Woodcroft Primary School
Debt Recovery Policy

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Co-ordinator responsible for the policy in consultation with the staff and governors:

Finance Manager

Reviewed: January 2025
Next Review Date: January 2028

General requirements

Woodcroft Primary school is committed to ensuring that all reasonable measures are taken to vigorously collect debts as part of its management of public funds. The School is committed to ensuring that monies due is collected efficiently, effectively and consistently.

A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it. The School's Debt Recovery Policy will observe the relevant financial regulations and guidance set out in the Financial Handbook for Schools and any other legal requirements. In particular:

- The Headteacher will not write-off any debt belonging to the school which exceeds £200.
- The Governing Body will not write-off any debt belonging to the school which exceeds £1000.
- Any sums above this will be referred to the Director of Children Schools and Families for approval and the formal agreement of the County Council's Finance Director obtained before writing-off (if any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).
- A formal record of any debts written off will be maintained and this will be retained for 7 years.
- The School will not initiate any legal action to recover debts, but will refer any debts over £100 which it has not been able to collect, including any invoices and letters that have been sent (unless a decision to write-off the debt is demonstrably a reasonable course of action) to Hampshire County Council Credit Control Team to recover the debt.

All invoices are raised within the HCC SAP system. This policy covers all external customers as well as internal HCC customers and other schools within HCC. All payments due for goods and or services where parents are to pay school, are made via Tucasi. Cash can also be paid directly to the school office.

Credit, collecting income and payment terms are addressed using the Corporate Credit Policy, and payment terms are 30 days unless stated otherwise.

Breakfast club, school dinners and educational trips **are** to be paid for in advance. School staff are expected to adhere to the following procedures to secure the collection of all debts.

Recording of goods or services supplied where payment is not received in advance or 'at the point of sale'

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. child, 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, payment for items purchased should be sent to the school office by, etc.

The Headteacher should determine what the reasonable 'credit period' is if this is not otherwise specified, e.g. the governors may stipulate the maximum settlement period for school lettings.

Outstanding Debt Recovery Procedure

Step 1

Every Friday, a text message from Tucasi is sent to all parents and carers with a debt owed for the cost of dinners or breakfast club (1 week). Members of staff will receive an email to their Woodcroft email address.

Step 2

(Outstanding debt that is still owed after 7 days of step 1)

A reminder text is sent to the parent or carer informing them of the current account debt that is still outstanding including any new debt. Members of staff will receive an email to their Woodcroft email address.

Step 3

(Outstanding debt that is still owed after 14 days of step 1)

A letter is issued to the parent, carer or member of staff stating the current balance and if any payments have been received. (Appendix 1).

Step 4

(Outstanding debt that is still owed after 21 days of step 1)

If 7 days after the first letter being issued and the debt is still outstanding, a second letter is sent to parent, carer or member off staff (Appendix 2).

Step 5

If following all the above steps, the debt is still not cleared, the Headteacher will arrange a meeting with the parent/carer or staff member and minutes will be taken (Appendix 3)

If the debt is under £100 the debt is taken to the FGB and advice is sought

If the debt is over £100 it is referred to Hampshire County Council Legal Services.

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/Governing Body. A record of all such agreements will be kept. A letter will be issued to the debtor confirming the agreed terms (unless this not judged necessary).

The settlement period should be the shortest that is judged reasonable. The Governing Body will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will be required to pay in advance in future.

Costs of debt recovery
Where the school incurs material additional costs in recovering a debt then the Governing Body will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded. The debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

Reporting of outstanding debt levels
The Finance Manager will ensure that the level of outstanding debt is known/can be determined at any time. The Headteacher will review the level of outstanding debts at least once per term to determine whether this level is acceptable and whether action to recover debts is effective, and report these findings to the Governing Body.

Bad debts
The Headteacher is authorised to write-off debts up to £200. Debts between £200 and £1000 may only be written-off with the written approval of the Governing Body. A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

Any debt belonging to the County Council will be referred to the appropriate officer for consideration/action without delay once the school has taken reasonable measures to collect the debt (i.e. has followed the reminder notification procedures set out above).

Appendix 1

Woodcroft Primary School

Head Teacher: Mr Barry Fanning

Woodcroft Lane, Lovedean, Waterlooville, Hampshire, PO8 9QG. Tel: 023 92593939 Fax: 023 92595563
Email: admin@woodcroft.hants.sch.uk Website: www.woodcroftprimary.co.uk

DATE

Dear PARENT/CARER/STAFF MEMBER

Child's Name: FULL NAME Debt Amount: £ XXXX

I am writing to advise you that according to our records, NAME has an outstanding dinner money of £XXX. In order for NAME to continue to receive school dinners, it is important to keep your account in credit at all times. School dinner must be paid for in advance (preferably at least weekly).

I would appreciate it if this debt could be cleared within 7 days. I understand that it may be difficult to pay all in one go; if this is the case please come to the office to discuss setting up a payment plan until the debt is cleared.

I hope this is an acceptable way to clear this outstanding debt, please feel free to come and speak to me if you think you will have difficulties.

Yours sincerely

Mrs R Reid
Senior Administrator

Appendix 2

Head Teacher: Mr Barry Fanning

Woodcroft Lane, Lovedean, Waterlooville, Hampshire, PO8 9QG. Tel: 023 92593939 Fax: 023 92595563
Email: admin@woodcroft.hants.sch.uk Website: www.woodcroftprimary.co.uk

DATE

Dear PARENT/CARER/STAFF MEMBER

Child's Name: FULL NAME Debt Amount: £ XXXX

I previously wrote to you on DATE advising you that NAME had an outstanding dinner amount of £XXX.

Although you have cleared some of the debt, to which is appreciated, unfortunately there is still an outstanding balance of £XXX.

OR

Unfortunately we have not received any payments towards clearing this debt, therefore the balance still remains at £XXX.

OR

Unfortunately we have not received any payments towards clearing this debt and due to NAME still ordering school dinners this debt increased to £XXX.

I would appreciate it if this debt could be cleared within 7 days. I understand that it may be difficult to pay this balance off in one go. If this is the case, then please come to the office to discuss setting up a payment plan until this debt is cleared.

I hope this is an acceptable way to clear this outstanding debt, please feel free to come and speak to me if you think you will have difficulties.

Yours sincerely

Mrs R Reid
Senior Administrator

Appendix 3

Notes from Headteacher Meeting

Name of Child/Staff:	**Date of Meeting:**
Person Carrying out Meeting:	**Debt Amount: £**
Previous Correspondence carried out **Text 1:** **Letter 1:** **Letter 2:** **Any further communication had:**	**Date**
Summary of today's meeting:	**Action:**
Signed:	**Position:**