



Blacko Primary School

<http://lancashire.schooljotter.com/blacko>

Debt Management Policy

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POLICY

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Introduction

- 1.1 The Governing Body is responsible for ensuring that procedures are in place for the recovery for any outstanding debt.
- 1.2 This policy sets out procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

Aims

- 2.1 Payment should be obtained as and when goods and services are provided whenever possible, in particular where the value of the goods and services is relatively small, i.e. less than £100.
- 2.2 Where payment is not received at the time when the goods or services are delivered an invoice must be raised as soon as possible, normally within 10 days after a debt becomes due.
- 2.3 Invoices should require payment within 30 days from the date of issue.
- 2.4 Final reminders should be issued if no payment is received within 35 days. The final reminder should make it clear that legal action will be taken if payment is not received within a further 14 days.
- 2.5 At each Governing Body/Finance Committee meeting, the head teacher is required to inform the governors of any bad debt which is still outstanding after the 14 day period following the final reminder together with any proposed action. This may be a referral to a debt collection agency, to solicitors for legal action or to write-off the debt if there is no realistic prospect of debt recovery being successful or if further action is not cost-effective.
- 2.6 Outstanding debt of up to **£50 may be written-off** by the head-teacher provided that the appropriate follow-up action outlined above has been taken and the details of the debtor, amount of write-off and reason for no further action being taken is reported to the Finance Committee for information at their next meeting.
- 2.7 Write-off outstanding debt **in excess of £50 must be approved by the Finance Committee** following submission of details of the debt by the head-teacher together with reasons for no further action being taken.

School Meals Debt Policy

3.1 As from April 2015, Blacko Primary has adopted a clear 'no debt policy' relating to the school meal service. Parent's / Guardians must pay in advance for the school meal the week prior, via on-line payment. Children will not be provided with a school meal unless it is paid for, except those entitled to free school meals. If a parent genuinely forgets to pay in advance, the school will follow the procedure followed below:

3.2 Parents fail to pay for a pupil's meal for the first two weeks or are over £10 in arrears— **A reminder text will be sent to parents at the end of the first week and at the end of the second week for which the income has not been received. If still no payment has been made, a phone call will be made in the third week.**

3.3 Parents fail to pay for pupil's meal and continues for a 4 week period;

The head teacher will call the parent/guardian and a final letter stating that if no payment has been received by the end of the 4th week, parents must either provide a packed lunch or take the child home for lunch. In a case when a debt payment is not received nor a packed lunch provided, the head teacher will phone the parent to ask them to come to school with the money. Otherwise they must provide sandwiches before lunch time or arrange to take their child home for lunch.

3.4 Parents who continue not to pay for pupil's meals, If, after exhaustive efforts, the school is not able to recover the debt that mounted up prior to meals being stopped, the school will need to decide whether to write-off the debt or seek advice from legal to take legal proceedings against the parents. The Head teacher reserves the right to begin legal proceedings against the parents to recover the debt. Social Services may also be informed that these parents are not carrying out the responsibility of care by not providing food for their child at lunchtime.

The Head teacher may also try and agree a payment plan with the parent, with a timescale given.

3.5 Outstanding debt of up to **£50 may be written-off** by the head-teacher provided that the appropriate follow-up action outlined above has been taken and the details of the debtor, amount of write-off and reason for no further action being taken is reported to the Finance Committee for information at their next meeting.

3.6 Write-off outstanding debt **in excess of £50 must be approved by the Finance Committee** following submission of details of the debt by the head-teacher together with reasons for no further action being taken. Careful consideration by the Governing Body would need to be given to this before reaching such a decision.

Summary of School Meals Debt Recovery:

Two Weeks:

If parents fail to pay for a pupil's meal for the first two weeks or are over £10 in arrears–

A reminder text will be sent to parents

Three Weeks:

A phone call will be made in the third week to chase.

Fourth Week:

Parents fail to pay for pupil's meal and continues for a 4 week period;

The head teacher will call the parent/guardian

A final letter stating that if no payment has been received by the end of the fourth week – the parents will be required to bring a packed lunch from then on until the debt is cleared.

If the debt continues after 4 weeks;

Action:

Arrears under £50 Head Teacher to decide;

- *whether to write off debt*
- *contact LCC to take legal action - Then to inform the Finance Governing Body.*
- *Head Teacher to agree a payment plan with the parent with an agreed timescale.*

Arrears over £50 – Governors to decide the correct course of action.

Credits:

At the beginning each new half term a letter will be sent to all parents informing them of their child's account, showing whether the child is in credit or arrears.

Any credits remaining at the end of the summer term for all leavers, parents will have the option to transfer the credit to a sibling, donate to funds or receive a cheque for the credit.

Any credits remaining for all other pupils will remain on their account for the next term. This is informed to all parents by letter at the beginning of each new half term.

If a child is absent, a credit for that period will carry forward on the child's account.