



Hart Hill Nursery School

Debt Recovery Policy

Updated Autumn Term 2023

Ratified by Governors on

[Signature]

Signed

7/11/23.

To be updated Autumn Term 2026



Hart Hill Nursery School Debt Recovery Policy

1. General requirements

The 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 school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements. In particular:

- the Governing Body will approve the write-off of all debts, stocks, stores and surplus assets
- all such write-offs will be recorded in the minutes of the governing body
- 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).
- the school will seek the advice of the Council's Legal Services Section should they consider taking legal or other action to recover the debt.

In general payment for all goods and services supplied by the School should be collected in advance or 'at the point of sale'.

The procedures to secure the collection of all debts are outlined below and should be followed by all School staff.

2. Acceptable 'credit period'

The Governing Body must determine the length of time they deem as an acceptable 'credit settlement period' before the debt recovery procedures are applied.

The Governing Body may consider that an 'acceptable' credit period may vary between different income generating activities; for example;

- School lettings;
- Trips and activities.

The Governors may have stipulated a maximum settlement period for school lettings in a separate 'Lettings policy'. However, in order to ensure a consistent approach and demonstrate transparency, the 'acceptable' period for each activity should be stipulated in this policy.

Debt recovery procedures should be applied in accordance with item 4 of this policy.

3. Reporting of outstanding debt levels

The Head teacher 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 in order that it can be determined at any time and reported to the finance committee.

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

(Monitoring of outstanding debts may be differentiated by type, e.g. if lettings debts prove more of a problem then the frequency and degree of monitoring should reflect this).

4. Debt Recovery Procedures

4.1 Where payment from the parent/guardian has not been received in advance, or 'at the point of sale', or if raised on Parentmail, by the due date at the end of each half term, then the following process should be applied.

(a) An invoice should be issued on official school stationery, or via the electronic Parentmail system, for the full amount in order to officially set up the debt; Where invoices are raised they should state the date by which payment is due date/month/year (this will be done via the due date facility on Parentmail against each invoice).

(b) In all other cases, such as;

correspondence with parents, etc. the maximum period that the school regards as reasonable before payment is overdue should be clearly stated, for example contributions for a school trip should be received by date/month/year, where raised on Parentmail, the due date is stated on the electronic invoices.

payment for items purchased should be sent to the school office by date/month/year.

(c) A record of all goods and services will be maintained detailing:
type of good/services supplied;
value;
date(s) good/services supplied; and;
the identity of the 'debtor', e.g. parent, hirer, etc.

5. Verbal and Written Reminders

5.1 Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file, including where this has been sent via the school's Parentmail system.

Should a debt need to be taken beyond two reminder letters, or emails, formal written evidence may have to be produced.

It is therefore important that at least one, but preferably two, written reminders are sent.

5.2 Initial 'overdue payment' reminder

An initial reminder may be informal and can be made either in person (when a parent/guardian comes to collect/drop off the child), or by telephone, or via the Parentmail system, through an updated or newly raised invoice.

In general, the Finance Assistant will notify the parent/guardian.

The date of the initial reminder should be recorded if it is a paper reminder; this will be automatic on a Parentmail notification.

5.3 First 'overdue payment' reminder letter

A formal reminder written letter, on headed paper, should be issued 2 weeks after the informal reminder. This could be attached to a Parentmail notification, sent via the Admin email address, posted via Royal Mail or hand delivered, depending on the individual circumstance.

The date of the reminder should be recorded, including date given to the parents or posted or a delivery receipt issued with an email.

5.4 Second 'overdue payment' reminder letter

A second reminder letter will be issued 2 weeks after the First Reminder Letter. This should be on headed paper and be posted to the home address we have on file, or the last known email address if the school has this information.

The date of the initial reminder should be recorded, including the date posted.

6. Failure to respond to reminders / settle a debt

If after 2 reminders, a response or payment is not received after a further 2 weeks (6 weeks in total), a letter will be sent to the debtor advising them that the matter will be referred to the Local Authority Debt Recovery Service. 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 and reported to the Finance Committee once a term, where individual cases will be discussed. Any totals below £10 will be written off in school, and may not follow the procedures outlined above.

7. 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 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 all available factors into account.

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

If a debtor requests 'repayment terms' these may be negotiated at the discretion of the Headteacher. In the same regard, the school may offer an agreed payment plan to help settle the debt in the most affordable and quickest way.

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 Head teacher will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance.

This decision and its basis will be recorded and reported to the Finance Committee.

Failure to follow the terms of repayment will result in immediate referral to the Local Authority Debt Recovery Service.

a. Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Finance Committee 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.

9. Bad debts

This debt recovery policy should be cross-referenced to the Scheme for Financing Schools.

Write-off of any debt requires the written approval of the Governing Body.

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

10. Policy Review

This policy will be reviewed and approved annually by the Full Governing Body