

BERRYWOOD PRIMARY SCHOOL

Debt Recovery Policy

General requirements

Berrywood Primary 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.

Berrywood Primary 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 £100 without referring the matter to the Resources Committee of the Governing Body. Debts between £100 and £500 may only be written-off with the approval of the Resources Committee.
- The Governing Body will not write-off any debt exceeding £500.
- Berrywood Primary School will not initiate any legal action to recover debt, but will refer such cases to County 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

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'.

Initial reminders

Initial reminders may be informal and made either in person (when a parents comes to the school) or by telephone. It must be remembered that contributions to school trips which take place during the school day are voluntary and cannot be enforced.

First Reminder Letter

A formal reminder letter should be issued in a timely manner after any informal reminder/date of supply. 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.

- Dinner Money – Reminder emails/letters will be issued on a Friday of each week during term time.
- Berries payments - Reminders for outstanding Berries payments will be sent out two weeks prior to the end of the half term that the debt relates to
- Extra curricular clubs – Initial reminder emails/letters will be sent taking into account whether the child is eligible for pupil premium funding

Second reminder letter

Dinner Money - Outstanding dinner money debts will continue to generate weekly reminder letters on a Friday. Where the debt exceed £30 and there is no response to reminders given, a letter is sent explaining that no further meals will be provided until the debt is settled. If the child subsequently orders a dinner before the debt is settled a phone call is made home requesting a packed lunch is brought in. However, the school will not allow a child to be without a meal at lunchtime and will provide one if necessary.

Extra Curricular clubs – The second reminder letter will inform the parents that the child will no longer be eligible to apply for further clubs until the debt is settled

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 Finance 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.

Late payment charges have been approved by the governing body in the following circumstances:-

- Berries Payments – Any payments still outstanding at the end of the half term that the debt relates to will incur an £10.00 late payment charge
- Lettings Charges– Any payments outstanding beyond the one month deadline for payment will incur a £10 late payment charge

Failure to respond to reminders/settle a debt

If no response is received from the reminders issued, a letter will be sent to the debtor advising them that the matter will be referred to the Hampshire County Council Treasurer's Debtors group and/or Legal Department.

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.

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 Headteacher/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.

Reporting of outstanding debt levels

The School 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 Resources Committee.

Policy review

This policy was last reviewed in November 2018 and will be reviewed annually