



Nash Mills CofE Primary School

Debt Recovery Policy

Reviewed: February 2024

Ratified: February 2024

Next Review: February 2027

Debt Recovery Policy

General requirements

Nash Mills CofE Primary School will take all reasonable measures to 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.

Nash Mills CofE Primary School's debt recovery policy will observe the relevant financial regulations and guidance set out in the Financial Handbook for Schools 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).
- 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 below and set out in Appendix C).
- Nash Mills CofE Primary 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. 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.

When recording goods or services supplied where payment is not received in advance or 'at the point of sale'. A record will be kept of all such supplies that details 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 will state the date by which payment is due.

In all other cases correspondence with parents, etc. will indicate the maximum period that the school regards as reasonable before payment is overdue, e.g. contributions for a school trip should be received by, payment for items purchased should be sent to the school office by, etc.

The Finance Officer/Headteacher will determine what the reasonable 'credit period' is if this is not otherwise specified, e.g. the governors may stipulate the maximum settlement period for school lettings in a separate 'premises hiring policy'.

Initial reminders: Initial reminders may be informal and made either in person (when a parent comes to collect/drop off the child) or by telephone. Normally, the Finance Officer will undertake this having built up a good relationship with the parents.

First reminder letter: A formal reminder letter will be issued after 2 weeks from any informal reminder / the date of supply. 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.

Second reminder letter: A second reminder letter will be issued in 2 weeks after the First reminder letter. Where the debt is incurred for school meals taken, the first reminder letter will be sent at the end of the half term in which the debt is incurred. This will inform them that the service will no longer be available to them and / or their child until the debt is settled.

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, will be maintained. Where a letter is issued, a copy will be retained on file.

Failure to respond to reminders / settle a debt: If no response is received from the reminders issued, a letter may be sent to the debtor advising them that the matter will be referred to the County Secretary's Department, Legal and Administration.

At the discretion of the Headteacher the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them. This decision and its basis will be recorded.

If the debt arises because children have received a midday or participated in a curriculum enhancing activity meal and parents/carers have not paid, the Headteacher will use his discretion in deciding whether to pursue the debt. Such a decision will depend on the size and nature of the debt and on the school's knowledge of the child and its family circumstances.

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 reminder'. If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the Finance Officer /Headteacher. A record of all such agreements will be kept. A letter will be issued to the debtor confirming the agreed terms (unless this not judged necessary). The settlement period should be the shortest that is judged reasonable.

Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Finance and Premises Committee will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded.

Bad debts

The school's debt recovery policy is cross-referenced to the Schedule of Financial Delegation. Write-off of any debt requires the written approval of the Headteacher to a maximum of £50 and Finance and Premises Committee up to a maximum of £500.

A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

Any debt belonging to the County Council and or Herts Catering Ltd will be referred to the appropriate officer for consideration/action without delay once the school has taken reasonable measures to collect the debt (i.e. has followed the reminder notification procedures set out above).