



Heaton St. Barnabas' CE (VA) Primary School

Policy For

Debt Recovery

This policy was approved by the Staffing & Finance Committee

On: 7th May 2024

Signed.....

Position: Chair of Staffing & Finance Committee

Next Review

This policy will be reviewed annually as part of the governors' rolling programme of reviews.

Next school review due:

DEBT RECOVERY POLICY –MAINTAINED SCHOOLS

Background

As part of their management of public funds, schools must have a policy in place for ensuring the collection of all debts they are owed. If debts remain unpaid, the school may have to use money that would otherwise be spent on education to cover these debts. A debt should therefore only be written off after all reasonable measures for its recovery have been taken.

The Headteacher, Business Manager and Governing Board should use this debt recovery policy when dealing with debtors. It should also be used to ensure that debtors understand the school's position on outstanding debts and the actions it will take if they remain unpaid.

DEBT RECOVERY POLICY

Introduction

As part of its management of public funds, Heaton St Barnabas C of E Primary School will take all reasonable steps to ensure that all debts owed to it are collected.

Objectives and targets

The purpose of this policy is to guide the Headteacher and Business Manager in recovering debts and ensuring that outstanding debts do not become bad debts.

Action plan

To ensure the collection of debts, Heaton St Barnabas C of E Primary School will keep a record of all services supplied, including Care Club places, their value, the date and the name of the debtor, and ensure that any invoices raised state the date by which payment is due. It is expected that all outstanding balances will be paid on time and in full. If this is not possible, debtors should contact the Headteacher or Business Manager to make alternative arrangements for payment.

Heaton St Barnabas C of E Primary School will actively pursue debtors for the collection of income owed to it. If a payment is overdue, the following actions will be taken: **Appendix 1**

- **Initial reminder [optional]** – An informal telephone reminder will be made when a payment is two weeks late.
- **First reminder letter** – This formal letter will be sent when a payment is 30 days overdue.
- **Second reminder letter** – To be sent two weeks after the first reminder letter if no payment is received. This letter should be sent by recorded delivery.
- **Failure to respond after two reminders have been sent** – If no payment is received a letter will be sent to the debtor advising them that the matter may be placed in the hands of the school's solicitors.
- **Failure to respond after three reminders have been sent** – If no payment is received the school will consider placing the matter in the hands of its solicitors.

It is anticipated that debts will be settled promptly and in a single payment after the first reminder letter has been received. The debtor may be required to pay any additional costs incurred by the school as a result of collecting this debt. Interest may be charged from the due date at the Bank of England Base Rate.

The Headteacher and Business Manager are responsible for ensuring that the total value of outstanding debt is known at all times.

Bad debts

Bad debts are only written off when the school has followed all possible procedures to ensure their recovery. If a debt of up to £100.00 remains unrecoverable after one year, or, if during the year, it becomes clear that the debt will remain unpaid, the Headteacher may write off the debt. If the debt is greater than £100.00 up to £500.00 the Headteacher will submit a report to the governing board for

approval to write off the debt, **Appendix 2**. Amounts in excess £500.00, the amount stipulated by the local authority (LA) in their Scheme of Control, will not be written off without their written authority.

Records of debts that have been written off will be retained for six years plus the current year.

Any debtors that fail to settle a debt will be informed that in future they will be required to pay for any services in advance.

Monitoring and evaluation

Responsibility for ensuring that this policy is adhered to lies with the Headteacher and Business Manager, who will evaluate its effectiveness annually.

Appendix 1**DEBT RECOVERY RECORD**

Name of Debtor	
Goods/Services Provided	
Date Payment Due	
Total Debt **	

** Attach statement if necessary

Stage	Date	Comment
Initial Reminder (Optional)		
1 st Reminder Letter		
2 nd Reminder Letter (Recorded Delivery)		
Failure to Respond Letter		
Consider placing matter in the hands of solicitors		

Attach copies of all correspondence.

Appendix 2**REQUEST FOR WRITE-OFF**

From.....

Date.....

Please authorise write-off of the following debt:*

(Headteacher up to £100, Governing Board over £100 up to £500, over £500 seek Local authority authorisation).

INVOICE/STATEMENT REF	NAME	DATE OF ACCOUNT	VALUE OUTSTANDING

Reason and circumstances for request:*** N B Use a separate form for each debt.**

Name.....

Signature.....

Headteacher/Chair of Finance Committee (Delete as appropriate)