



St John's C of E Primary School

'We are Learning for Living'

St John's C of E Primary School

DEBT RECOVERY POLICY

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Ownership:	Personnel and Finance Committee
Last Review:	30/03/2020
Next Review:	30/03/2022
Ratified By/Date:	Personnel and Finance Committee

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1. Scope and Objectives

The 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.

This Policy reflects the relevant financial regulations and guidance set out in the Financial Handbook for Schools and other legal requirements. In particular:

- the Governing Body will not write-off any debt belonging to the School which exceeds £500. Any sums exceeding £500 will be referred to the County Council and the formal agreement of the Children's Services Business Partner, i.e. the Head of Finance – Children's Services, 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 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 Council 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.

At St John's C of E Primary School, Lemsford we aim to nourish the curiosity in each child by creating a safe, nurturing and inspiring learning environment which is shaped by our shared Christian values and driven by a desire to embrace challenge and to grow holistically.

We sum up this vision with the biblical quotation - "I came that they may have LIFE and have it abundantly" John 10:10. The implementation and execution of this policy MUST take into account the four key values of our vision, and our responses must be guided by them. The four key values are:

1. Living God's love every day
2. Inspiration for all to be the best that we can be
3. Forgiveness of others and for ourselves so we can all flourish
4. Equality of opportunity; welcoming all

When following this guidance, it should be read in conjunction with our full Vision and Values statement.

2. Procedure

The School will 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 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.

Initial reminders

Initial reminders may be informal and made either in person (when a parent comes to collect/drop off the child) or by telephone. Normally, the secretary 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.

Second reminder letter

A second reminder letter will be issued in 2 weeks after the First reminder letter.

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 him/her that the matter will be referred to the County Council's Legal and Administration Department.

At the discretion of the Finance & Personnel Committee the debtor may be advised that he/she will be required to pay in advance for all future supplies or the supply will no longer be available to him/her. This decision and its basis will be recorded.

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 letter.

If a debtor asks for 'repayment terms', these may be negotiated 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 not judged necessary). The settlement period should be the shortest that is judged reasonable.

The Finance & Personnel 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, the Finance & Personnel 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 he/she will be required to pay the additional costs incurred by the School in recovering the debt.

5. Reporting of outstanding debt levels

The School secretary will ensure that the level of outstanding debt is known / can be determined at any time.

The Finance & Personnel 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

The Headteacher has authority to write off any debt up to £100. A write off of any debt between £101 and £500 requires the written approval of the Governing Body. A debt of over £500 may

only be written off by the Governing Body with the agreement of the Children's Services Business Partner, i.e. the Head of Finance – Children's Services.

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

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 procedures set out above).

In the case of school meal debts the procedure set out in Hertfordshire Catering Limited's Guidance Notes for Schools will be followed. The school may consider redeployment, if appropriate within school. If redeployment within school is not an option then the employee's continuing employment may be at risk.

7. Policy Review

This Policy will be reviewed and agreed by the Finance & Personnel Committee once a year.