



Springcroft Primary School

Debt Recovery Policy

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Author/owner: Springcroft Primary School

Anticipated Review: September 2024

Approved	Signature	Date

Our Mission Statement:

The place to learn, the place to succeed, the place to make friends, the place to grow

1. Introduction

The school's Governing Body has a responsibility to ensure that appropriate procedures are in place to enable the school to receive all income to which it is entitled. Springcroft Primary School will therefore take all reasonable measures to collect any monies owing to it as part of the management of public funds. Collecting money from parents or carers is a sensitive area; we deal with issues of debt collection with sensitivity and confidentiality at all times.

2. Aims and Objectives

At Springcroft Primary we comply with all Staffordshire LA requirements for Financial Regulations for Schools with regard for the following aims:

- To make sure there are sound and proper financial procedures in school for dealing with the school's finances;
- To ensure that proper controls are in place;
- To provide a clear framework for managing school finances;
- To protect the school governors, Headteacher and school employees.

3. Procedures

As school uses the MyFinance System for invoices and payment, the County Council Income Team will carry out standard debt recovery procedures on behalf of the school.

The following procedure will be employed for all outstanding debts (of 21 days or longer):

- A gentle reminder (telephone, email or one to one);
- A formal letter (handed to parent)
- A second formal letter (handed to parent)
- A third letter informing the debtor that the debt has been passed to the County Council Income Team.

When all practical and cost effective procedures have been exhausted by the County Council Income Team, the Director of Finance and Resources will notify the school of the amount of the debt that is considered to be irrecoverable and should be written-off. Writing off a debt will lead to a charge being made on the school budget as the income was credited to the school budget when the invoice was raised.

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

The Finance Committee must:

- Approve the writing-off of any debt in relation to the school budget;
- Take into account their review of the age and size of the debt together with the advice from The Director of Finance and Resources.
- Individuals or organisations that have previously defaulted on payments to the school are not allowed credit facilities.
- The Headteacher has the authority to write-off a debt not exceeding £50 but will report all debts and write-offs at each meeting of the Finance Committee

4. Negotiation of repayment terms in certain circumstances 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.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. If a debtor requests for '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 or Finance Committee 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 Committee

5. Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Headteacher/ Finance Committee 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, if this falls within the terms of the LEA debt recovery.

This decision and its basis will be recorded and reported to the Finance Committee.

The Headteacher is required to inform the Governors of any outstanding dinner money debt.

6. Course of Action

1. If a parent falls into arrears of more than 1 month a letter will be sent requesting immediate payment of the outstanding amount.

2. If following reminders payment is not received the school will ask the LA to issue an invoice for payment and follow debt recovery procedures to obtain payment. If this course of action is followed an administrative fee may be incurred.