



Debt Recovery Policy

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Debt Recovery Policy

The Board of Directors has a duty to ensure that The Small Schools Multi Academy Trust receives all the funds to which it is entitled. This policy has been created to ensure the appropriate procedures are in place to deal with debts and the recovery 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 and the Trust's debt recovery procedures. It will be included on the Trust's website and made available to view at the Trust on request.

1. The Principles

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

1.3. 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.

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

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 is 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 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 Business Operations Director.

3. The Process for Pursuing Debts

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.

3.2. First reminder letter: If the debt is yet to be paid 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 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 following the second reminder after 3 months, 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.

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