



ALSTON MOOR FEDERATION

Debt Recovery Policy

Aim

To inform parents, carers and students of the impact of money management on public funds.

Objectives

1. Any money owed to Alston Moor Federation has an impact on the budget and can therefore affect the resources we can provide to all children.
2. We hope that parents understand this and will make every effort to make due payments promptly and to avoid owing the school money. The Federation will take all reasonable measures to collect debts as part of its management of public funds. A debt will only be written off or passed onto an external debt collection agency after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.
3. The school's debt recovery policy will observe the relevant financial regulations and guidance as set out by the Local Authority. One 'half term' is an acceptable 'credit settlement period' before the debt recovery procedures are applied.

Reporting of outstanding debt levels

The Head teacher will ensure that the level of outstanding debt is regularly monitored. Records will be maintained to detail individual debts and the total value of debt due to the school in order that it can be reported to the Finance Committee and/or Governing Body at any time. The Finance Committee and/or Governing Body will review the level of outstanding debt regularly to determine whether this level is acceptable and whether the action taken to recover debts is effective.

Debt Recovery Procedures:

Where payment from the parent/guardian has not been received in advance, or 'at the point of sale', the following process will apply;

- **Initial 'overdue payment' reminder -**

An initial reminder may be informal and can be made either in person (when a parent/guardian comes to collect/drop off the child), or by email or telephone. The date of the initial reminder should be recorded. In the case of school meals a written reminder of any monies outstanding is sent home with the child on a Friday.

- **First 'overdue payment' reminder letter**

A formal reminder letter is issued 2 weeks after the informal reminder, or sooner if the debt continues to increase.

The date of the reminder letter should be recorded. In the case of school meals, if the debt is not settled on the following school day then the Federation may be unable to provide your child with a school dinner and the parent / guardian must provide a packed lunch or arrange for the child to go home for lunch. If a child comes to school without clearing the debt and requires a hot meal then the School Office will telephone the parents to make alternative arrangements for the lunchtime.

- **Second 'overdue payment' reminder letter**

A second reminder letter will be issued 2 weeks after the First Reminder Letter or earlier if the debt continues to grow. The date of this letter should be recorded. The recipient will be advised that if the debt is not settled on the following school day then the Federation will be unable to provide the child with a school dinner and the parent / guardian must provide a packed lunch or arrange for the child to go home for lunch. If a child comes to school without the debt having been cleared and requires a hot meal then the School Office will telephone the parents to make alternative arrangements for the lunchtime.

- **Failure to act/debt recovery**

Where a parent / guardian fails to respond to the above communication or to make promised payments the debtor will be invited to meet with a member of the Governing Body to discuss how the debt will be settled. Failure to respond to this letter and/or to attend a meeting could result in the school taking action via the Small Claims Court or passing the debt to an external debt recovery agency.

This decision will be confirmed to the parent / guardian in writing and the letter will be sent by Recorded Delivery. Where subsequent proof of delivery cannot be obtained two further copies of the letter will be sent by First Class Post and a Certificate of Posting obtained or 'Personally Served' with a Certificate of Service being obtained.

The debtor will be advised that they are henceforth required to pay in advance for the provision of relevant services.

Alston Moor Federation staff will be unable to discuss the matter with parents/guardians once a debt has been passed on to an external agency.

Agreement of repayment terms

The Governing Body will make every effort to work with parents to prevent debts mounting.

- Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. Where debtors are unable to pay in full the school may reduce or cancel a debt in certain circumstances.
- A sensitive approach to debt recovery will be carried out, taking the following factors into account;
 - Hardship – where paying the debt would cause financial hardship.
 - Ill health – where 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.
 - Cost – where the value of the debt is less than the cost of recovering it.
 - Multiple debts – where an individual owes more than one debt to the school an attempt will be made to agree a single repayment plan to include all debts.
 - Where a debtor requests an arrangement for 'repayment terms' these may be negotiated at the discretion of the Finance Committee and/or Governing Body. 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 Finance Committee and/or Governing Body 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 and/or Governing Body.

- **Costs of debt recovery:** Where the school incurs material additional costs in recovering a debt then the Finance Committee and/or Governing Body 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. This decision and its basis will be recorded and reported to the Finance Committee and/or Governing Body.
- **Bad debts:** The Write-off of any debt over the value of £150 requires the written approval of the Finance Committee, debts over the value of £500 will be referred to the Full Governing Body. A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

Monitoring Arrangements

This policy will be reviewed every three years by the Governing Board.

Version Control	
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