

Debt Recovery Policy

Version and Date		Action/Notes
1.0		Approved by Trustees

Introduction:

As part of its sound financial management procedures Elevate Multi Academy Trust (Elevate) will take all reasonable measures to collect debts. A debt will be written off only after all reasonable measures have been taken to recover it.

The Trustees considers that appropriate recovery action will depend upon the level of and nature of the debt and those procedures will vary depending upon the income source – i.e.

- Child related – e.g. school meals, trips and activities and
- Commercial – e.g. supply of services and lettings

Child Related Income:

Collection of income

All income is collected in advance, wherever possible.

Costs of trips and activities will be notified to parents or carers as soon as possible.

Debt Recovery Procedure

- Letter 1: Reminder letter from Academy of amount owed;
- Letter 2: Letter 2 second reminder from Academy, option to withdraw services and referral to the Trust
- Letter 3: Letter from the Trust option to involve debt collection agency.
See below.

Debt Write-Off

The Head teacher has discretion to write-off debts up to the value of £50. A record must be maintained to show the reason for the write-off, the action taken to recover the debt and the authorising signature.

Elevate's Audit & Resources Committee must grant approval for the write-off of all debts above £50.

Commercial Income:

Invoicing and payment periods

Income will be collected in advance of services provided wherever possible.

Invoices will be raised through the Central Services and payment is requested in full within 30 days of being issued.

Debt Recovery Procedures

- Stage 1 (4 weeks from date of invoice) Informal reminder (letter or personal contact)
- Stage 2 (6 weeks from date of invoice) Formal reminder letter
- Stage 3 (8 weeks from date of invoice) Final reminder letter

Failure to settle a debt

Any debt unpaid after the final reminder letter has been issued will be referred to the Finance Manager.

A letter will be sent to the debtor by recorded delivery and will threaten legal action if the account is not settled within 14 days. Any additional recovery costs incurred by Elevate will also be pursued.

Legal advice may be sought, and recovery action initiated through the County Court.

This decision and its basis will be recorded and reported to Elevate's Audit & Resources Committee.

Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment, however, if debtors are unable to pay for reasons of hardship, Elevate will take a sensitive approach to debt recovery and may agree an extended repayment period.

The Finance Manager will approve all such agreements entered into and a record of the decision made 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.

This decision and its basis will be recorded and reported to Elevate's Audit & Resources Committee.

Reporting of outstanding debt levels

The Finance Manager will ensure that the level of outstanding debt is regularly monitored.

Elevate's Audit & Resources Committee will review the level of outstanding debts at every committee meeting to determine whether this level is acceptable and whether action to recover debts is effective.

Debt Write Off

If after all reasonable efforts to collect the debt has been made and legal action is unsuccessful or impractical the debts may be referred to Elevate's Audit & Resources Committee for write-off.

Write-off Limits.

Elevate will adhere to the write off limits in accordance with current statutory guidance as set out in the Academies Financial Handbook

Letter 1: When Debt Reaches £50 – From the Academy

Becky proof of person receiving?

Date.....

Dear

Name of Child:
Re: Outstanding Monies

According to our records, there are arrears on your child's school dinner account/Ace Club/Breakfast club etc.

The amount owing is £xx.xxx.

Details of the amount owed are attached (attach supporting documents from Parentpay if possible)

Please arrange for £xx.xx to be paid within 10 days of the date at the top of this letter.

Payment can be made by:

- Through your parentpay/ parentmail account;
- By cheque. Cheques should be made payable to Elevate Multi Academy Trust.

If you have any queries regarding these arrears or wish to discuss the matter further please do not hesitate to contact the school office.

Yours sincerely

Head teachers name

Letter 2: (to be sent 14 days after letter 1) from the Academy

Date

Dear.....

Name of Child:

Re – Outstanding Money

Our records show that you have not paid xxxxxx for your child, despite a previous written reminder.

As at xx/xx/xxxx our records show a debt of £xx. Failure to pay the amount owed by will result in loss of the facility provided.

Please pay within 7 days of the date of this letter.

Please logon to your parentpay/ parentmail account to arrange payment or alternatively cheques should be made payable to Elevate Multi Academy Trust.

If school meals debt add: Since non-payment of school meals affects the provision of education we offer to the children, we need to ensure that all payments are up to date. If payment is not received within 7 days it may not be possible to provide your child with a school meal

If school club debt add: Since non-payment of extra curricular activities affects the quality of education we offer to the children, we need to ensure that all payments are up to date. If payment is not received within 7 days it may not be possible for your child to continue attending xxxxxx.

If you have any queries regarding these arrears, please contact the school office immediately.

Yours sincerely.

Yours sincerely

Head teachers name

Letter 3 (to be sent 7 days after letter 2) from the Trust: To be sent by recorded delivery

Date

Dear.....

Re: Child's name - Outstanding Invoice

I am writing to you in connection with the outstanding invoice for £xxxxxxx.

I understand that Xxxxxxx Academy has already written to you twice concerning this amount and as yet has received no response.

Xxxxxxx Academy is unfortunately not in receipt of funds to cover outstanding debts and has already had to provide your child with school lunches **and/or after school club provision**.

It is the policy of Elevate Multi Academy Trust that no further debt may be incurred where one is already outstanding and therefore xxxxxx will be excluded from school lunches **and/or after school club** until the above mentioned debt has been cleared.

Please provide xxxxx with a healthy packed lunch from xx/xx/xx.

Failure to pay the amount owed by **(insert date 7 days ahead)** will result in this amount being referred to a Debt Collection Agency.

Yours sincerely

Finance Manager

RECORD OF OUTSTANDING DEBTS (spreadsheet to be provided to each Academy)

Academy	Reference Number	Child / Children's Name	Year Group of Child / Children	Mothers Name	Mothers Phone Number	Fathers Name	Fathers Phone Number	Current Address	Previous Address (if different)	Service Provided	Amount Owing
	00000001										
	00000002										
	00000003										
	00000004										
	00000005										
	00000006										
	00000007										
	00000008										
	00000009										
	00000010										
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	00000020										
	00000021										
	00000022										

RECORD OF DEBTS WRITTEN OFF

Debtor	Details of debt	Amount (£)	Invoice reference and date <i>Where applicable.</i>	Reason for write-off <i>Including brief details of measures taken to secure payment - as appropriate.</i>	Authorisation of write off <i>Name and signature of the authorising individual and date. Cross reference to entry in the accounts where applicable.</i>