



**BOURTON MEADOW EDUCATION
TRUST**

Debt Recovery Policy

August 2018

This policy will be reviewed annually by the Directors

Bourton Meadow Education Trust

DEBT RECOVERY POLICY

Any money owed to any Academy within the Bourton Meadow Education Trust has an impact on the budget and may affect the resources we can provide for the children. We hope parents/guardians and others understand this and will make every effort to avoid owing the Trust money.

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

The Directors have determined acceptable credit settlement periods before the debt recovery procedures are applied. The Trust will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will only be written off after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The Headteacher of each Academy welcomes anyone to the school to discuss any financial concerns and/or difficulties. They will also ensure that before any action is taken the safety and wellbeing of the children is carefully considered.

1. Credit Settlement Periods

Nursery (where available)

Invoices are issued monthly **in advance** at the beginning of each month. Payment is due within 5 working days via Parentmail PMX, childcare voucher or directly into the school's bank account, if the school offers this service.

Activ8tors and Breakfast Club (where available)

Invoices are issued monthly **in arrears** on the working day after the end of each month. Payment is due within 5 working days via Parentmail PMX, childcare voucher or directly into the school's bank account, if the school offers this service.

Children who are collected late after 3.40pm will be accommodated in Activ8tors 4.30 Club and the full session fee charged.

Individual schools may levy an additional fee for late collection of pupils.

Early Drop Off (Breakfast Club) (where available)

A charge of £1 is due from those parents who wish to drop off their children into Breakfast Club after 8.20am. Payment is due at the time of drop off.

After-school clubs (where available)

Payment is required at the time of booking via Parentmail PMX for anyone wishing to attend an after-school club. In the event a parent/guardian experiences difficulty booking direct via Parentmail and there are still places available, a place may be allocated on Parentmail PMX manually by Academy staff, subject to receipt of payment within 5 working days.

Should a parent want to enrol their child in an after school club, but are prevented from doing so for financial reasons, a confidential meeting with the relevant Headteacher can be arranged to discuss further.

School trips

Payment is required in advance via Parentmail PMX within the specified agreed timescales.

School dinners

Children – Payment is required in advance at the time of booking school meals.

Staff – It is preferred that payment is made in advance/at the time of booking a school meal. However, the Trust will allow a credit of £15 maximum. Thereafter, no school meals should be ordered until payment is made. A statement of meals booked and monies owing will be handed to appropriate members of staff at the end of each week. The acceptable credit settlement period in these circumstances is 5 working days.

Other Income

Invoices are raised for other purposes, such as school dinners provided to other schools and room hire. The acceptable credit settlement period is 30 days.

2. Management and Monitoring of outstanding debt levels

Activ8tors, Breakfast Club and Nursery (where available)

On a monthly basis an aged debt report will be produced by each Academy to identify debts that require action to recover the debt. The debt recovery procedures will be applied where any invoice becomes overdue by more than 5 working days.

Early Drop Off (Breakfast Club) (where available)

A list of those children attending the Early Drop Off service and their payment will be handed to the Finance Team of each Academy at the end of every week for reconciliation purposes.

After-school clubs (where available)

A list detailing any outstanding payments will be handed to the Finance Team of each Academy for monitoring purposes. Should no payment be forthcoming within the agreed timescale the debt recovery procedures will be applied.

School trips

A list detailing any outstanding payments will be produced by each Academy for monitoring purposes. Should no payment be forthcoming within the agreed timescales the debt will be reported to the relevant Headteacher and dealt with on their individual merit and will not be subject to the debt recovery procedures set out in Section 3.

School dinners

Children – It is acknowledged that there are occasions when an upfront payment is not possible. In these cases a member of staff will initially contact the parent/guardian to notify them of the outstanding debt and request settlement within 5 working days. Thereafter, the debt recovery procedures will be applied.

Staff – Should payment become overdue then each individual case will be dealt with internally and will not be subject to the debt recovery procedures set out in Section 3.

Every month a member of staff will produce an outstanding debt report for monitoring and reporting purposes.

Other Income

On a monthly basis an aged debt report will be produced by the Finance Team of each Academy to identify debts that require action to recover the debt. The debt recovery procedures will be applied where any invoice becomes overdue for payment.

3. Debt Recovery Procedures

It will be necessary to prove all reasonable attempts have been made to recover the debt if action is to proceed further and, therefore, records will be kept of measures taken.

It should be noted that payments made via Parentmail PMX or by way of childcare voucher will take a few days to be received into the relevant Academies' bank account and this will be taken into consideration when commencing debt recovery procedures.

For overdue debts under £25 reminders will be sent by way of either e-message or by telephone. In the event of non-payment, the debtor will be contacted by telephone and invited to contact or meet with the relevant Headteacher to discuss repayment proposals and consider the viability of recovery of the debt.

For overdue debts of £25 or over the following procedures will be applied.

3.1 Initial overdue payment reminder

An initial reminder will be sent by way of e-message or by telephone after 5 working days. The aged debt list will record this.

In the case of 'other income' payments, debt recovery procedures will commence with the first overdue payment letter (below).

3.2 First overdue payment letter

If there is no response to the initial reminder, a formal letter will be issued 10 working days after the initial reminder. This letter will be signed by a member of the Finance Team of each Academy and a copy will be retained for the records.

3.3 Second overdue payment letter

If there is no response to the first overdue payment letter, an additional formal letter will be issued 10 working days later. The debtor will also be advised that the withdrawal of any future supply of paid Academy services will be considered unless payment is received in advance or the debt settled in full, where appropriate. This letter will be signed by the relevant Headteacher. A copy of the letter will be retained for the records.

In the case of school dinners, if a debt is not settled at this stage then the Headteacher of each Academy will have the discretion to inform the parents/guardians that they must provide their child with a packed lunch. Where a debt is not settled and a child comes to school requesting a meal then the parents/guardians will be contacted and asked to make alternative arrangements for lunchtime. It is the parents/guardians duty to ensure their child has a lunch and if there is an outstanding debt and no alternative arrangements are made then it may be necessary to refer the family to Social Services under each Academies' child protection procedures.

3.4 Failure to respond and/or settle a debt

If there is no response and the debt remains outstanding, the debtor will be invited to meet the relevant Headteacher to discuss repayment proposals. The possibility of negotiating repayment in instalments, where appropriate, will be considered. A letter confirming the agreed terms for repayment will be issued to the debtor and will be retained in the records. In the event the debtor does not adhere to the agreement the repayment in full will be requested.

3.5 Legal action

The Trust employs the services of a Solicitor to deal with outstanding debts where repayment and/or contact have not been forthcoming. Consideration to take legal action will be at the discretion of each Academies' Finance Committee.

Should any outstanding amount across the Activ8tors, Breakfast Club and Nursery services exceed £400 and/or should more than 2 monthly invoices remain unpaid, then action to withdraw the appropriate service(s) will be considered and, if taken, confirmed in writing. The withdrawal of the service(s) will take effect 5 working days* after the amount owing exceeds £400 and/or more than 2 monthly invoices remain unpaid to give the parents/guardians time to make alternative arrangements for their child. Any accumulated historical debt that any Academy has been unable to recover will also be taken into account.

(*assuming that an advice warning of the possibility of withdrawal has already been issued (see Section 3.3)

4. Reporting of outstanding debt levels

On a monthly basis the Finance Team of each Academy will produce outstanding debt reports for the relevant Headteacher. This will detail the total debt levels across all services provided and will highlight any large debts and any debts that are cause for concern.

Total outstanding debt levels will be an agenda item at each Academies' Finance Committee. The relevant Headteacher will determine whether any individual debts should be reported to their Finance Committee.

The Finance Committee of each Academy will determine whether the level of debt is acceptable and whether action to recover debts is effective.

5. In the event the debtor is unable to repay

Each Academy may reduce or write off a debt on their individual merits in certain exceptional circumstances. A sensitive approach to debt recovery will be carried out, taking the following into account:

- Hardship – where repayment of the debt would cause financial hardship.
- Ill health – where recovery action may cause further ill health.
- Cost – where recovery of the debt would cost more than the debt itself.
- Loss of contact – in cases where an individual has left any Academy and there is loss of contact.

6. Write off of bad debts

The write-off of any debt up to £10 can be agreed by a designated member of the Finance Team of each Academy, as determined by the Headteacher of each Academy. The write-off of any debt above this figure up to £500 can be agreed by the relevant Headteacher. The write-off of any debt above this figure will require the written approval of the Finance Committee of each Academy.

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