



DEBT RECOVERY POLICY

Policy Review	
Review schedule	Every 2 years
Reviewing committee	Finance and Premises
Date of last review	Spring 24
Date of next review	Spring 26

General requirements

St. Bartholomew's 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.

St. Bartholomew's School's debt recovery policy will observe the relevant financial regulations and guidance set out in the Financial Handbook for Schools and any other legal requirements. In particular:

1. the Governing Body will not write-off any debt belonging to the school which exceeds £500. Any sums above this will be referred to the Director of Children Schools and Families for approval and the formal agreement of the County Council's Finance Director obtained before writing-off. (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).
2. 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 and set out in Appendix C).
3. St. Bartholomew's School will not initiate any legal action to recover debts, but will refer any debts which it has not been able to collect (unless a decision to write-off the debt is demonstrably a reasonable course of action) to the County Secretary to consider taking legal or other action to recover the debt.
4. the school will NOT write-off any debt belonging to the County Council or another party, e.g. debts for school meals. If in doubt as to the appropriate action to collect any such debts the school will seek advice promptly from officers of the County Council.

School staff are expected to follow the following procedures to secure the collection of all debts.

Recording of goods or services supplied where payment is not received in advance or 'at the point of sale'.

A record will be kept of all such supplies that details what was supplied, the value, the date(s) and the identity of the 'debtor', e.g. parent, hirer, etc.

Where invoices are raised these should state the date by which payment is due. The normal settlement period for all sources of income should be one month from the date of the letter requesting the money.

In all other cases correspondence with parents, etc. should indicate the maximum period that the school regards as reasonable before payment is overdue, e.g. contributions for a school trip should be received by, payment for items purchased should be sent to the school office by, etc.

The Head teacher should determine what the reasonable 'credit period' is if this is not otherwise specified, e.g. the governors may stipulate the maximum settlement period for school lettings in a separate 'premises hiring policy'.

Reminders

Initial reminders may be informal and made either in person (when a parent comes to collect/drop off the child) or by telephone. Normally, the secretary will undertake this having built up a good relationship with the parents.

A formal reminder letter should be issued after one week from any informal reminder / the date of supply. *If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time that the debt first became overdue.*

A second reminder letter will be issued one week after the First reminder letter. Once this period has passed, the debtor should be contacted, by telephone, by the member of the finance committee responsible for debt management, seeking immediate payment of the debt. All debts outstanding after this period should be considered by the Head Teacher and the Chair of Finance or at the next finance committee meeting, whichever is the soonest. The finance committee will consider on a case by case basis whether further credit should be withdrawn until the debt is settled and whether any further action should be taken.

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced. It is therefore important that at least one, but preferably two, written reminders are sent. Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file.

Failure to respond to reminders / settle a debt

If no response is received from the reminders issued, a letter will be sent to the debtor advising them that the matter will be referred to the County Secretary's Department, Legal and Administration.

At the discretion of the Head teacher 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 the Governing Body / Finance Committee informed.

At the discretion of the Head teacher the debtor may be advised that the school will cease providing goods and/or services until the debt has been settled.

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 reminder'.

If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the Head teacher / Finance Committee. A record of all such agreements will be kept.

A letter will be issued to the debtor confirming the agreed terms (unless this not judged necessary). The settlement period should be the shortest that is judged reasonable.

The Head Teacher recommend to the Finance Committee / Governing Body whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will be required to pay in advance in future.

Costs of debt recovery

The school will not normally seek to recover the costs of debt recovery on top of the debt itself, unless clearly identifiable costs (other than that of sending a reminder letter / cost of telephone call) are incurred.

The debtor will be formally advised if they will be required to pay additional costs incurred by the school in recovering the debt.

Reporting of outstanding debt levels

The Head teacher will ensure that the level of outstanding debt is known / can be determined at any time.

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

Bad debts

The finance committee has the authority to consider and write off bad debts over £100 and up to £500 accruing to the school. Over £500 - see above. For debts less than £100, the Head teacher has the authority to consider and write off the debt.

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

Any debt belonging to the County Council will be referred to the appropriate officer for consideration/action without delay once the school has taken reasonable measures to collect the debt (i.e. has followed the reminder notification procedures set out above).

In the case of school meal debts the procedure set out in the School Meals & Milk Administration Handbook will be followed.

RECORD OF DEBTS WRITTEN OFF

[illegible]