



Debt Recovery Policy

Heathlands School



Policy Review

This policy will be reviewed in full by the Governing Board.

The policy was agreed by the Full Governing Board on 23.3.23

Next Review due March 2025.

Signature Date

Co-Headteacher

Signature Date

Governor

1. General Requirements

Heathlands 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 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 this will be referred to the Director of Children Schools and Families for approval and the formal agreement of the County Council's Finance Director obtained before writing-off. (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).
- A formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- The school will not initiate any legal action to recover debts, but will refer any debts which it has not been able to collect (unless a decision to write-off the debt is demonstrably a reasonable course of action) to the County Secretary to consider taking legal or other action to recover the debt.
- The school will NOT write-off any debt belonging to the County Council or another party, e.g., debts for school meals. If in doubt as to the appropriate action to collect any such debts the school will seek advice promptly from officers of the County Council.

2. 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 Co-Headteachers 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 'premises hiring policy'.

Initial reminders

Initial reminders may be informal and made either in person (when a parent comes to collect/drop off the child) or by text/email. Normally, the school office will undertake this having built up a good relationship with the parents.

First reminder letter

A formal reminder letter should be issued after **2 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.

Second reminder letter

A second reminder letter will be issued **2 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 two written reminders are sent. Details of all reminders, whether verbal or in writing, and any responses received -should be maintained. Where a letter is issued, a copy must be retained on file.

3. 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 at the discretion of the School Business Manager in discussion with the Co-Headteachers. A record of all such agreements will be kept.

A letter will be issued to the debtor confirming the agreed terms (unless this not judged necessary). The settlement period should be the shortest that is judged reasonable.

The Co-Headteachers /Resources Committee 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.

4. Costs of Debt Recovery

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

5. 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 Resources Committee will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

6. Bad Debts

If all reasonable steps have been taken to recover the debt and there is no reasonable prospect for cost effective recovery, the limits below can be written off (as per the Schedule of Financial Delegation):

- **Below £10** requires the approval of the School Business Manager.
- **£10 to £50** requires written approval of the Co-Headteachers using their knowledge of circumstances and previous record of payment.
- **£50 to £500** the Resources Committee can write off a maximum of £500. Both the Resources Committee and the Co-Headteachers will take into account previous history of payment and decide whether to write off the debt or refer the matter to County Hall (County Secretary's Department, Legal and Administration).
- Any debt above £500 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 procedures set out above).

At the discretion of the Co-Headteachers 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.

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

7. Procedure for overdue BSL training

Students are required to sign a Learner Agreement agreeing to pay all fees in full. Deposits are due by the second week of the course at the latest, with further payments in September and January, for September course start dates.

- In the event of a late payment, an additional charge of 10% of the overdue instalment will be charged for each month it remains overdue.
- If the debt still exists at the end of a term, the student will be advised they will no longer be able to attend the class until payments are up to date.
- If the course has ended and a debt is still owed, exam results will be withheld until payment is received and students will not be allowed to continue onto the next level of learning.

8. School Meal Debts

The second reminder letter will advise parents to send in a packed lunch from the following week and until the debt is cleared. A copy of this letter will be sent to the form tutor. The form tutor will discuss with the student and if no packed lunch is sent in will request a chargeable basic lunch from the school office. The school reserves the right to begin legal proceedings against parents to recover this debt.

RECORDS OF DEBTS WRITTEN OFF

Debtor:	Details of debt:	Amount: (£)	Inv Ref: (Date where applicable).	Reason for write-off: (<i>inc. brief details of measures taken to secure payment - as appropriate</i>).	Authorisation of write off – <i>name and signature of the authorising individual and date. Cross reference to entry in the accounts where applicable.</i>

Appendix 1

Date: xx xxxxx 202

Outstanding Dinner Money - Reminder Letter.

Dear Parent/Guardian,

Re: Outstanding School Dinner Money for Child's Name.

According to our records it appears that there is dinner money outstanding for your child as of today.

The amount due for payment is £xx.xx. Dinner money should be payable in advance, therefore we would be very grateful if you could settle this balance immediately.

For your information, the last payment shown on our system was made on xxxxxxxxxxx.

To be more efficient, we are a 'cashless school' so no cash please. Please make payments via Arbor.

If you have any query or difficulty with payment of this amount, please let us know immediately and we will endeavour to help.

Please be advised, the price of school meals is changing as of April'23. Please visit our website for up to date information. If you think, you are eligible for free school meals you can apply online, directly to: www.hertsdirect.org/freeschoolmeals.

Thank you for your co-operation in this matter.

Yours Sincerely,

Mrs Yvonne White
School Business Officer.

Appendix 2

Date:

Outstanding Dinner Money – Second Reminder Letter.

Dear Parent/Guardian,

Re: Outstanding School Dinner Money for Child's Name.

According to our records it appears that, your child has been taking school meals and there are insufficient funds in his/her account to cover this cost.

We wrote to you on yet to date you have not made a payment nor communicated with the school to discuss how and when the debt will be cleared.

The outstanding balance as of today is £..... and we require this balance to be cleared immediately. If Payment is not received imminently, please ensure next week you provide your child with a packed lunch until the debt is cleared. Please note school meals should be paid in advance.

To be more efficient, we are a 'cashless school' so no cash please. Payments can be made via Arbor or there is a contactless payment machine in reception.

If you have any query or difficulty with payment of this amount, please let us know immediately and we will endeavour to help.

Please be advised, the price of school meals is changing as of April'23. Please visit our website for up to date information. If you think, you are eligible for free school meals you can apply online, directly to: www.hertsdirect.org/freeschoolmeals.

Thank you for your co-operation in this matter.

Yours Sincerely,

Mrs Yvonne White
School Business Officer.