



Ash Manor School

Debt Recovery Policy

Governors' Committee Responsible:	Resources
Nominated Lead Member of Staff:	School Business Manager
Status & Review Cycle:	Statutory 3 years
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Document Version Control:	
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Introduction

Any money owed to the school has an impact on the budget and may affect the resources we can provide to all children. We hope that parents understand this and will make every effort to avoid owing the school money.

The school will take all reasonable measures to collect debts and to ensure that appropriate procedures are in place. This encompasses all debts owed to the school including, but not limited to, payments for goods, services, school trips, and school meal payments.

A debt will only be written off after all reasonable measures have been taken to recover it.

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

Procedures

The acceptable period of a debt will be 30 days, which must be stated on invoices and/or charging documents/letters. Any debt outstanding after this period will be dealt with, by the School Business Manager, Finance Manager or other delegated personnel, as follows:

- 1) An invoice should be issued on official school stationery, for the full amount in order to officially set up the debt
- 2) The first reminder letter will be sent by email after the initial 30 days
- 3) If, within two weeks of the first reminder letter, payment has not been received, a second letter will be sent by recorded delivery.
- 4) If no response is received following the second reminder after 2 months, the school will send a letter, stated as "Final" to the debtor advising them that the matter may be referred for legal action. In such cases, schools should seek legal advice, at the school's cost, on how to proceed. This letter will be sent by recorded delivery to ensure that the debtor has had every chance to respond. At this point, at the discretion of the Governing Body, the debtor may be advised that they will have to pay in advance for certain services in the future.

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

Dinner Money Debts

Payment for school meals should be paid in advance or at the point of sale. However where meals have been issued and payment has not been received in advance or at the point of sale, parents will be telephoned or written reminder letters sent immediately. Any money outstanding 14 days after meals have been taken will be dealt with in line with steps 1 – 4 above. If within one week of the second letter payment has not been received, then a final letter will be sent in line with (4) above. At this stage the parent/guardian may be told that their child can no longer have school meals and informing them that they should arrange to send a packed lunch in for their child from a specified date.

All through the above stages every effort will be made to make personal contact with the debtor via telephone and text messaging. A log of correspondence and telephone calls and copies of all letters will be kept for audit and legal purposes.

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 debtors are unable to pay on time and make requests for 'repayment terms' these may be negotiated 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 the student or to the debtor. This decision and its basis will be recorded.

A record of all such agreements entered into will be retained and in all cases, a letter will be issued to the debtor confirming the agreed terms for repayment.

Debt Write Off

All efforts to recover the debt, must have been exhausted, before being considered for write off, including:

- i) Assessing if all reasonable steps been taken to recover the debt
- ii) Assessing the prospect of recovering the income without significant investment in time or resources e.g. where the value of the debt is less than the cost of recovering it

The Headteacher may write off debts up to £150 which should then be reported to the next Resources Governors meeting for ratification. Debts over this level, but less than £1,000 may be referred to the Governing Body for a decision to be written off. Any debts above £1,000 should be referred to the LA for advice and decision to write off, with the approval of the Assistant Director of Finance and by the Governing Body.

The school will not write off any debt belonging to the LA but will refer to the Schools Support (Finance) Team at Surrey County Council of the outstanding debt so that they may resolve the issue on the school's behalf.

A register of all debts written off must be maintained.

Reporting of Outstanding Debt

The School Business Manager will ensure that the level of outstanding debt is monitored and reported to the Resource Committee and the Governing Body in their scheduled meetings. The Committee will review the level of outstanding debts every meeting to determine whether this level is acceptable and whether action to recover debts is effective.

The system of accounting maintained should be so up to date that the level of outstanding debt is known at any time. The School Business Manager will inform the Headteacher of outstanding debts on a monthly basis.

Policy Review

This policy will be reviewed annually by the Resource Committee and approved by the Governing Body.