

Ruislip Gardens Primary School

Debt Recovery Policy June 2017

1. General requirements

The 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 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 Scheme for Financing Schools and any other legal requirements. In particular:

- the Governing Body will not write-off any debt belonging to the school which exceeds £250.

Any sums above £250 will be referred to the Head of Finance, Planning Environment Education and Community Services for approval for write-off.

- a formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- the school may take the decision to take legal action to recover debts, but will refer any debts which it has not been able to collect to the Governing Body for their attention and further consideration.
- the school will NOT write-off any debt belonging to the Local Authority or another party, e.g. debts for school meals. If in doubt as to the appropriate action to collect any such debts the school will seek advice promptly from officers of the Local Authority.

In general payment for all goods and services supplied by the School should be collected in advance or 'at the point of sale'.

The procedures to secure the collection of all debts are outlined in paragraphs 4 to 6 and should be followed by all School staff.

2. Acceptable 'credit period'

The Governing Body have determined the length of time they deem to be an acceptable 'credit settlement period' before the debt recovery procedures are applied. This varies between different income generating activities; for example;

- School Meals - 4 day debt recovery period which includes a stipulation that where a debt reaches £15 a packed lunch must be provided for the child and no further meals may be taken at school until such time as the debt is settled.
- Trips and activities – non payment day after end date which is one month prior to the date of the trip, where possible in the school calendar
- School lettings – Paid on receipt of invoice

The Governors may have stipulated a maximum settlement period for school lettings in a separate 'Lettings policy'. However, in order to ensure a consistent approach and demonstrate transparency, the 'acceptable' period for each activity should be stipulated in this policy.

Debt recovery procedures should be applied in accordance with item 4 of this policy.

3. Reporting of outstanding debt levels

The Head teacher and Business Manager will ensure that the level of outstanding debt is regularly monitored.

Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Head Teacher and Resource Committee who report to the full Governing Body.

The Head Teacher will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

(Monitoring of outstanding debts may be differentiated by type, e.g. if school meal debts prove more of a problem than those for lettings of premises then the frequency and degree of monitoring should reflect this).

4. Debt Recovery Procedures : Lunch Debt

Parents and Carers are expected to keep their child's lunch account in credit and therefore all lunches taken will be paid for in advance. However, where a parent has forgotten to top up their child's account the following will apply.

(a) **Day 1** - Lunches in Debt £2.20: Text Message to parent via ParentPay:

"URGENT REMINDER to immediately settle the <balance /> lunch debt for your child <consumerforename /><consumersurname /> Class : <class /> as at <date />. Headteacher RGPS.

(b) **Day 2** - Lunches in Debt £4.40: Text Message to parent via ParentPay:

Where a lunch account remains in debt on the morning of Day 2 the school will phone the parent/carer to remind them of the outstanding balance and to request that a packed lunch be brought to the school for their child and that the outstanding balance is settled before the child can continue to have a school meal.

Where a packed lunch is not brought to the school a packed lunch will be provided by the school and charged to the child's ParentPay account.

(c) **Day 3**- Lunches remain in Debt £4.40: Letter to parent via ParentPay

Where a lunch account remains in debt on the morning of Day 3 the school will phone the parent/carer again to remind them of the outstanding balance to make clear that the school will not be providing lunch on that day and that a packed lunch must be brought to the school for their child and that the outstanding balance is settled before the child can continue to have a school meal. During the call the parent will be made aware that in the event of failure to either settle the account or to provide a packed lunch that day the child's case will be referred to the Inclusion Leader

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Letter to be sent via ParentPay:

“child <consumerforename/> <consumersurname/> Class: <class/> at <date/>

I am writing following our telephone conversation today in which you were reminded of the need to keep your child’s lunch account in credit. During the call it was made clear to you that your child’s lunch account is in debt to the total of <balance/>.

You were reminded of the need to clear this balance immediately and it was made clear to you that you are expected to provide a packed lunch for your child today, and until such time as the debt is cleared. Payment details are at the foot of this letter.

Failure to clear the debt and failure to provide your child with a packed lunch today and thereafter, where required, will be reported to our Inclusion Leader which could ultimately result in the matter being dealt with as a child protection concern.

Failure to settle the outstanding debt will result in the matter being referred to the Governing Body for their consideration and attention.

We remind you that it is the school’s policy that all school lunches are paid for in advance and that the account remains in credit.

Non-payment for school meals affects the quality of service we are able to offer to the children therefore we need to ensure that all accounts are up-to-date. Once the debt is cleared please ensure the account remains in credit.

If you have any queries regarding these arrears or if you have difficulty making payment please contact the school office to discuss this further.

Yours sincerely
Headteacher
RGPS

Payment Details:

Please arrange for this to be paid immediately by using ParentPay, our secure online payment system. You can use the login previously provided. Please visit www.parentpay.com

Your username and password are: User Name <loginname/> Password <password/>”

(d) **Day 4** – Phone call home by the Business Manager or delegate

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“I am calling about your child’s lunch debt following the letter sent to you yesterday. I can confirm that, in line with our Debt Recovery Policy your case is now being referred to the Governing Body/Inclusion Leader for their attention and consideration.”

5. Debt Recovery Procedures : Trips and Activities

For school trips and other correspondence with parents, etc. the balance must be settled in line with the advertised payment close date for the trip/activity. Where possible and where the school calendar allows, this will be 1 calendar month prior to the date of the trip/activity. No child will be refused the chance to participate in the trip/activity where a payment has not been made but the Debt Recovery Policy, outlined below and in line with point 4 above will be invoked after the payment close date.

Day 1 – Payment not received:- :Email using ParentPay the Gentle Payment Reminder as below:-

(a)

<miscontactname/>
<consumeraddress/>

Dear <miscontactname/>

Pupil: <consumerforename/> <consumersurname/> Class: <class/>

Our records show we have not received a voluntary contribution for the following payment item in ParentPay <service/>; this item is in relation to a trip/activity in which you have agreed for your child to participate.

You can make payment by using ParentPay, our secure online payment system. Your username and password are:

User Name <loginname/> Password <password/>

Unfortunately the educational <service/> visit may have to be cancelled if parental contributions do not fully cover the costs of the visit.

No child will be refused the chance to participate in the trip/activity where a payment has not been made. If you have any queries regarding the visit or if you have difficulty making payments, please contact the school office to discuss this further.

Yours sincerely

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Headteacher
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- (b) **Day 2** – Payment not received:- : Text parent via ParentPay to remind them of the need to make a payment to settle the outstanding debt:

“URGENT REMINDER to immediately settle the <balance /> for a trip/activity in which your child <consumerforename /><consumersurname /> Class : <class /> will participate. Headteacher RGPS.

- (c) **Day 3** – Payment Item still unpaid, send Final Debt Reminder letter via ParentPay:

FINAL DEBT REMINDER

The school sent an email on the <date> and a text on <date> to chase payment of your account for <consumerforename/> <consumersurname/>.

Our records show that we still have not received a voluntary contribution for the following payment item in ParentPay <service/>; this item is in relation to a trip/activity in which you have agreed for your child to participate.

You can make payment by using ParentPay, our secure online payment system. Your username and password are:

User Name <loginname/> Password <password/>

Unfortunately the educational <service/> visit may have to be cancelled if parental contributions do not fully cover the costs of the visit.

The school follows the Governing Body’s Debt Recovery Policy and cannot allow parents to accumulate debts as this has to be paid from the school budget which should be spent on your child’s education.

Failure to respond or bring your account up to date will result in the debt being referred to the school’s Governing Body for further consideration and attention. The school and governors may also decide to add any additional costs incurred recovering this debt from you.

We reiterate that no child will be refused the chance to participate in the trip/activity where a payment has not been made. If you have any queries regarding the visit or if you have difficulty making payments, please contact the school office to discuss this further.

- (d) **Day 4** – Phone call home by the Finance Officer

“I am calling about your child’s outstanding debt of <value> for the <activity>. I am phoning to remind you that the due date for this payment has now passed and the debt must be settled in line with our debt policy. I can take immediate payment from you now over the telephone if that would make things easier for you ...I must make clear to you that in the event of your debt remaining unpaid we will have to raise this as a concern to the Governing Body at our next Resources Committee Meeting.”

6. Debt Recovery Procedures : Letting

For Lettings an invoice should be issued for the full amount and if payment is not forthcoming the process detailed below should be applied.

- (a) Four weeks prior to the booking – raise an invoice and send to the hirer stating clearly payment due by date.
- (b) Three weeks prior to the booking - telephone the hirer and remind them they must pay in full by the end of the week or their booking will be cancelled.
- (c) If payment not received cancel booking in writing.

6.1 Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained either electronically or on file.

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced.

It is therefore important that at least one, but preferably two, written reminders are sent.

6.2 *Initial ‘overdue payment’ reminder*

An initial reminder may be informal and can be made either in person (when a parent/guardian comes to collect/drop off the child), or by telephone.

The date of the initial reminder should be recorded.

6.3 *First ‘overdue payment’ reminder letter*

A formal reminder letter should be issued as detailed above.

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 attempts have been made in a timely manner, i.e. at the time that the debt first became overdue.

The date of the initial reminder should be recorded.

6.4 *Second ‘overdue payment’ reminder*

A second reminder will be issued as detailed above.

The date of the initial reminder should be recorded.

6.5 Failure to respond to reminders / settle a debt

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If after the above reminders a response or payment is not received, a letter will be sent to the debtor advising them that the matter will be referred to the school's Governing Body for further consideration and attention.

At the discretion of the Headteacher and Resource Committee the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them.

This decision and its basis will be recorded and reported to the Governing Body by the Resource Committee.

7. 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 payment' reminder. However, if people are unable to pay, the school may reduce or cancel a debt in certain circumstances or agree to a deferred payment date. A sensitive approach to debt recovery will be carried out, taking the following factors into account.

- Hardship – where paying the debt would cause financial hardship.
- Ill health – where our recovery action might cause further ill health.
- Time – where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.
- Cost – where the value of the debt is less than the cost of recovering it.
- Multiple debts – where someone owes more than one debt to the school. In this situation an attempt to agree one repayment plan to include all debts will be established.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher/Business Manager and reported to the Resource Committee.

A record of all such agreements entered into will be retained. In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment.

The settlement period should be the shortest that is judged reasonable.

The Headteacher and Resource Committee will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance.

This decision and its basis will be recorded and reported to the Governing Body by the Resource Committee.

8. Costs of debt recovery

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Where the school incurs material additional costs in recovering a debt then the Headteacher and Resource Committee will decide whether to seek to recover such costs from the debtor.

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

This decision and its basis will be recorded and reported to the Governing Body by the Resource Committee.

9. Bad debts

This debt recovery policy should be cross-referenced to the Scheme for Financing Schools.

Write-off of any debt requires the written approval of the Resource Committee up to £ 50 and then to the Governing Body up to a maximum of £250.

Sums above £ 250 should be approved by the Head of Finance, Planning Environment Education and Community Services.

A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years, **Appendix A**

10. Policy Review

This policy will be reviewed and approved annually by the Resource Committee and reported to the Full Governing Body.

