

Penketh South CP School



Debt Recovery Policy

Version	Date	Action
V1	1 st December 2023	New Policy
V2	24th June 2024	Governors Revisions
V3	4th February 2025	Governors Review

Introduction

Any money owed to school has an impact on the budget and may affect the resources we can provide to all children. We hope that parents understand this and will make every effort to avoid owing the school money.

The school will take all reasonable measures to collect debts as part of its management of public funds. This policy and information will also be published on the school website.

School lunch

We recommend that payment for school lunch is made a minimum of one week in advance on Arbor and a credit balance is maintained at all times. Should the parent/carer fall into arrears of more than £20, the following steps will be taken:

- Parents/carers will receive an email from the school office reminding them to pay the balance.*
- If payment has still not been made and the debt increases to around £30, parents/carers will receive an email informing them that the account is now on hold and that children will be required to bring in a packed lunch.*
- We take this approach to avoid larger and more unmanageable debts [accruing](#)

*** As a school, we take the issue of child hunger extremely seriously and would look to facilitate support for any families who may be in financial difficulty. Therefore, all letters and communications throughout this process will offer parents/carers the opportunity to speak with an appropriate member of staff.**

Nursery Paid Places

~~Payments are expected to be made through Arbor on a monthly basis following receipt of an invoice. Payment should be made within 30 days of receipt of the invoice. Top-ups can be made at any point.~~

~~In the case where a parent/carer's account is in arrears, the following steps will be taken:~~

- ~~• Prior to the next monthly invoice being sent, a reminder will be sent for any outstanding debt by email.~~
- ~~• If it is clear that a debt is beginning to amass, an email is sent to inform that if the debt is not paid, this could jeopardise the child's place in Nursery.~~
- ~~• Parents / carers are invited in to discuss any financial difficulties.~~
- ~~• The final stage could result in the child not being permitted to attend any sessions that have not been funded.~~

Invoices for paid places are issued monthly in arrears through Arbor, payment terms are set at 30 days from receipt of the invoice. Payment can be made at any point through the Arbor system.

Should an invoice / account fall into arrears the following process will be taken:

- Prior to the next monthly invoice being issued, a reminder will be sent via email to Parents/Carer's for all outstanding debt. (account 1 months in arrears).

- Should the debt not be cleared by the next invoice cycle, a warning will be issued that the child's place in Nursery will be frozen / hours reduced to government funded should the debt not be cleared (account 2 months in arrears).
- Should the debt account remain in arrears to a third invoicing cycle, then the child's place in Nursery will be frozen / hours reduced to government funded until such time as the arrears is cleared (account 3 months in arrears).
- Any debts reaching this point will be considered for enforcement action, such as litigation.

Parents / Carer's will be encouraged through out the collections process to get in touch with the school to discuss any financial difficulties.

Reporting of outstanding debt levels

The Headteacher will ensure that the level of outstanding debt is regularly monitored. Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Finance Link Governor and/or Governing Body. The Finance Link Governor and/or Governing Body will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective. Details of all reminders will be maintained in school. Where a letter is issued, a copy must be retained in file.

Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the 'overdue payment' reminder. Failure to meet any repayment terms will result in the school taking possible legal action.

However, if people are unable to pay, the School may ~~reduce or cancel~~negotiate repayment terms for a debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account:

- Hardship – ~~where paying the debt would cause any~~ financial hardship of the debtor.
- Ill health – ~~where our recovery action might cause any impact of further ill~~ health of the debtor.
- Time – ~~where the debt is so large compared to the person's income that it would take an unreasonable~~ length of time to clear the debt pay it all off.
- Cost – ~~where the value of the debt is less than~~ the cost of recovering it of the debt.
- Multiple debts – where someone owes more than one debt to the School. In this situation an attempt to agree one repayment plan to include all debts will be established.

If a debtor requests for 'repayment terms' these ~~may~~will be negotiated at the discretion of the Headteacher. A record of all such agreements entered into will be retained. In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment. The settlement period should be the shortest that is judged reasonable.

Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Finance Link Governor and/or Governing Body will decide whether to seek to recover such costs from the debtor. The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt. This decision and its basis will be recorded and reported to the Finance Link Governor and/or Governing Body.

INTERNAL ONLY

Bad debts write off

Outstanding debt of up to £50 may be written-off by the Headteacher provided that the appropriate follow-up actioned outlined above has been taken and the details of the debtor, amount written-off and the reason for no further action being taken is reported to the Finance Link Governor for information at their next meeting.

Write-off of outstanding debt in excess of £50 must be approved by the Finance Link Governor following submission of details of the debt by the Headteacher together with reasons for no further action being taken.

A write-off must not be communicated to the debtor. It is not an acknowledgement that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.

