

WOOLENWICK JUNIOR SCHOOL DEBT RECOVERY POLICY V2

Policy Name	Debt recovery
Created by	School
Responsibility of	Resources
Reviewed by	BR/Resources committee
This Review Date	December 2014
Next Review Due	December 2018
Cycle	4 years
Ratified by Governing Body on	Dec 2014
Policy will be published	website

Version History

Version	Amendments	Date	Author
V1	Original document		
V2	reviewed	December 2015	BR/Resources committee

General Requirements

Woolenwick Junior 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 into account. Woolenwick Junior School's debt recovery policy will observe the relevant financial regulations and guidance set out in their Financial Procedures policy document and any other legal requirements.

In particular:

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).

A formal record of any debts written off will be maintained and this will be retained for 7 years.

Woolenwick 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.

The school will NOT write-off any debt belonging to the County Council or other party e.g. debts for school meals, without first seeking advice promptly from officers of the County Council. (See below for School Meal Debts).

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 that details what was supplied, the value, the date(s) and the identity of the 'debtor', e.g. child, parent, hirer, etc. Where invoices are raised these should state the date by which payment is due. 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 School Finance Secretary or Head 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'.

Initial reminders

Initial reminders may be informal and made either in person (when a parent comes to collect / drop off the child) or by telephone in the case of a hirer etc. Normally, the Finance Secretary will undertake this.

First reminder letter

A formal reminder letter should be issued after 2 weeks from any informal reminder and in the case of a parent where the debt exceeds £50.00 or £100.00 in the case of a hirer etc.

Second reminder letter

A second reminder letter will be issued in 2 weeks after the First reminder letter.

Failure to respond to reminders / settle a debt

If no response is received in 2 weeks after the Second reminder letter is 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 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 them. This decision and its basis will be recorded and reported to the next Resources Committee meeting by the Headteacher.

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 Headteacher. 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 Headteacher will decide 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

Where the school incurs material additional costs in recovering a debt then the Resources Committee will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded. The debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

Reporting of outstanding debt levels

The Headteacher will ensure that the level of outstanding debt is known / can be determined at any time. The Headteacher will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective. This will be reported to the Resources Committee.

Bad debts

The Headteacher is authorised to write off any debt other than School Meals Debts (see below) up to £250 provided it is reported to the Resources Committee. Write off of any debt other than School Meals Debts between £250 and £500 must be referred to the Resources Committee for approval. Above £500 must be referred to the County Council Finance Director. 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).

School Meal Debts

School meal debts are to be chased up on a weekly basis.

Initially the debt will be chased up by text and/or phone. In addition, if the debt is less than the equivalent of 1 weeks dinner money an initial Reminder Letter will be sent to the Parent/Carer.

If/when the debt exceeds 1 weeks dinner money a further Reminder Letter is to be sent to the Parent/Carer. If the debt has not been reduced after 1 week or increases to exceed £30.00 per child then a Final Reminder Letter will be sent out and a text message sent to the Parent/Carer to say that the child must from now on bring in a home packed lunch.

The register is then filled in to show that the child must have a home packed lunch and the teacher is not authorised to change this option. If the child asks for a school meal they have to go to the office and the school will then ring home and ask for a packed lunch to be brought in.

If the debt continues to be unpaid and exceeds £50.00 per family the school must refer the debt recovery to the County Council with proof that the school has written at least twice to the parent asking for the debt to be paid. If County fail to recover the debt after 120 days the matter is then passed back to the school and only then may it be written-off with the formal agreement of the County Council's Finance Director.

School Trip Debts

See Educational Visits and Activities Concession Policy.