



Debt Recovery Policy



The Stour Federation

1. INTRODUCTION

The Stour Federation's Leadership Team, office staff, Trust Board and Local Academy Councils have a responsibility to ensure that appropriate procedures are in place to enable schools to receive all income to which it is entitled. The schools in The Stour Federation will take all reasonable measures to collect any monies owing to it as part of the management of public funds.

It is acknowledged that collecting payment from parents or carers is a sensitive area; we deal with issues of debt collection with sensitivity and confidentiality at all times.

2. AIMS AND OBJECTIVES

The Trust's debt recovery policy will observe the relevant financial regulations and guidance set out in the Academy Trust Handbook and any other legal requirements.

- To make sure there are sound and proper financial and accounting procedures in place for dealing with each school's finances.
- To ensure that proper controls are in place.
- To provide a clear framework for managing school and Trust finances.
- To protect and give clear guidance to the Trust Board, Local Academy Councils, Leadership Team and office staff, who are accountable for the financial management of the Trust/individual school.

3. ACCEPTABLE CREDIT PERIOD

Invoices: in general payment for all goods and services supplied by the school should be collected in advance or at least within 30 days upon receipt of an invoice.

Dinner Money: payment for school meals should be made in advance using ParentPay. Parents should be encouraged to pay half-termly or termly in advance so that a credit balance is maintained at all times. Payments are recorded and reconciled by the administrative staff. If the level of debt is in excess of £25 (2 weeks of school meals) then a letter will be sent advising parents that their child will no longer be entitled to a school meal and that parents are required to send their child with a packed lunch.

Every effort will be made by the school to make personal contact with the parent(s)/ carer(s) to ascertain whether financial difficulties are present and then advise accordingly. All reminders (copies of emails, letters, record of verbal reminders) will be kept on file.

Breakfast Club and after school wraparound care: as per the individual school agreement and offer letter signed by the parent/carer, we recommend that payment is made using ParentPay a minimum of one week in advance and a credit balance is maintained at all times. Payment is required for all days booked even if the child does not attend, the exceptions being when school is closed. Should the child no longer require a place the parent/carer is to advise the school office at least one week in advance, otherwise the parent/carer is still liable for charges. Should the parent/carer fall into arrears by 4 weeks of fees, the club will withdraw the child's place.

Residential Trips: all children have the option to attend a residential trip. Parents are notified of the cost in advance and are given the opportunity to pay in installments should they wish. Payment must be received in full by the date specified.

School Clubs: all children have the opportunity to attend after school clubs. Most of these clubs are provided by approved third parties, who require payment in advance of allocating places. Parents are notified of the opportunity for their child to join a club at the beginning of each term, as well as the cost, dates and times of the clubs. Using an online booking system, parents must pay for the club in advance before they are signed up.

Lettings: contracts for lettings of the school premises will be drawn up as necessary between the individual school and the applicant. Charges will reflect the school's costs for energy, water, lighting and opening up and closing of the school. Please see the individual school's Lettings Policy for further information.

4. PROCEDURES

Where payment from the parent/carer has not been received within an acceptable credit period the following process should be applied.

STAGE 1: First 'overdue payment' reminder letter - an initial reminder letter will be sent home requesting the account be credited with one week's full amount by the Wednesday of that week. Warning that their child's club/lunch will be cancelled.

STAGE 2: Second 'overdue payment' reminder letter (WARNING LETTER) - if full payment is not received by that Wednesday, Letter Two will be sent home on Thursday advising their child's Breakfast Club / wraparound / school lunch place HAS been cancelled. Payment or a repayment plan must be made by Friday. A follow up phone call will be made to the parent/carer as they will need to make other arrangements.

STAGE 3: Third (FINAL) 'overdue payment' reminder letter (combined amount equalling £50+) - If by the following Monday no payment or response is made, Letter 3 will be sent home advising this is a Final reminder and payment must be received immediately otherwise the Council's Legal Service will be contacted.

STAGE 4: Where the debt is not cleared, Legal Services will begin the recovery process.

When all practical and cost effective procedures have been exhausted by Legal Services, the Chair of the Local Academy Council will notify the Trust Board of the amount of the debt that is considered to be irrecoverable and consider if this debt should be written off. Writing off a debt will lead to an additional unbudgeted cost on the school's account.

The Trust Board must:

- Approve the writing off of any debt in relation to the school budget.
- Take into account their review.

Staff Debt Recovery: staff debts can accumulate from staff school lunches they have taken. A standard ParentPay letter will be sent advising of the debt. By the following Monday if the debt is still outstanding the same letter will be handed to them in person in the strictest of confidence and a school lunch will not be provided until the debt is paid in full. A final letter will be hand delivered to a member of staff before the end of their employment advising their debts will be deducted from payroll.

5. NEGOTIATION OF REPAYMENT TERMS

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the initial 'Overdue Payment' reminder letter. The School may offer a payment plan 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 financial hardship.
- **Ill health** - where our recovery action might cause further ill health.
- **Time** - where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.
- **Cost** - where the value of the debt is less than the cost of recovering it.
- **Multiple debt** - where someone owes more than one debt to the school. In this situation an attempt to agree on one repayment plan to include all debts will be established.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher/Head of School. 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. The Headteacher/Head of School/school office will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and in future will be required to pay in advance.

6. COSTS OF DEBT RECOVERY

Where the school incurs material additional costs in recovering a debt then the Headteacher/Head of School 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 Local Academy Council.

7. IMPLEMENTATION, MONITORING AND REVIEW OF OUTSTANDING DEBTS TO THE SCHOOL

The Trust's CFO 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.

DEBT RECOVERY PROCESS

Monday - Check all accounts
Stage 1 letter goes out to all parents with arrears
All debts over £10 are also followed by a phone call
Wednesday - check debt account
Stage 2 letter goes out to all parents still in arrears
followed by phone call advising parent that the issue has been escalated
Friday - check debt account
Stage 3 letter goes out to all parents still in arrears
followed by a phone call

Process to cease at payment stage

If a payment plan to recover a debt is required - please use the sample attached. Ensure the

parent signs one copy in agreement and returns to the School Office and it is kept on file.

Dear _____

Following our conversation regarding the outstanding debt for XXXXX, please find below repayment schedule in order to clear your account.

Balance outstanding £ xxx

Repayment week commencing XXXXXXXXXX

Repayment week commencing XXXXXXXXXX

Repayment week commencing XXXXXXXXXX

Repayment week commencing XXXXXXXXXX

Can you please sign and return one copy of this letter showing agreement to the proposed repayment schedule.

Repayments need to be made via ParentPay.

Until the outstanding debt is cleared, your child will not be able to attend XXXXXX / have a school meal.

If you need to discuss this matter further, please do not hesitate to contact me.

Yours sincerely,

XXXX
Office Admin Assistant

Stage 1 Letter

Dear _____

According to our records, you have arrears on your child's XXXXX account. In order for your child to continue attending XXXXX / having a school meal it is important to keep your account in credit.

Our records show that for your child XXX your debt is £XXX

Please arrange for this to be paid by XXX. You have two ways to make payment. You can pay using ParentPay, our secure online payment system, using the login previously provided. Please visit www.parentpay.com. Alternatively you can pay by cash or cheque.

You can check your account balance at any time by logging into your ParentPay account. Non-payment affects the quality of service we are able to offer to the children at school, therefore we need to ensure that all payments are up-to-date. Once the debt is cleared please ensure the account is always in credit.

If you have any queries regarding these arrears, or if you have difficulty making payment, please contact me at the School Office to discuss this further.

Yours sincerely,

XXX
Office Admin Assistant

Stage 2 Letter

Dear _____

Our records show that despite a reminder, you have still not made payments on XXXXX / school meals account for your child XXX.

As a result their XXXXX / school meals place has now been CANCELLED.

As at XXX your account is showing a debt of £XXX.

Please arrange for this money to be paid immediately or contact the school to arrange a payment plan, otherwise non compliance may result in legal action.

Once the debt is cleared please ensure your child's XXXXX account is always in credit. You have two ways to pay the outstanding amount: you can pay using ParentPay, our secure online payment system, using the login previously provided. Please visit www.parentpay.com. Alternatively you can pay by cash or cheque.

No matter how you pay you can check your account balance at any time by logging into your ParentPay account at www.parentpay.com. You can also see what meals have been taken and when. If you have any queries regarding these arrears, please contact me at the School Office to discuss.

Yours sincerely,

XXX
Office Admin Assistant

Stage 3 Letter - FINAL REMINDER

Dear _____

It has been brought to my attention that despite numerous reminders there is still an outstanding balance on your XXXX / school meal account for XXX.

As at XXX your account is showing a debt of £XXX

Please arrange for this money to be paid by Friday XXXXX the latest. Your account will be checked on Monday morning and should the account be showing an outstanding balance or you have not contacted the school to arrange a payment plan; the council's Legal Services will be contacted.

Once the debt is cleared and you wish your child to resume XXXXX / school meals, can you please contact the School Office to discuss regular payments.

You have two ways to pay the outstanding amount: online payment via ParentPay using the login already provided - please visit www.parentpay.com. Alternatively you can pay by cash or cheque.

No matter how you pay you can check your account balance at any time by logging into your ParentPay account at www.parentpay.com.

If you have any queries regarding these arrears, please do not hesitate to contact me.

Yours sincerely,

XXXX
Headteacher