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Debt Recovery Policy

Keresley Grange Academy

Ratified by the Resources Committee: NOVEMBER 2019

To be reviewed: Every two years

Next review: November 2021

1. **General requirements**

Keresley Grange Academy 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 accordance with 'The Futures Trust' Finance Policy.

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off after approval by the Finance Director up to £1,000, otherwise by FRARC and in accordance with the guidance provided in the Academies Financial Handbook. The Trust must obtain the ESFA's prior approval for writing off debts above limits specified in the Handbook.

2. **Acceptable 'credit period'**

Invoices

In general payment for all goods and services supplied by the School should be collected in advance or at least within **30 days upon receipt of an invoice**.

Breakfast and After School Clubs

As per the agreement and offer letter signed by the parent/carer, we recommend that payment is made a minimum of one week in advance on ParentPay and a credit balance is maintained at all times. Should the parent/carer fall into arrears, the club will withdraw the child's place.

School Diner

We recommend that payment is made on ParentPay a minimum of one week in advance and a credit balance is maintained at all times. The parent/carer can decide each day if they require a school meal. 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 'overdue payment' reminder letter

An initial reminder letter will be sent home requesting the account be credited with one week's full amount by the end of that week. Warning that their child's club/lunch will be cancelled.

Second 'overdue payment' reminder letter (WARNING LETTER)

If full payment is not received by the end of the week, Letter Two will be sent home advising their child's breakfast club/after school club/school lunch place HAS been cancelled. Payment or a repayment plan must be made. A follow up phone call will be made to the parent/carer as they will need to make other arrangements.

Third (FINAL) 'overdue payment' reminder letter (combined amount equalling £50plus)

If no payment or response is made, Letter 3 will be sent home advising this is a Final reminder and payment must be received immediately otherwise the School'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.

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- 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

Check all accounts
Letter goes out to all parents with arrears
All debts over £10 are also followed by a phone call
check debt account
Letter 2 goes out to all parents still in arrears
followed by phone call advising parent that the issue has been escalated
check debt account
Letter 3 goes out to all parents still in arrears
followed by a phone call



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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 Breakfast club/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 breakfast club/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 Carly Arnold
School Business Manager



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Letter One

I am writing to remind you that according to our records, you have arrears on your child's Breakfast club/After school club/School lunch account. In order for your child to continue to attending Breakfast /After school club / 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 can pay using ParentPay, our secure online payment system, using the login previously provided. Please visit www.parentpay.com

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 Dayl Darbyshire
Administrative Assistant



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Letter Two

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

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

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
2. In cash at a local store using the PayPoint letter which can be obtained from the school.

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 Dayl Darbyshire
Administrative Assistant

Letter Three – **FINAL REMINDER**

It has been brought to my attention that despite numerous reminders there is still an outstanding balance on your Breakfast club/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 (date) the **latest**. Your account will be checked on and should the account be showing an outstanding balance or you have not contacted the school to arrange a payment plan; the school's Legal services will be contacted.

Once the debt is cleared and should you wish your child to resume Breakfast club/After school club/School lunch, can you please contact Mrs Darbyshire / Mrs Arnold 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:

2. In cash at a local store using the PayPoint letter which can be obtained from the school.

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

Mrs Carly Arnold
School Business Manager

