



# CHRIST THE KING CATHOLIC COLLEGIATE



A Multi Academy Company



## Debtors Policy

Date: March 2016

Adopted: April 2016

Review: March 2017

### Aim

The aim of this policy is to ensure that Christ the King Catholic Collegiate maintains and develops systems of credit control, which conform to the requirements of both propriety and good financial management.

### Responsibilities

The Board of Directors of Christ the King Catholic Collegiate are responsible for determining the content of the policy and the Headteacher for implementation. Any determinations with respect to individual parents will be considered by the relevant Headteacher.

### General requirements

The Multi Academy (and each 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 Multi Academy's debt recovery policy will observe the relevant financial regulations and guidance set out in the Academies Financial Handbook 2014 and any other legal requirements.

### **Delegated powers of write-offs**

Delegated powers for write-offs is limited to 1% of the total annual income or £45,000 (whichever is smaller) per annum. Write-offs above this amount must be referred to the EFA.

In addition the Finance & Resources Committee delegates the following write-offs powers:

- Headteachers - £50.00 per single transaction<sup>1</sup>;
- Accounting Officer - £500 per single transaction.

### **Acceptable 'credit period'**

The Board of Directors of Christ the King Catholic Collegiate has determined the length of time they deem as an acceptable 'credit settlement period' before the debt recovery procedures are applied.

The 'acceptable' credit period will vary between different income generating activities. The following acceptable credit periods are to be applied:

- School lettings – Nil. All payments must be in advance of lettings;
- School meals – One week;
- Trips and activities – Nil. All payments must be in advance of the trip/activity;
- Music fees – Nil. To be paid in advance<sup>2</sup>;
- Breakfast/After school club costs – One week;
- Nursery costs – One week
- Damage to school property – 30 days following issue of invoice.

Debt recovery procedures should be applied in accordance with Debtors section of this policy.

### **Debtors**

The following debt recovery policy will be applied:

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<sup>1</sup> Single transaction relates to one instance of debt write-off for an individual debtor

<sup>2</sup> Payment plans may be considered based on circumstances but must be authorised by Headteachers

- If payment is not received 30 days after invoice a telephone call should be made to the debtor. This should take the form of a friendly reminder that the debt is outstanding and the school is concerned that it has been overlooked. The caller should aim to agree a payment date and use the call to establish any issues which are preventing payment. Appropriate action should be taken to resolve any such issues. If it is not possible to speak to the debtor by telephone further attempts should be made but this will not prevent moving to the next stage of the process.
- If payment has not been received 30 days after invoice a written reminder will be sent asking for payment within 7 days with the possibility of further (unspecified) action to recover the debt. Letter 1 is sent with a further copy of the invoice and the opportunity for parents/guardians to communicate any queries is given. A copy is to be added to the pupils SIMS record.
- If payment is not forthcoming within 14 days of the nominated deadline, a further reminder will be sent. Letter 2 is sent with a copy invoice withdrawing provision of the service provided and withdrawing future credit facilities if the debt is left unpaid. The opportunity for parents/guardians to communicate any queries is also given. A copy is to be added to the pupils SIMS record.
- If the debt is over £100, letter 3 will be issued informing the debtor the matter will be put into the hands of the nominated Solicitor if payment is not received in the next 7 days. Letter 3 is sent with a copy invoice and the nominated Solicitor will be asked to pursue the debt if payment is not received within the indicated timeframe. A copy is to be added to the pupils SIMS record.

### **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 Multi Academy school may reduce or cancel a debt in certain circumstances. 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 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.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher of each school. A record of all such agreements entered into will be retained.

In all cases, letter 4 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 of each Academy will decide whether any debtor who has been granted extended settlement terms is to be offered any further 'credit' and may, in future, be required to pay in advance.

This decision and its basis will be recorded and reported to the MAC Finance & Resources Committee and Academy equivalents as necessary.

### **Reporting of outstanding debt levels**

The Headteacher of each school 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 relevant committee. The current aged debtor's report from PS Financials together with details of any debts written off (under £500) and any repayment term agreements are to be produced as part of the Month end closedown procedures in PS Financials. A copy of the aged debtor's report, record of debts written off and any solicitor's letters sent will be provided to the MAC Finance & Resources Committee meetings and Academy equivalents as necessary.

The Headteacher of each school will review the level of outstanding debts every month 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).*

### **Outstanding debts on transfer of school**

Every effort is to be made to ensure all outstanding debts are cleared prior to a pupil transfer of schools within the MAC taking place. Where this has not been possible, MAC primary schools are to inform the Accounting Officer at the time of transfer so that the necessary steps can be taken to prevent any further occurrence of debt. This may result in debtors being refused any further 'credit' until the primary debt has been resolved.

Where a pupil transfers (at any time) to a school outside of the MAC, any outstanding debt should be pursued immediately. Where outstanding debts exist with pupils who are approaching the end of Y11 or Y13, every effort is to be made to clear the outstanding debt before the leaving date.

**Letter 1 – To be produced on CTKCC MAC Headed Paper**

Ref: **[insert initials of letter author]**

Date:

**[Insert Name and Address of Parent/Guardian]**

Dear **[Insert name of parent/guardian]**

**Invoice Number:**

**Invoice Date:**

**Pupil's Name:**

**Amount Outstanding:**

Our records show that the above sum is still outstanding and overdue for payment. For your assistance, we enclose a further copy of the invoice. We require immediate payment to avoid a final notice being sent and the avoidance of further action to recover the debt being taken.

Your remittance should be made payable to 'Christ the King Catholic Collegiate EFA'. Please return this letter with your payment and quote the above Invoice Number and pupil's name in all correspondence. If you would like to pay this invoice by BACs please request our bank details from the school reception.

**If you have any outstanding dispute or query regarding this invoice or have already made payment to us, please use the sheet enclosed to notify us immediately. If you have difficulty in paying this invoice, please contact the school reception and ask for the finance officer.**

Thank you for your co-operation.

Yours sincerely

**Signature of Headteacher**

**[Insert name of Head Teacher]**

Headteacher

**Letter 2 – To be produced on CTKCC MAC Headed Paper**

Ref: **[insert initials of letter author]**

Date:

**[Insert Name and Address of Parent/Guardian]**

## **FINAL NOTICE**

Dear **[Insert name of parent/guardian]**

**Invoice Number:**

**Invoice Date:**

**Pupil's Name:**

**Amount Outstanding:**

Despite our previous correspondence dated **[insert date of Letter 1]**, this invoice (copy attached) remains overdue for payment. **If this sum is not paid in full within 7 days from the date of this letter, we will be forced to withdraw the provision from future use.**

Your remittance should be made payable to 'Christ the King Catholic Collegiate EFA'. Please return this letter with your payment and quote the above Invoice Number and pupil's name in all correspondence. If you would like to pay this invoice by BACs please request our bank details from the school reception.

**If you have any outstanding dispute or query regarding this invoice or have already made payment to us, please use the form on the back of this letter to notify us immediately. If you have difficulty in paying this invoice, please contact the school reception and ask for the finance officer.**

Thank you for your co-operation.

Yours sincerely

**Signature of Headteacher**

**[Insert name of Head Teacher]**

Headteacher

**Letter 3 – To be produced on CTKCC MAC Headed Paper**

Ref: **[Insert initials of letter author]**

Date:

*[insert Name and Address of Parent/Guardian]*

Dear **[Insert name of parent/guardian]**

**Invoice Number:**

**Invoice Date:**

**Pupil's Name:**

**Amount Outstanding:**

Despite our previous correspondence dated **[insert dates]** the above amount remains outstanding and overdue for payment. This matter will now be passed to the Academy Solicitor's for recovery action.

You should note the cost of the solicitors recovery action will be added to the above amount outstanding.

Yours sincerely

**Signature of Headteacher**

**[Insert name of Headteacher]**

Headteacher

**Letter 4 – To be produced on CTKCC MAC Headed Paper**

Ref: **[Insert initials of letter author]**

Date:

*[insert Name and Address of Parent/Guardian]*

Dear **[Insert name of parent/guardian]**

**Invoice Number:**

**Invoice Date:**

**Pupil's Name:**

**Amount Outstanding:**

The above outstanding debt is to be repaid under the following repayment terms:

Payment Number	Amount Due	Date Due	Balance Remaining
1			
2			
3			
<i>Final payment</i>			NIL

In order to confirm your agreement to the above repayment terms, please complete the tear-off portion below and return to the undersigned within 7 days of this notification.

Yours sincerely

**Signature of Headteacher**

**[Insert name of Headteacher]**  
Headteacher

**Invoice Number:**

**Invoice Date:**

**Pupil's Name:**

**Amount Outstanding:**

**Completed by (person making payments):**

**Name:**

**Date:**

**Signature:**

I agree to repay the above outstanding amount under the following repayment terms:

Payment Number	Amount Due	Date Due	Balance Remaining
1			
2			
3			
<i>Final payment</i>			NIL

Once complete please return to the Headteacher by **[insert date]**



**To be printed on reverse of Letter 1 and Letter 2**

**Please provide full details of dispute or query in the space below.**

Your name:	Your telephone number:
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Details:

**DRAFT**

Thank you for your co-operation.



Christ the King Catholic Collegiate Multi Academy Company

*Insert School Name*

**RECORDS 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.</i> <i>Cross reference to entry in the accounts where applicable.</i>



Christ the King Catholic Collegiate Multi Academy Company

*Insert School Name*

**RECORDS OF REPAYMENT TERMS AGREEMENTS**

Debtor	Details of debt	Amount (£)	Invoice reference and date ( <i>where applicable</i> ).	Repayment Terms Agreed	Remarks