



DEBT RECOVERY POLICY

1 Background

In accordance with Cambridgeshire County Council's (Local Authority's or LA's) Financial Regulations for Schools, the Governing Body of the Grove Primary School is responsible for the collection of income and the management of debt relating to the school.

To this end the Governing Body is responsible for ensuring that procedures are in place for the recovery of any outstanding debt. This policy sets out the procedures for escalation of debt recovery and for the write-off of any debt which is deemed irrecoverable.

The school has identified the following areas as potential risks for the accrual of debt:

- Cost of school meals
- Cost of residential school trips
- Cost of attendance at The Orchard

This policy applies to these areas and to all other cases where a party is in debt to the school.

2 Procedure for debt recovery

Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. If this is not possible or appropriate, an invoice will be issued by the school, indicating the amount owed, the procedure for payment and the date by which the account must be settled.

In the case that an amount is outstanding at the date of the account, the following procedure will be followed:

- First warning letter from Finance Officer, requesting payment within 10 working days from date of letter.
- If the debt exceeds £10, and payment is not received within 10 working days of the first warning letter, a second warning letter will be sent by the Head Teacher. This will include a contract stating the terms of a suitable payment plan, which must be agreed by the debtor, and a reference to the appeals procedure outlined in Section 8. A copy of the payment plan will be supplied to the Chair of the Resources Committee.

- If any payments are outstanding at the dates agreed in the payment plan set out in the second warning letter, or the terms in the second warning letter are not agreed by the debtor, a final warning letter will be sent by the Head Teacher, with a copy sent to the Chair of the Resources Committee. This final warning letter will contain terms of payment, an outline of the procedure to be followed in the case that these terms are not met and a reference to the appeals procedure indicated in Section 8.
- If payment is not received within the terms set out in this final warning letter, the debt will be discussed by the Resources Committee, who will consider whether the debt should be pursued or written off, in accordance with Section 5, below. Where appropriate, the Resources Committee will refer the matter to the LA Director of Finance, Property & Performance, who will take appropriate action to pursue the debt. This may include (but is not limited to) referral to the LA Collection Agency, Small Claims Court or the LA Legal Services department, commensurate with the amount of the debt.

3 Interest on outstanding debts

Where non-payment of an account has resulted in additional costs for the school, these may, at the discretion of the school's Finance Manager, be recharged to the debtor in the form of interest. Any additional charges will be identified in the payment plan presented in the second and final warning letters described in Section 2.

4 Future offers of credit to debtors

No further credit will be offered to debtors while amounts remain outstanding on their existing debts (with the exception of school meals as described in Section 6.1, at the Finance Manager's discretion).

Debtors who have received final warning letters may only be offered further credit following approval by the Resources Committee.

5 Writing off debts

Debts up to a limit of £250 which are deemed irrecoverable by the Resources Committee may be written off following discussion at a meeting of the Resources Committee. This discussion will be informed by the Debt Escalation Protocol recommended in Appendix B of the LA Financial Regulations for Schools, but any write-off remains at the discretion of the Resources Committee. For amounts greater than £250, approval of the write-off is required from the Director of Finance, Property & Performance at the LA. Such debt will be referred to the LA in accordance with the terms outlined in the final warning letter.

6 Treatment of specific debts

6.1 School meal debt

To avoid the accrual of school meal debt, school dinners for the current week must be paid for in advance on a Monday.

If dinner money for the week is not received on the Monday, one lunch may be provided at the discretion of the School Finance Officer, but no more will be provided until the debt is

paid in full. A letter will be sent home with the pupil indicating the amount outstanding and the terms of payment.

Any outstanding debt will be pursued following the procedure outlined in Section 2.

6.2 Local Authority debt

In accordance with the LA's Financial Regulations for Schools, where there are disputes relating to debts internal to the Local Authority, these shall be resolved by the LA Director of Finance, Property & Performance and the LA Head of Legal Services, after the debt has been outstanding for more than six months.

7 Recording debts and write-offs of debt

Records of all debts and written-off debts, including invoices, warning letters and any other communication related to the debt, will be maintained in the School Office for seven years for the date of resolution of the debt. Copies of second and final warning letters will be shared with the Head Teacher and the Chair of the Resources Committee. In the case of the breach of the terms, correspondence and additional evidence related to the debt will be shared with the LA and its appointed agents. Records of any unpaid debts will also be kept with the pupil's permanent record, which may be transferred to another school should the pupil leave. No details would be given unless requested by the new school.

8 Review and appeal of this policy

This policy will be reviewed at least every two years by the Full Governing Body, on the recommendation of the Resources Committee. Any appeals should be made, in the first instance, to the Head Teacher. Further appeals regarding debts being managed by the school should then be referred to the Resources Committee. Following referral to the LA, appeals should be made to the Director of Finance, Property & Performance. The appeals procedure will be included in second and final warning letters, as described in Section 2.