

## THE REDDINGS PRIMARY AND NURSERY SCHOOL



### DEBT RECOVERY POLICY

#### GENERAL REQUIREMENTS

The Reddings Primary 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.

The Reddings Primary School's debt recovery policy will observe the relevant financial regulations and guidance set out in the Financial Handbook for schools and other legal requirements. In particular:

- the Governing Board 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).
- The Reddings 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, e.g. debts for school meals. 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.

#### IDENTIFYING DEBT

A record will be kept where payment is not received in advance for any goods or services, detailing what was supplied, the value, the date and the identity of the debtor.

Where invoices are raised these will state the date by which payment is due.

For goods or services provided to parents/carers, other written correspondence will indicate the maximum period that the school regards as reasonable before payment is overdue.

## DEBT RECOVERY PROCESS

The Reddings Primary School chases all monies due, and those that have not been paid within 30 days of an invoice being issued, by telephone, letter or in person.

<b>Initial reminders</b>	Initial reminders may be informal and made either in person, e.g. when a parent comes to collect/drop off the child) or by telephone. Statements are issued to the outstanding debtors requesting payment.
<b>First reminder letter</b>	A formal reminder letter should be issued after two weeks from any informal reminder / the date of supply.
<b>Second reminder letter</b>	A second reminder letter will be issued two weeks after the first reminder letter.

If no response is received from the reminders issued, a letter will be sent to the debtor advising them that the matter will be referred to the County Secretary's Department, Legal and Administration team.

At the discretion of the local governing board, 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.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first reminder letter.

If a debtor asks for repayment terms, these may be negotiated at the discretion of the local governing board. A record of all such agreements will be kept. A letter will be issued to the debtor confirming the agreed terms. The settlement period should be the shortest that is judged reasonable.

Where the school incurs material additional costs in recovering a debt, the local governing board will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded in the minutes.

The debtor will be advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt.

## MONITORING DEBT

The office team leader provides documentation, along with any required explanations, to the head teacher for monitoring and further action as required.

The school will monitor debt as part of month end process to avoid the accumulation of large levels of debt.

## **WRITING OFF BAD DEBTS**

If the debt remains unrecoverable after twelve months, or it becomes clear that the debt will not be repaid, it will be written off.

As outlined in the schedule of financial delegation, the following write off limits apply:

<b>LIMIT</b>	<b>AUTHORISED BY</b>
Up to £150	Headteacher
£151 to £500	Governing board
Over £500	Director of CSF HCC Finance Director

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

## **REVIEW**

The Governing board will review this policy in line with its schedule of policy review.