



# Debt Recovery, Asset Disposal & Write Off Policy

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13.07.21	0.1	Combination of previous Debt Recovery Policy and Asset Disposal & Write Off Policy	Policies combined and strengthened. This policy replaces the previous individual policies.	SCC
03.09.21	0.2	Board Lead Review	Further detail on waiving of debt included. C Bradshaw Smith	
17.09.21	1.0	Board Review	Ratified	

## **Debt Recovery, Asset Disposal & Write Off Policy & Procedures**

The Board of Directors has a duty to ensure that The Staffordshire Schools Multi Academy Trust receives all the money it is owed and property it owns. This policy has been created to ensure the appropriate procedures are in place to deal with the recovery of debts and assets, and the write off and disposal of assets. It encompasses all debts owed to the Trust including, but not limited to, payments for goods, services, Trust trips, and Trust meal payments.

Parents should be made aware of, and given access to this policy. It will be included on the Trust's website and made available to view at the Trust on request.

### **Debt & Asset Recovery**

#### **1. The Principles**

1.1. A full record will be kept of debts owed to the Trust for 7 years. This will include all letters requesting money, reminders and invoices.

1.2. A full record will be kept of assets owed to the Trust for 7 years. This will include all letters and reminders requesting return of the assets.

1.3. The Trust will not write off any debts owed by the local authority (LA).

1.4. The Trust may consider initiating legal action to recover debts or assets.

#### **2. Roles and responsibilities**

2.1. The CEO and Trust administrators will ensure that:

- Letters requesting money are accurately recorded and those records maintained.
- Evidence of the steps taken by the Trust in pursuance of debt or the recovery of assets are recorded, including dates and times of both letters and phone calls.
- A final reminder is sent by recorded delivery to the debtor after 3 months.
- Family cases will be judged fairly and according to the circumstances of the family involved.
- The privacy of the family involved will be respected and they will only be made known to those who need to know.
- The level of outstanding debt can be determined at any time.

2.2. The Board of Directors:

- Will prescribe and regularly review the arrangements for debt or asset recovery.
- Must approve any legal action taken.
- Record approved actions in the minutes of the relevant meeting.
- Will adhere to the privacy arrangements.
- May delegate its responsibilities under this policy to the Finance Manager.

### **3. The Process for Pursuing Debts or Assets**

3.1. Informal reminder: The debtor will be informally reminded, in person, or by telephone, or text, or email, that they owe money to the Trust, or that they are required to return an asset loaned to them by the Trust.

3.2. First reminder letter: If the debt is yet to be paid or the asset yet to be returned two weeks after an informal reminder, a formal letter will be sent to the debtor.

3.3. Second reminder letter: If the debt is yet to be paid or the asset yet to be returned two weeks after a first formal reminder, a second formal letter will be sent to the debtor.

These letters allow the debtor every opportunity to settle their debt and ensure the Trust can prove all reasonable steps have been taken to recover the debt should the issue proceed further.

3.4. Final reminder letter: If no response is received 3 months after the second reminder, the Trust will send a letter to the debtor advising them that they will be referring the matter to the local authority/LDB to consider legal action.

This letter will be sent by recorded delivery to ensure the debtor has had every chance to respond.

At this point, at the discretion of the Board of Directors, the debtor may be advised that they will have to pay in advance for certain services in the future.

3.5. Possible legal action: At this juncture, the appropriate body will decide whether to take legal action against the debtor.

#### **4. Waiving of Debts**

4.1. The waiving of debts is at the discretion of the CEO and the Board of Directors. A debt may be waived when it is believed the debtor is experiencing serious financial hardship, or if all reasonable avenues to recover the debt have been exhausted and it is believed it would not be cost effective to pursue the debt through legal action.

4.2. The CEO is authorised to waive debts of up to £200, with a cumulative ceiling of £1000 per school year.

4.3. Waiver of debts of greater than £200 will need to be authorised by the Board of Directors

4.4. Waiver of the return of assets deemed out of date (i.e. devices ) will need to be authorised by the Board of Directors.

#### **5.0. Write Off & Disposal Procedures**

5.1. Items for write off/disposal should be listed on the write off/disposal authorisation spreadsheet, detailing model and serial number, a brief description of the item, the reason for write off/disposal, and the proposed method of disposal (e.g. scrapped, sold/offered via the weekly newsletter, sold by tender (if usable computers for example)).

5.2. The CEO should be satisfied that the items are to be written off/disposed of.

5.3. The spreadsheet should then be sent to the Board for authorisation and this should be recorded in the minutes of the Directors meeting. Details of the items should also be minuted. A copy of the spreadsheet attached to the minutes should suffice for this purpose.

5.4. Once authorised, the Business Operations Manager will arrange for an appropriate company to destroy the items as necessary, or to dispose of in any other authorised way. The spreadsheet should be updated with the destruction certificate number. The insurance should be updated accordingly.