



Paulet High School	School Policy Document		
Document Title	Debt Recovery Policy		
Document Status	Approved	Approved Date	March 2017
Document Owner	Assistant Head – Business and Finance	Review Date	March 2018
Audience:	Staff <input checked="" type="checkbox"/>	Students <input checked="" type="checkbox"/>	Governors <input checked="" type="checkbox"/> Parents <input checked="" type="checkbox"/>

Change Log

Version/Date	Page/Section	Change
March 2017	P2	The amount of the free school meal daily allowance chged from £2.20 to £2.25

At Paulet High School we have due regard for our duties under the Equality Act 2010. Through the delivery of this Policy we will ensure that we eliminate discrimination, advance equality of opportunity and foster good relations.

1. General requirements

1.1 The school will take all reasonable measures to collect debts as part of its management of public funds.

1.2 The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools, Financial Regulations for Schools and any other legal requirements.

2. Writing off bad debts

2.1 The Governing Body delegates the authority to write off irrecoverable debts to the Finance and Staffing Committee (FASCOM) wherever these debts relate to the school delegated budget.

2.2 A formal record of any debts written off will be maintained detailing:

- The name and address of the debtor;
- Detail of the debt;
- Amount of the debt written off;
- Date of governor approval to write off debt;
- Reason given for write off.

and this will be retained for 7 years.

2.3 The school will not write off any debt belonging to the Local Authority or another party. 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.

3. Acceptable credit period

3.1 One half term is the acceptable credit period, unless otherwise stipulated in writing at the time of the transaction. Debt recovery procedures will commence after this time.

4. Debt monitoring

4.1 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 FASCOM.

4.2 FASCOM will review outstanding debts each term.

5. Debt recovery procedures

Paulet High School	School Policy Document		
Document Title	Debt Recovery Policy		
Document Status	Approved	Approved Date	March 2017
Document Owner	Assistant Head – Business and Finance	Review Date	March 2018
Audience:	Staff <input checked="" type="checkbox"/>	Students <input checked="" type="checkbox"/>	Governors <input checked="" type="checkbox"/> Parents <input checked="" type="checkbox"/>

Establishing the Debt

5.1 The amount of the debt will be clearly stated in all correspondence regarding debt status and its recovery.

5.2 In all correspondence with parents regarding matters involving payment (such as a school journey or items of uniform), the date on which payment is required will be clearly stated.

5.3 The school will maintain a record of all goods and services supplied, detailing:

- type of good/services supplied;
- value;
- date(s) good/services supplied;
- the identity of the 'debtor', e.g. child, parent, hirer, etc.
- the date on which payment is due

Verbal and Written Reminders

5.4 Details of all reminders, whether verbal or in writing, will be maintained. Where a letter is issued, a copy will be retained on file.

5.5 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.

5.6 A formal reminder letter will be issued two weeks after the informal reminder.

5.7 A second reminder letter will be issued two weeks after the first reminder letter.

5.8 In the case of debts arising through use of the school's cashless catering system, a system low balance reminders and requests for payment (appendix A) will be operated.

5.8.1 The first text message requesting payment will be sent when account balance is up to £5 overdrawn. If the account then becomes more than £5 overdrawn, the text message will indicate that unless the debt is cleared, use of the account will be restricted in 48 hours' time to give time to respond and/or make other arrangements for meals at school.

5.8.2 In the event that use of the account becomes restricted, parents will be informed by letter. This letter incorporates a reply slip that parents can use to adjust the daily spend limit for their child in the school dining room.

5.8.2 Once restricted, students eligible for free meals will only be allowed items up to the daily allowance (currently £2.25) other students will need to make alternative arrangements for lunch as they will not be permitted to access further credit. Accounts will remain restricted until the account is settled **and** parents confirm the required daily spend limit for their child.

5.8.3 If the account remains in debt two weeks after the last text message, a formal reminder letter will be issued as per 5.6 above followed by a second written reminder two weeks later.

Failure to Respond

5.9 If after 2 written 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 Local Authority's Legal Services department.

Paulet High School	School Policy Document		
Document Title	Debt Recovery Policy		
Document Status	Approved	Approved Date	March 2017
Document Owner	Assistant Head – Business and Finance	Review Date	March 2018
Audience:	Staff <input checked="" type="checkbox"/>	Students <input checked="" type="checkbox"/>	Governors <input checked="" type="checkbox"/> Parents <input checked="" type="checkbox"/>

5.10 At the discretion of the Headteacher 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.

Negotiation of Payment Terms

5.11 Debtors who exceed the acceptable credit period are expected to settle the amount owed in a single payment as soon as possible after the first reminder.

5.12 In cases where debtors are unable to pay, a sensitive approach to debt recovery will be adopted. The following factors will be taken 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 the debt in full.
- Cost: where the value of the debt is less than the cost of recovering it.
- Multiple debt: 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.

5.13 In the event that a debtor requests 'repayment terms', these may be negotiated at the discretion of the Headteacher. The Headteacher will decide whether a debtor who has been granted extended settlement terms will be offered any further credit or will in future be required to pay in advance.

5.14 The school will retain a record of all such agreements entered into.

5.15 In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment.

6. Costs of debt recovery

6.1 Where the school incurs material additional costs in recovering a debt then the Headteacher will decide whether to seek to recover such costs from the debtor. Should the Headteacher decide to do so, 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.

7. Policy review

7.1 This policy will be reviewed and approved annually by FASCOM.

Paulet High School	School Policy Document		
Document Title	Debt Recovery Policy		
Document Status	Approved	Approved Date	March 2017
Document Owner	Assistant Head – Business and Finance	Review Date	March 2018
Audience:	Staff <input checked="" type="checkbox"/>	Students <input checked="" type="checkbox"/>	Governors <input checked="" type="checkbox"/> Parents <input checked="" type="checkbox"/>

Appendix A – Cashless School Meals – Debt Recovery Policy

- Account moves into the range of +£5.00 to £0.00 credit - Low balance text/e-mail is sent to main account holder to let them know how much credit is available on their account. – These text messages are generally sent weekly during term time on a Monday.
- Account moves into the range -£0.01 to -£5.00 (in debt) – Debt 1 text/email is sent to inform main account holder that the account has gone into debt and needs to be paid as soon as possible. – These text messages are generally sent weekly during term time on Mondays, Wednesdays and Fridays.
- Account is more than £5.00 in arrears - Debt 3 text/e-mail is sent to ask the main account holder to make alternative arrangements for the student’s lunch, until the account has been cleared. The account will be stopped, or in the case of students entitled to free meals, capped to the free school meal daily allowance in 48 hours. – These text messages are generally sent weekly during term time on Mondays, Wednesdays and Fridays.
- Once an overdue account is cleared, spend limits will remain in place until we receive instruction from parents to reactivate the account with a revised daily spend limit.
- In the case that a student’s account is stopped and a student informs us that they do not have access to any food in school, we will attempt to contact parents or carers urgently to resolve this issue. **In the event that we cannot contact parents or carers, we will not allow a student to go without food at Paulet High School.**