



Wisdom Grows from Wonder

Woodhouse Primary School

Debt Recovery Policy

June 2018

Working Together with Respect • Pride • Growth •

Woodhouse Primary School

Debt Recovery Policy

Any money owed to school has an impact on the budget and may affect the Resources we can provide to all children. We hope that parents understand this and will make every effort to avoid owing the school money.

Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. If this is not possible, records are kept and non-payment followed up.

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.

The school's debt recovery policy will observe the Trafford Borough Council's financial regulations and guidance and any other legal requirements.

Reporting of outstanding debt levels

Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Finance and Personnel Committee.

Debt Recovery Procedures

Invoices

- Invoices have 30 days for payment from date of invoice.
- A reminder will be issued 4 weeks after date of invoice.
- Second reminder will be issued 6 weeks after date of invoice.
- Final reminder 9 weeks after date of invoice.
- The final reminder will be sent with a threat of legal action if the account is not settled within 14 days.

Nursery Fees

- All fees are required to be paid in advance. Invoices will be sent out from the school showing the amount that needs to be paid. Payments are made through our ParentPay system.
- If payment has not been received within four weeks of term time after the date of the invoice then the child's place at nursery, for the 'top-up' sessions, will be at risk.
- Non-payment of fees and an increasing debt in relation to a top-up place will lead to the top-up place being suspended until the required payments have been made.
- Where parents are no longer entitled to 30 hours of provision because their eligibility has changed they will be offered a 'top-up' place if they would like extended provision to continue.
- All debts will be recorded and non-payment will be followed up by issuing reminders at the following intervals

- 2 days before we breakup for holiday- 1st reminder
- First day back of new half term – 2nd reminder
- Telephone call 2 weeks into the half term – 3rd reminder
- Debt is passed to Headteacher who will invite Parents to a meeting to discuss
- Headteacher then makes a decision how to proceed depending on the outcome of meeting.

Dinner Money Debts

- Weekly reminders are sent to Parents via our online payment system ParentPay.
- When a debt gets over £40 parents are contacted by Telephone.
- If after this no payment is made, it is passed to the Headteacher who decides on how to proceed.
- The process for writing off these bad debts shall be at the discretion of the Headteacher/Office Manager and Finance/Personnel and Premises Committee.
- Checks are carried out on a regular basis of all monies owed to the school to ensure regular payments are being made.
- Bad debts over £1000 will be reported to the Finance, Personnel and Premises Committee for their approval.
- All historical bad debtors are not permitted to enter into new arrangements with the school, unless the debt is cleared beforehand.
- Bad debtors might include hirers, funding providers, parents, pupils, agencies (i.e. insurance companies).

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. If people are unable to pay the School may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery is 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.
- Where the value of the debt is less than the cost of recovering it.
- Multiple debts – 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.

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 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.

Costs of debt recovery

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

Legal Action

- If legal action is considered to be the way forward the debtor will be informed of this in writing and the debt maybe referred to the County Legal Services, where appropriate.
- Legal action will not be taken for debts under £200.
- If after every effort has been made to collect the debt and legal action is considered.
- Advice will be sort from Trafford Borough Council Legal Advisors before legal action is started.

Bad debts

Write-off of any debt up to £1000 requires the approval of the Headteacher. Debts over £1000 must be reported to the Full Governing Body. A record of the write-off, the reason for it, and the approval for it, will be retained for 6 years.

Approved by governors:

Review June 2021