

Horniman Primary School



Debt Recovery Procedure (Non-voluntary payments)

This policy was agreed by Governing Body delegation to the Resources Committee on: 16 th October 2019 (and supersedes all previous policies relating to this area)	
Signed:	
Kirsten Walker (Chair of Resources Committee)	
Signed:	
Julie Loffstadt (Headteacher)	
Implemented:	October 2019
Review date:	October 2021
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1. Introduction

This procedure currently relates only to contributions for School Lunches, the Year 6 School Journey and extended services (including music tuition) which are the only non-voluntary payments that the school presently collects. Where appropriate, this debt collection model may be used for any other monies the school wishes to collect in the future. Within this procedure, the use of the term “parent” shall relate equally to parents, guardians and/or carers. In individual cases of hardship, the Headteacher and/or School Business Manager may, at their discretion, agree a repayment plan with parents in order to recover a debt. In the event that the agreed repayment plan is not adhered to, the conditions laid out in the remainder of this procedure will apply.

2. School Meals

School dinner accounts will be loaded onto each child’s ParentMail account within the first 2 weeks of the new term. Unless payments are made weekly in cash or alternative arrangements are made, payment is expected to be made, in full within 4 weeks of the start of each half term. Payment is expected to be made via the school online payment system, ParentMail.

If payment is not received within this timeline, the following procedure will be followed:-

Initial ‘overdue payment’ reminder – text (Appendix A)

An initial reminder may be informal and will be made via the ScholarPack comms system (Appendix A) to those who have yet to make payment during week 4.

In general, the *Finance Assistant* will notify the parent/guardian.

The date of the initial reminder should be recorded.

First ‘overdue payment’ reminder letter (Appendix B)

A formal reminder letter should be issued 2 weeks after the informal text reminder.

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.

The date of the initial reminder should be recorded.

Second ‘overdue payment’ reminder letter (Appendix C)

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

The date of the initial reminder should be recorded.

Failure to respond to reminders / settle a debt (Appendix D)

If after 2 reminders, a response or payment is not received, a letter will be sent to the debtor asking them to book a meeting with the School Business Manager to discuss a repayment plan.

If the debt is still outstanding after 1 term, the parent may be asked to provide a packed lunch for the child until the debt is cleared.

3. **Year 6 School Journey**

The details of the School Journey and payment plan are discussed via a parent meeting and loaded onto ParentMail accounts in the Summer Term where the child is in Year 5.

For payments not received, where alternative arrangements have not been made, the following procedure will be followed:

- 1) Text will be sent to parents to remind them that payment must be made in order for their child to be able to participate.
- 2) If there is still a debt at the beginning of Spring Term the parent will be invited to a meeting with School Business Manager to discuss with the parents concerned a payment strategy.
- 3) If full payment has not been received 1 month prior to the start of the planned trip, the Head Teacher will contact the parent by phone and will remind them that their child will be unable to take part unless payment is made.

4. **Extended services**

Extended services charges (clubs and ASC) will be loaded onto the school online payment system, ParentMail, by week 2 of the term. Unless payments are made weekly in cash or alternative arrangements are made, payment is expected to be made, in full within 4 weeks of the start of each half term for enrichment clubs. Breakfast and After School Club should be paid in advance at least weekly. Payment is expected to be made via the school online payment system, ParentMail.

If payment is not received within this timeline, the following procedure will be followed:-

Initial 'overdue payment' reminder - text

An initial reminder may be informal and will be made via the ScholarPack comms system (Appendix A) to those who have yet to make payment during week 4.

In general, the *Finance Assistant* will notify the parent/guardian.

The date of the initial reminder should be recorded.

First 'overdue payment' reminder letter

A formal reminder letter should be issued 2 weeks after the informal text reminder.

The date of the initial reminder should be recorded.

Second 'overdue payment' reminder letter

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

The date of the initial reminder should be recorded.

5. Failure to respond to reminders / settle a debt

If after 2 reminders, a response or payment is not received, a letter will be sent to the debtor asking them to book a meeting with the School Business Manager to discuss a repayment plan.

If the debt is still outstanding after 1 term, the child will be removed from the club/ASC and parents will be asked to make alternative arrangements until the debt is cleared.

6. Debt Write Off

If the School Business Manager and/or the Headteacher are of the opinion that a debt is impossible to recover, the write off limits set out in the Schools Financial Procedures will apply:

- a. Approval by the Headteacher for any debts of less than £100.
- b. Approval by the Resources Committee for any debts between £100 and £500.
- c. Approval by the Governing Body for any debts over £500.

7. 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 payment' reminder.

However, if people are unable to pay:

The School may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account if they can be evidenced:

- 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 one repayment plan to include all debts will be established.

If a debtor requests 'repayment terms' these may be negotiated with the School Business Manager, 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 family may also be referred to the school's Family Worker or other partner agency if deemed appropriate.

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, in future, be required to pay in advance.

This decision and its basis will be recorded and reported to the Resources Committee.

8. 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.

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 Resources Committee.

9. Bad debts

Write-off of any debt requires the written approval of the Resources Committee.

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

10. Procedure Review

This procedure will be reviewed and approved annually or two yearly by the Resources Committee and reported to the Full Governing Body.

Appendix A - Initial 'overdue payment' reminder – text

School Meals

Dear Parent/Carer of [[student_pref_firstname]], you currently have a school meal balance of -[[meal_balance]]. Please pay using ParentMail by the end of this week. Thank you.

Other clubs

Dear Parent/Carer of [[student_pref_firstname]], you currently have a club/school journey balance of -£ _____. Please pay using ParentMail by the end of this week. Thank you.

Appendix B - First 'overdue payment' reminder letter

Dear Parent/Carer of [child(ren)'s name],

Re: School Meal Payments / Extended Services Payments

(NAME(s)) has(ve) been taking school meals this term/registered for (X,Y,Z clubs), but the school has not yet received any payment for this term.

School meals/Extended services should be paid for half termly/termly, in advance, online via ParentMail. This is our preferred method of payment. Alternatively if you wish to pay weekly you can pay in cash at the school office.

Please can you check your account and pay any outstanding amounts as soon as possible. If you are unable to pay, you must contact me.

Yours sincerely,

NAME
Finance Assistant

Appendix C - Second 'overdue payment' reminder letter

Dear Parent/Carer of [child(ren)'s name],

Re: School Meal/extended services Payments for (NAME)

Further to our letter of (DATE), we still have not received any payment for NAME's school meals/ extended services this term.

To date, your account stands at £ . School Meals/extended services should be paid for half termly/termly, in advance, online via ParentMail. This is our preferred method of payment. Alternatively if you wish to pay weekly, you can pay in cash at the school office.

The school must pay for the provision of School Meals/extended services and in us covering your debt we lose money from our school budget that should be supporting children's learning. It is important that you start paying immediately, or we may be forced ask you to provide packed lunches/remove your child from their clubs until the debt is clear.

If you are having difficulties paying, please make an appointment to see me so we can arrange a payment plan.

Yours sincerely,

NAME

School Business Manager

Appendix D - Failure to respond to reminders / settle a debt

Dear Parent/Carer of [child(ren)'s name],

Re: School Meals/extended services

I am writing to you about your School Meal/extended services account for NAME. To date your debt is £.

As you know, the school procedure is that School Meals/extended services must be paid for half termly/termly in advance. I am therefore asking that you make an appointment to see me as soon as possible so we can discuss a repayment plan and a way forward to ensure that meals/extended services are paid for.

Please phone the office to arrange a suitable time.

It is essential that you start paying immediately or the Governors may be forced to put this debt into the hands of the Local Authority's debt collectors.

I look forward to meeting with you to resolve this issue.

Yours sincerely,

NAME
Headteacher

Appendix E - Record of Debts Written Off Pro Forma

Debtor	Details of debt	Amount (£)	Invoice reference and date (<i>where applicable</i>).	Reason for write-off (<i>including brief details of measures taken to secure payment - as appropriate</i>).	Authorisation of write off – <i>name and signature of the authorising individual and date. Cross reference to entry in the accounts where applicable.</i>