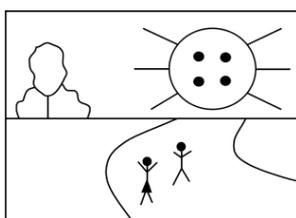


Button Lane Primary School



Debt Policy

(Leadership & Management File)

Reviewed by governing body on 17 February 2018	Next Review date February 2021
Signed by Chair of Governors M Rainey	Signed by Headteacher E Roberts
Written By E Roberts	Presented to Finance Committee

Button Lane Primary School – Debt Recovery Policy

1. General requirements

Button Lane Primary 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 formal agreement of the Local Authority's Director of Finance and Resources (Section 151 Officer) will be obtained before a debt exceeding £1,000 is written off. (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).
- Debts greater than £10,000 can only be written off by the Executive member for finance on advice of the section 151 officer.
- A formal record of any debts above £1,000 written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- The school will refer any debts which it has not been able to collect (unless a decision to write-off the debt is deemed a reasonable course of action) to the Council's Legal Services section to consider taking legal or other action to recover the debt.

2. Acceptable 'credit period'

Invoices

In general payment for all goods and services supplied by the School should be collected in advance.

After School Club

As per the agreement and offer letter signed by the parent/carer, we recommend that payment is made in advance and a credit balance is maintained at all times. Payment is required for all days booked even if the child does not attend, the exceptions being when school is closed or the child is ill. Should the child no longer require a place the parent/carer is to advise the School office at least one week in advance, otherwise the parent/carer is still liable for charges. Should the parent/carer fall into arrears, the club will withdraw the child's place.

School lunch

We recommend that payment is made in advance and a credit balance is maintained at all times. The parent/carer is required to fill in a form giving one weeks notice to change a meal pattern. When a child has a school lunch they go through the school till which registers on Parent Pay. Should the parent/carer fall into arrears and fail to make a payment within a reminder letter, a further letter will be sent advising the parent/carer that their child will no longer be entitled to a school lunch and that they should send their child to school with a packed lunch. Failure for the parent/carer to provide their child with a packed lunch may result in involving the school's child protection officer.

3. Reporting of outstanding debt levels

The Headteacher/School 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.

4. Debt Recovery Procedures

Where payment from the parent/carer has not been received within the above acceptable credit period the following process should be applied.

First Contact- Text or Phone call

If the outstanding debt is under £20 a text will be sent to parents as a reminder. Any amount over £20 would be a phonecall.

First 'overdue payment' reminder letter

An initial reminder letter will be sent home requesting the account be credited by the end of that week.

Second 'overdue payment' reminder letter (WARNING LETTER)

If full payment is not received by that Friday, Letter Two will be sent home warning that their child's club/lunch will be cancelled. Payment or a repayment plan must be made by Friday.

Third 'overdue payment' letter

If payment has not been received by Wednesday the parent will receive a phone call and a letter stating they will need to make alternative arrangements regarding meals/childcare etc.

FINAL ‘overdue payment’ reminder letter (combined amount equalling £50plus)

If by the following Monday no payment or response is made, a final letter will be sent home advising this is a Final reminder and payment must be received immediately otherwise the Council’s Legal Service will be contacted.

4.1 Staff Debt Recovery

Staff debts can accumulate from staff school lunches they have taken. A standard Parent Pay letter will be put in their pigeon hole on the Monday advising of the debt. By the following Monday if the debt is still outstanding the same letter will be handed to them in person in the strictest of confidence and a school lunch will not be provided until the debt is paid in full. A Final letter will be hand delivered to a member of staff before the end of their employment advising their debts will be deducted from payroll.

5. Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the initial ‘overdue payment’ reminder.

However, if people are unable to pay;

The 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/School Business Manager. 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/School Business Manager will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and in future will be required to pay in advance.

6. Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Head teacher 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 Resources Committee.

Debt Recovery Process

Monday- Check all accounts

Parents with arrears under £20 will receive a text

Parents with arrears over £20 will receive a phone call

Wednesday- check debt on account

Letter 1 goes out to all parents still in arrears, account must be credited by end of the week

Friday- Check debt on account

Letter 2 goes to all parents still in arrears, warning club/lunch will be cancelled. Payment plan may be put in place

Wednesday- Check debt on account

Letter 3 goes out to all parents still in arrears, advising for alternative arrangements be made for lunches/childcare. A telephone call will be made to make parents aware to look for letter.

Friday- Check debt on account

Final letter sent home to request full amount be cleared or the Council's Legal Service will be contacted

Button Lane Primary School – Debt Recovery Policy

Process to cease at payment stage

If a payment plan to recover a debt is required - please use the sample attached. Ensure the parent signs one copy in agreement and returns to the School Office and it is kept on file.

Dear _____

Following our conversation regarding the outstanding debt for After School Club/School lunch payments, please find below repayment schedule in order to clear your account.

Balance outstanding £ xxx

Repayment week commencing XXXXXXXXXX

Repayment week commencing XXXXXXXXXX

Repayment week commencing XXXXXXXXXX

Repayment week commencing XXXXXXXXXX

Can you please sign and return one copy of this letter showing agreement to the proposed repayment schedule.

Repayments need to be made via Parent Pay.

Until the outstanding debt is cleared, your child will not be able to attend After School club/School lunch.

If you need to discuss this matter further, please do not hesitate to contact me on the above number.

Yours sincerely

Mrs H Cooke

Finance Administrative Assistant

Button Lane Primary School – Debt Recovery Policy

Letter One

I am writing to remind you that according to our records, you have arrears on your child's After School Club/School lunch account. In order for your child to continue to attending After School Club and to have a School lunch it is important to keep your account in credit.

Our records show that for your child <consumerforename/> <consumersurname/> Class: <class/> at <date/> your debt is <balance/>

Please arrange for this to be paid by DATE. You have two ways to make payment. You can pay using ParentPay, our secure online payment system, using the login previously provided. Please visit www.parentpay.com

Your username and password are:

User Name <loginname/> Password <password/>

You can pay in cash at a local store using the PayPoint card provided to you. If you have misplaced your PayPoint card please take this letter to your nearest PayPoint store along with your payment, the store can then scan the barcode at the bottom of this letter to enable you to pay.

You can check your account balance at any time by logging into your ParentPay account.

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

If you have any queries regarding these arrears, or if you have difficulty making payment, please contact me at the School Office to discuss this further.

Yours sincerely

Mrs H Cooke

Finance Administrative Assistant

Button Lane Primary School – Debt Recovery Policy

Letter Two

Our records show that despite numerous reminders, you have still not made payments on After School Club/School lunch account for your child <consumerforename/> <consumersurname/>
Class: <class/>

As a result there After School club/School lunch place is now at risk of being cancelled.

As at <date/> your account is showing a debt of <balance/>

Please arrange for this money to be paid immediately or contact the school to arrange a payment plan, otherwise non compliance may result in Legal action.

Once the debt is cleared please ensure your child's Breakfast club account is always in credit. You have two ways to pay the outstanding amount:

1. Online payment via ParentPay; using the login already provided please visit www.parentpay.com

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

2. In cash at the school office.

No matter how you pay you can check your account balance at any time by logging into your ParentPay account at www.parentpay.com. You can also see what meals have been taken and when.

If you have any queries regarding these arrears, please contact me at the School Office to discuss.

Yours sincerely

Mrs H Cooke

Finance Administrative Assistant

Button Lane Primary School – Debt Recovery Policy

Letter Three

Our records show that despite numerous reminders, you have still not made payments on After School Club/School lunch account for your child <consumerforename/> <consumersurname/>
Class: <class/>

As a result there After School club/School lunch place has now been CANCELLED.

Please arrange for alternative measure to be put in place with childcare/packed lunches

As at <date/> your account is showing a debt of <balance/>

Please arrange for this money to be paid immediately.

Once the debt is cleared please ensure your child's After school club/ lunches account is always in credit or we are unable to carry on providing you with this service. You have two ways to pay the outstanding amount:

1. Online payment via ParentPay; using the login already provided please visit www.parentpay.com

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

2. In cash at the school office.

No matter how you pay you can check your account balance at any time by logging into your ParentPay account at www.parentpay.com. You can also see what meals have been taken and when.

If you have any queries regarding these arrears, please contact me at the School Office to discuss.

Yours sincerely

Ms C Thomas

Finance Manager

Letter Three – **FINAL REMINDER**

It has been brought to my attention that despite numerous reminders there is still an outstanding balance on your After School Club/School lunch account for <consumerforename/> <consumersurname/> Class: <class/>

As at <date/> your account is showing a debt of <balance/>

Please arrange for this money to be paid by today. Your account will be checked on Monday morning and should the account be showing an outstanding balance or you have not contacted the school; the council's Legal services will be contacted.

Once the debt is cleared and should you wish your child to resume After School club/School lunch, can you please contact Mrs Cooke in the School Office to discuss regular payments.

You have two ways to pay the outstanding amount:

1. Online payment via ParentPay; using the login already provided please visit www.parentpay.com

Your username and password are:

User Name <loginname/> Password <password/>

2. In cash at the school office

No matter how you pay you can check your account balance at any time by logging into your ParentPay account at www.parentpay.com.

If you have any queries regarding these arrears, please do not hesitate to contact me.

Yours sincerely

Ms E Roberts

Head Teacher

