school meals.**

If parents/carers believe their children may be entitled to free school meals please contact the school office for further information and help. The allowance for free school meals is a statutory entitlement and should be claimed if your child qualifies. In order to qualify, you will be required to provide evidence of entitlement. Free school meal entitlement will only apply from the date the evidence has been received by the school office; it cannot be backdated.

Children will only be entitled to a school lunch that has been paid for in advance (or the child is entitled to a free school meal), unless the school has been informed of exceptional circumstances and has agreed that this requirement may be waived.

If there are insufficient funds on your child's account to pay for a school meal, then parents/carers are required to provide a packed lunch for their child. If a packed lunch has not been provided, the school will contact the parent to ask them what arrangements they have made to provide their child with lunch. If your account is in arrears by more than £50, and no alternative arrangements have been made to provide your child with a lunch, the school will provide a packed lunch.

If payment of the debt is not received by the 10th working day after a final statement has been sent by recorded delivery to the parent/carer the school reserves the right to begin debt management proceedings against them to recover the debt.

We hope by implementing this debt policy we are ensuring that all money available for children's learning is spent on precisely that.

If you have any concerns please do not hesitate to contact me.

Yours faithfully
Headteacher