

# Debt Recovery Policy



<b>Governors Meeting:</b>	<b>12 December 2022</b>
<b>Safeguarding Governor:</b>	<b>Jane Owens</b>
<b>Chair of Governors:</b>	<b>Gail Webb</b>
<b>Review:</b>	<b>12 December 2023</b>

# Huxley CE Primary School

## DEBT RECOVERY POLICY

### General requirements

Huxley CE 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.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Schemes for Financing Schools (<https://www.gov.uk/government/publications/schemes-for-financing-schools/schemes-for-financing-local-authority-maintained-schools>) and any other legal requirements.

### Acceptable credit period

#### **Invoices**

In general, payment for all goods and services supplied by the school should be collected in advance or at least within **30 days upon receipt of an invoice**.

#### **School lunch**

We recommend that payment is made in advance and a credit balance is maintained at all times. The parent/carer can decide each day if they want their child to have a school lunch or a packed lunch. This is recorded on the SchoolMoney system and payment reminders are texted and emailed on a daily basis.

### Reporting of outstanding debt levels

The Headteacher/Admin Officer will ensure that the level of outstanding debt is regularly monitored. Suitable records will be maintained to detail individual debts and the total value of debt to the school.

### Debt recovery procedures

Should the parent/carer fall into arrears, Debt Letter 1 is sent (Appendix 1). If they still fail to make a payment, Debt Letter 2 is sent (Appendix 2). If the debt remains unsettled after the 2 letters have been sent, the matter is referred to the governing body in accordance with the procedure outlines in the Manual of Internal Financial Procedures.

## **Negotiation of repayment terms**

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the initial 'overdue payment' reminder.

### **However, if people are unable to pay;**

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
- Ill health
- Time
- Cost
- Multiple debt

If a debtor requests 'repayment terms' these may be negotiated at the discretion of the Headteacher/Admin Officer. 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 Headteacher/Admin Officer will decide whether any debtor who has been granted extended settlement terms will be offered any further credit or in future will be required to pay in advance.

### **Costs of debt recovery**

- Where the school incurs material additional costs in recovering a debt then the Headteacher 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 Governing Body.

## Appendix 1: Debt Letter 1

Date

Name  
Address

Dear

**Pupil:**

Further to recent texts sent, please find attached a statement of money outstanding. Please could you arrange full or partial payment as soon as possible. This can be done online via SchoolMoney or by cash or cheque (cheques to be made payable to Cheshire West and Chester Council). I would appreciate it if payment could be made by (INSERT DATE).

Do not hesitate to contact me if you should need help with online payments or if you have a query regarding the outstanding arrears.  
Thank you for your cooperation in this matter.

Kind regards

Jackie Lloyd  
Admin Officer

## Appendix 2: Debt Letter 2

Date

Name  
Address

Dear

**Pupil:**

Further to a letter sent to you on \*\*\*\*\*, and despite several text and email reminders there is still an unpaid amount of £\*\*\*\*\* for \*\*\*\*\*.

Full or partial payment will need to be made by \*\*\*\*\* either online through SchoolMoney or by cheque or cash into school (cheque to be made payable to Cheshire West and Chester Council), otherwise I will have no option but to refer the matter to the Legal Department at Cheshire West and Chester Council.

Please do not hesitate to contact either myself or the school office if you should have any difficulty with making payment. Please ignore this letter if payment has been made in the last couple of days.

Yours sincerely

Mrs Rachel Gourley  
Headteacher

### Appendix 3: Scheme of Delegation

	Authority to Purchase Limit Up To	Certifying Officer Limit	Authority To Vire Budget	School Fund Cheque Signatory	Authorised for Bad Debt Write-Off Limit	Authorised for write off and disposal of assets
Governing Body	No limit	No	No Limit	No	No Limit	No Limit
Finance Committee	£10,000	No	£5,000	No	£500	£500
Headteacher	£5,000	No Limit	£500	Yes	£250	£100
Admin Officer	£500	£5,000 with approval from Headteacher	No	Yes	No	No
Teacher	N/A	N/A	N/A	No	N/A	No
Departmental Budget Holders	Up to the value of their annual budget	N/A	N/A	No	N/A	No

**Appendix 4: Write-off Authorisation Record**

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