



Orchard Junior School

Growing together. **Branching out.**

Debt Recovery Policy

Last Review Date:	January 2023
Reviewer:	Resources Committee
Review Cycle:	3 yearly
Next Review Date:	Spring 1 2026
Notes:	None
Statutory/Published on Website:	No/Yes

1. General Requirements

Orchard 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 reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

Orchard Junior School's debt recovery policy will observe the relevant regulations and guidance set out in the Scheme for Financial Management of Schools and any other legal requirements. In particular:

- The Headteacher will not write-off any debts exceeding £200 without referring the matter to the Resources Committee of the Governing Body. Debts between £200 and £1,000 may only be written-off with the approval of the Resources Committee.
- The Governing Body will not write-off any debt exceeding £1000. Any sums above this will be referred to the local authority.
- Orchard Junior School will not initiate any legal action to recover debt, but will refer such cases to Hampshire County Council Treasurer's Debtors Group where appropriate action can be taken.
- A formal record of any debts written-off will be maintained and retained for 7 years.

2. Procedures to be Followed by School Staff

Recording of Goods or Services Supplied Where Payment is Not Received in Advance

A record will be kept of all such supplies that details what was supplied, the value, the date(s) and the identity of the 'debtor', e.g. 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 etc.

The Headteacher should determine what the reasonable 'credit period' is if this is not otherwise specified, e.g. the governors have already stipulated the maximum settlement period for school lettings in a separate 'Conditions of Hire of Facilities'.

If the bad debt relates to school equipment or property which has been purposefully damaged by a child then it is reasonable to the School to request the parents pay for such equipment, up to a reasonable amount for the current worth of the property or to make good the damage.

Initial Reminders

All meals are to be ordered in advance via ScoPay. Parents and staff will not be able to order a dinner unless the account is in credit.

Dinner money should be paid in advance of the meal being taken.

Where a child forgets a packed lunch, initial reminders may be informal and made either in person (when a parent comes to the school) or by text, on the day the dinner is being taken.

A phone call is made when an account goes into debt.

A phone call or message will be made after a trip has taken place to remind parents that they still have the opportunity to make a contribution.

First Reminder Letter

A formal reminder letter should be issued in a timely manner after any informal reminder/date of supply. In the case of dinners, it should be sent automatically once the debt reaches the equivalent of ten school meals or has accumulated over more than 20 school days.

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 were made at the time that the debt first became overdue.

Second Reminder Letter

If payment has not been received within ten school days, a second reminder letter should be sent. The letter will make it clear the following:

If we do not receive payment by [state date - five school days ahead], or received contact by you, then the School may have to withdraw the service(s) of [state which services may be withdrawn] and that the School may have to refer the debt to the Hampshire County Council Treasurer's Debtors Group and/ or the Legal Department.

The second reminder letter should also include description of how the parent can request support should they feel unable to pay the amount. Information regarding how to apply for Free School Meals may be beneficial.

Third Reminder Letter

If payment has not been received within a further five school days, a third reminder should be sent from the Headteacher. The letter will make it clear the following:

As we have not received a response to our previous letters, or received part or whole payment for the amount stated, I regret to inform you that we cannot provide school meals until this matter has been settled.

I must also advise you that we will refer your debt to the School Governing Body, who may choose to take advice from Hampshire County Council Treasurer's Debtors Group and/or Legal Department.

The third reminder letter should also include a copy of this policy.

3. Late Payment Charges/Cost of Debt Recovery

Where the school incurs material additional costs in recovering a debt and it is not already stated in the conditions/terms of supply e.g. Conditions of Hire of Facilities, then the Resources Committee will decide whether to seek to recover such debts from the debtor.

The debtor will in all circumstances be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

4. Failure to Respond to Reminders/Settle a Debt

If no response is received within five school days of the second written reminder issued, a letter will be sent to the debtor advising them that the matter will be referred to the School Governing Body who may choose to take advice from Hampshire County Council Treasurer's Debtors Group and/or Legal Department.

The Headteacher may also deem it necessary, in cases of failure to pay for school dinners, to inform Social Services that the parents are not carrying out their responsibility of care by not providing food for their child at lunchtime.

At the discretion of the Headteacher, the debtor may be advised that the service/supply will no longer be available to them or that payment in advance will be required for all future supplies or supply. This decision will be recorded.

5. 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 School Business Manager, Headteacher or the Resources Committee. A record of all such agreements will be kept.

A letter will be issued to the debtor confirming the agreed terms (unless this is not judged necessary). The settlement period should be the shortest that is judged reasonable.

6. Reporting of Outstanding Debt Levels

The School's Business Manager will ensure that the level of outstanding debt is known/can be determined at any time.

The Headteacher will be kept informed of all debts that are cause for concern and an outstanding debt report will be shared at least termly with the Resources Committee of the total outstanding, and individual debts which have reached the 'Third Reminder Stage' that will be treated as anonymous at these meetings.