



## Holywell Primary School

### Debt Recovery Policy

<b>Status:</b>	Non-Statutory
<b>Approval Body:</b>	Governing Body
<b>Review Frequency:</b>	3 Years
<b>Last Review:</b>	February 2018
<b>Next Review:</b>	Spring 2021

## Debt Recovery Policy

### 1. Introduction

- 1.1 Holywell School will take all reasonable measures to collect any monies owed, as part of its management of public funds. A debt will only be written off after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.
- 1.2 In order to minimise the risk of debts being incurred, payments will be required to be made in advance, or 'by return', as appropriate.

### 2. Debt recovery process

#### 2.1 *First Reminder Letter:*

The school will send a first reminder letter within one week after the payment income was due. A written record will be kept in the office.

#### 2.2 *Second Reminder Letter*

A second reminder letter will be issued within one week after the first reminder deadline has expired. Records should clearly state when first and second reminder letters have been sent out.

- 2.3 The Headteacher has delegated this responsibility to the Office Manager who will ensure the records are maintained and updated.

#### 2.4 *Headteacher Reminder*

If the account is not settled after the deadline of the second reminder letter, the Headteacher will write a formal letter to the parents/carers, requesting payment immediately. The parents/carers will be informed that the matter will be referred to the Governing Body, with regard for further action, should payment not be immediately forthcoming.

### 3. Governing Body's monitoring of bad debts

- 3.1 The Governing Body has the authority to consider and write off bad debts up to a value of £500. Items above £500 must be referred to the Chief Financial Officer for approval. The Governing Body has adopted the paragraph in the Handbook of Financial Regulations (HCC) which states the following:

'A debt may only be written off with prior approval of the relevant officer or body which depends on the amount of the debt as shown below:-

- Up to £500 - the Governing Body may authorize a write off, where income accrues to the school. Otherwise the approval of the Director of Education is required, who will consult with the Chief Financial Officer.

- Over £500 - the Governing Body may authorise a write off with the agreement of the Chief Financial Officer.

3.2 When the Governing Body writes off a debt this shall be formally recorded and the record retained for six years.

3.3 Consideration given to write off a debt will be based on the value of debt outstanding and the individual financial situation of the family concerned.

#### **4. Legal action**

4.1 Legal action in respect of outstanding debts may be initiated by the Local Authority who will advise on the correct course of action.

#### **5. Dinner money - bad debts**

5.1 It is Holywell Primary School's responsibility to collect debts for dinner money. The process followed is as follows:

- A daily text message is sent to all parents / carers requesting a payment if a pupil had a dinner.
- This is followed up with a weekly text message that is sent on a Friday should any debt still be outstanding and that is subsequently followed by a phone call if needed.
- If dinner money debt reaches 3 week's worth of unpaid dinners then the school will revert to debt recovery process set out in para. 2 of this policy. After the first letter has been issued, the school will cease to provide dinners until the debt has been cleared and advance payment has been made for subsequent dinners. In such circumstances, the family would be referred to the Family Support Worker.

#### **6. Monitoring and review**

6.1 The effectiveness of this policy will be monitored by the Governing Body

6.2 This policy will be reviewed every three years.