

Achieving excellence through leadership

Debt Recovery Policy

1.0 Purpose

Giles Junior 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 is based on the Herts model 'Manual of Financial Procedures' document dated March 2012; the relevant appendix has not been updated since March 2012). The section on school meal debt recovery is based on information supplied by Herts County Council Legal department.

2.0 General Requirements

2.1 Giles Junior School's debt recovery policy will observe the relevant financial regulations and guidance set out in the Financial Handbook for Schools, the Schedule of Financial Delegation and any other legal requirements. In particular:

- the Governing Body will not write-off any debt belonging to the school which exceeds £500. Any sums above this will be referred to the Director of Children Schools and Families for approval and the formal agreement of the County Council's Finance Director 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). Debts between £100 and £499 can be written off by the Resources Committee, and debts below £100 by the Head teacher.
- a formal record of any debts written off will be maintained and this will be retained for 7 years. The form of this record is specified in Appendix D of this document.
- Giles Junior 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 Secretary 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 (see paragraph 3.6 below). 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.

School staff are expected to follow the following procedures to secure the collection of all debts.

3.0 Goods or services supplied where payment is not received in advance or 'at the point of sale'.

3.1 School Meals

3.1.1 When the date for payment has been met and the monies not received, an initial 'overdue reminder' will be made. This may be informal and made either in person (when a parent comes to collect/drop off the child) or by telephone. This may be undertaken by the Head teacher or delegated to a member of the school office staff.

Before any subsequent action is taken, the following checks will be made:-

- A 'sense check' as to whether the parent concerned normally pays on time and if the school is aware of any extenuating circumstances that may be affecting the family.
- Is the child/children entitled to free school meals, or have their circumstances changed so that they are now eligible?
- Are the school's accounts correct in showing a debt or have the parents/carers paid and the money is not yet showing as being credited to the appropriate account?
- After the school has attempted to make initial contact with the parents/carers, have they made any effort to engage with the school.

3.1.2 First reminder letter

A formal reminder letter should be issued one week after any informal reminder. If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time that the debt first became overdue. See Appendix A for the format of this letter.

3.1.3 Second reminder letter

A second formal reminder letter will be issued one week after the First reminder letter. See Appendix B for the format of this letter.

3.1.4 Using reminder letters

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced. It is therefore important that at least one, but preferably two, written reminders are sent. Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file. All reminder letters should be signed by the Head teacher.

3.1.5 Negotiation of repayment terms

Parents/carers are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue reminder'.

However, if a parent/carer 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 parent/carer confirming the agreed terms. The settlement period should be the shortest that is judged reasonable.

The Governing Body will decide whether any parent/carer who has been granted extended settlement terms will not be offered any further 'credit' and will be required to pay in advance in future.

3.1.6 Failure to settle debts for School Meals.

The following is based on legal guidance received issued by the Legal Services team of Herts County Council:-

If at the end of a school term a debt for school meals remains outstanding and the agreed repayment schedule (if any) has been exceeded, a further letter will be issued. This letter will state that the child or children involved will not be provided with a school meal in the following term unless it is paid for, and that the parent/carer must either provide a packed lunch or take the child/children home for lunch. The school reserves the right to begin legal proceedings to recover the outstanding debt.

The parent/carer will also be advised in this letter that if they continue to send their child/children to school, after being notified, without making arrangements for their lunchtimes, the school may inform social services that the parent/carer is not carrying out their responsibility to care for the child/children by not providing them with food at lunchtime. See Appendix C for the format of this letter.

3.2 Hirings and Purchases of goods and services from the school

The principles of paragraphs 3.1.1 to 3.1.5 inclusive above will be applied to debts for hirings and for the purchases of goods and services from the school (such as school uniform).

3.3 Recording of Debts

A record will be kept of all goods and services where payment is not received in advance or 'at the point of sale.' The record will detail 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 should indicate the maximum period that the school regards as reasonable before payment is overdue, e.g. "payment for items purchased should be sent to the school office by ...", etc.

The Head teacher will determine what the reasonable 'credit period' is if this is not otherwise specified.

3.4 Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Governing Body 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 they will be required to pay the additional costs incurred by the school in recovering the debt.

3.5 Reporting of outstanding debt levels

The Headteacher will ensure that the level of outstanding debt is known to the Resources Committee (RC).

The RC will review the level of outstanding debts each term to determine whether this level is acceptable and whether action to recover debts is effective.

4.0 Date for review

May 2017.

Distribution:-

A copy of this policy will be available to:-

- a) all school governors
- b) all teaching staff (if requested)
- c) all parents (on request)

Approved.....Date **29th August 2016**

Debt Recovery Policy - APPENDIX A

[Date]

[Name and address]

Dear [Name]

Re: School Meal for [child's name]

You will recall that I recently spoke to you about outstanding monies for [child's name] school meals.

I note that the debt, which is now £X.XX , remains outstanding.

I would be grateful if payment could be arranged as soon as possible. Please make cheques payable to Hertfordshire Catering Ltd.

Yours faithfully,

Mrs. H Davies
Head Teacher.

Note – this letter can be adapted for other debts, such as school trips/visits.

Debt Recovery Policy - APPENDIX B

[Date]

[Name and address]

Dear [Name]

Re: School Meal for [child's name]

I wrote to you recently [date of first reminder letter] about outstanding monies for [child's name] school meals.

Unfortunately, the school has no record of the debt being settled. The debt is now £X.XX.

We cannot continue to provide a school meal for [child's name] and you should now provide a packed lunch or make arrangements for [child's name] to be picked up and taken home for lunch, unless the debt is now settled in full.

If you are having a problem making your payments please contact me to discuss a payment plan

Please make cheques payable to Hertfordshire Catering Ltd.

Yours faithfully,

Mrs. H Davies
Head Teacher.

Note – this letter can be adapted for other debts, such as school trips/visits.

Debt Recovery Policy - APPENDIX C

[Date]

[Name and address]

Dear [Name]

Re: School Meal for [child's name]

I have now written to you twice [give dates of first and second reminder letters] about outstanding monies for [child's name] school meals.

The school has no record of the debt being settled. The debt is now £X.XX.

If this debt is not cleared by the start of next term, your child will not be provided with a school meal, unless it is paid for, and you must either provide a packed lunch or take your child home for lunch.

If you continue to send your child to school, after receiving this notification and without making arrangements for their lunchtimes, the school, on the advice of Hertfordshire County Council Legal Services, may inform social services that you are not carrying out your responsibilities to care for your child by not providing them with food at lunchtime.

The school reserves the right to begin legal proceedings to recover the debt.

Please make cheques payable to Hertfordshire Catering Ltd.

Yours faithfully,

Mrs. H Davies
Head Teacher.

Debt Recovery Policy - Appendix D

RECORD OF DEBTS WRITTEN OFF

Debtor	Details of debt	Amount (£)	Invoice reference and date (where applicable).	Reason for write-off (including brief details of measures taken to secure payment - as appropriate).	Authorisation of write off – name and signature of the authorising individual and date. Cross reference to entry in the accounts where applicable.