

Debt management & recovery policy



Policy:	Debt management & recovery policy
Applicable to:	All trust schools
Version:	1
Date adopted:	December 2019
Adopted by:	Trust finance committee
Review period:	Three years
Date of last review:	N/A
Date of next review:	December 2022

Statement of intent

Christ Church CE Multi Academy Trust is committed to ensuring equal opportunities for all pupils, regardless of financial circumstances, and has established policies and procedures to ensure that no child is discriminated against by our offering of school trips, activities and educational extras.

While this is the case, academies must have a policy in place to ensure the repayment and recuperation of any outstanding debts incurred by the school on behalf of a pupil. 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.

Each case is to be treated individually and the circumstances that have led to the outstanding debt will be taken into account to determine the best course of action. Christ Church CE Multi Academy Trust is committed to adhering to legal requirements regarding charging for school food, activities and materials, and meeting all statutory guidance provided by the DfE.

1. Legal framework

1.1. This policy will adhere to the relevant legislation and statutory guidance surrounding school payments and debt recovery, including the following:

- DfE (2018) 'Charging for school activities'
- DfE (2019) 'Academies financial handbook'
- DfE (2017) 'Governance handbook'

2. Roles and responsibilities

2.1. As a general rule, to avoid incurring debts, payments for materials and services provided by the school should be collected in advance or at the point of sale.

2.2. Any person(s) involved in the monitoring, recording and pursuing of debts owed to the school must formally record any information gathered and actions taken – data which is to be kept by the school for a period of seven years.

2.3. The trustees/finance committee:

- Will regularly review details of its debts and what recovery action is needed.
- Must be consulted if legal services are required for debt recovery.
- Will adhere to the privacy rights of pupils and their parents/carers in all cases.
- May decide to leave a case of debt recovery to the decision of headteacher.

2.4. The administrators under the direction of the COO will ensure:

- Parents/carers are have been provided with details of how they can make payments to school.
- The provided guidelines will be followed to prevent the accumulation of large amounts of debt.
- Debt reminders are recorded, and those records maintained for a period of seven years – dates and times of letters, phone calls, emails, conversations or any other correspondence.
- The privacy of the pupil and their family will be protected
- The level of outstanding debt owed to the school can be determined at short notice and a report will be produced for the trust COO on a half termly basis.

3. Declaring outstanding debt levels

- 3.1. The headteacher and trustees/finance committee will review the level of outstanding debts every term to determine whether current debt levels are acceptable and whether current methods and procedures to recover debts are effective.
- 3.2. Any individual cases of debt that are deemed to require intervention will then be pursued by the procedure starting from section five of this policy.

4. Verbal and written overdue payment reminders

4.1 Week one: If payment is not received during week one, a reminder will be provided either verbally or via text to the parent/carer to settle their account.

4.2 Week two: If payment is still outstanding, parents/carers will be contacted via telephone to ascertain a payment date before the end of the week. Parents/carers will be advised that the provision for the service (and all other

applicable services) will be withdrawn if payment is not received by the end of this week.

4.3 Week three: If payment is still outstanding, the first formal letter will be sent, outlining the outstanding debt and confirming the withdrawal of the applicable services. Parents/carers will be encouraged to engage with the school to arrange payment.

4.4 Week four: If payment is still outstanding, a second formal letter will be sent with a further week to settle payment. This letter will advise of the action the Trust can take to recover the debts.

4.5 Week five: If no response or engagement with school has been made, the school leadership should make every attempt to meet with the parent/carer to arrange for the debt to be settled or a payment plan arranged.

4.6 Week six: If no payment arrangement has been made and/or no engagement has been established with school, or the school feel exceptional circumstances apply they should advise the trust who will consider relevant action under the following sections of this policy.

5. Debt recovery procedures

- 5.1. Where there is an outstanding payment yet to be received and the acceptable credit period has been surpassed, an official invoice should be created outlining the value and reason for the debt, as well as the debtor's identity.
- 5.2. Upon creating the invoice and stipulating a date on which it must be paid by, there is acknowledgement from the school that the debt has been set up.

6. Negotiation of debt repayment

- 6.1. It is expected that the debt should be repaid as soon as possible, particularly after repeated reminders; however, this can be negotiated at the discretion of the trustees/finance committee, particularly if the circumstances in section seven of this policy apply.
- 6.2. If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the school may consider involving legal services to resolve the issue and recuperate owed funds.

7. Exceptional circumstances and remissions

- 7.1. The school must ensure that parents/carers of pupils are aware of support that may be available for those in financial difficulty.

Parents/carers who may be eligible for remissions are those in receipt of benefits which will be listed on our school website.

- 7.2. In a case where there is, or it is suspected that there is, an overdue debt from a family who may qualify for remissions, details of the different types of bursary available should be sent to the debtor in question. E.g. Free School Meals.
- 7.3. Where there are other exceptional circumstances, for example significant ill health, the school/trust will take a sensitive approach to the recovery of debt.
- 7.4. The trustees/finance committee is not guaranteed to but may decide to waive or reduce the outstanding debt in these circumstances.

8. Debt recovery costs

- 8.1. In addition to the remission allowances outlined in section seven, it may be advisable to waive or partially waive debts where it is deemed that it does not make financial sense to continue allocating time and resources to pursuing.
- 8.2. The trustees/finance committee will review any case a debt may be waived, and come to a final decision based on the value of costs versus value of the debt.

9. Withdrawal of services

- 9.1 If a debt has reached the specified stage in the process, the provision of all applicable services may be withdrawn e.g. school meals, before and after school care provision, paid nursery places or cover and parents/carers will be asked to make alternative arrangements. This will apply to all children within the family attending the school.
- 9.2 Should a parent/carer fail to make necessary alternative arrangements e.g. failing to provide a packed lunch, this may require a referral through the school's safeguarding procedures.
- 9.3 Applicable services will be reinstated once a debt is cleared, although consideration may be given to remove the period of credit, should debt become a frequent occurrence for a family.

10. Communication

- 10.1 Parents/carers will be made aware of the Trust policy on debt upon induction and then annually via letters, school newsletters and websites. It will also be included in contracts for paid nursery places or cover and before/after school care.

11. Confidentiality and support

- 11.1 Any correspondence with parents/carers, in particular verbal conversations must be made confidentially and respectfully.
- 11.2 Where a parent/carer discloses an exceptional circumstance, the relevant signposting or referral to the school's leadership team will take place.

12. Monitoring and review

12.1 The school's Debt Recovery Policy will come under review **every three years**. Changes to account for any updated legislation will be made accordingly.

Record of Policy Changes and or Reviews

Date	Location	Details	Reason for Review/Change