

DEBT RECOVERY POLICY

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Next Review Due: September 2021

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Dales Academies Trust | Blair Avenue | Ingleby Barwick | Stockton-on-Tees | TS17 5BL

Dales Academies Trust is an exempt charity regulated by the Secretary of State for Education. It is a company limited by guarantee registered in England and Wales, company number 08372064, whose registered office is at All Saints Academy, Blair Avenue, Ingleby Barwick, Stockton On Tees, TS17 5BL.

This policy aims to help the schools within Dales Academies Trust to adopt a consistent approach to debt with a view to eliminating it completely. It provides clarity and consistency in managing debt and will also help parents and carers clearly understand what is expected.

Dales Academies Trust is committed to ensuring equal opportunities for all pupils, regardless of financial circumstances, and has established policies and procedures to ensure that no child is discriminated against by offering of school trips, activities and educational extras throughout the schools.

While this is the case, The Trust must have a policy in place to ensure the repayment and recuperation of any outstanding debts incurred by the school on behalf of a pupil. The school must 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.

Each case is to be treated individually and the circumstances that have led to the outstanding debt will be considered to determine the best course of action, and whether it is fair and reasonable to pursue the debt in its entirety if at all. Dales Academies Trust is committed to adhering to legal requirements regarding charging for school food, activities and materials, and meeting all statutory guidance provided by the DfE. The services provided by school are no different to those provided by any other business and the meals and other services must be paid for.

Parents who are experiencing difficulty in paying for a chargeable service offered by the school should inform the school office immediately. In most circumstances a payment plan can be agreed to help parents clear their debt to the school as soon as possible. Large debts left unpaid may be passed to a professional debt collection firm to legally recover.

Policy

1. In accordance with the funding agreement from the Education and Skills Funding Agency (ESFA), the Dales Academies Trust is required to apply robust financial controls which conform to the requirements of both propriety and good financial management.
2. The Trust is responsible for ensuring that procedures are in place for the recovery of any outstanding debt. This policy sets out the procedure for debt recovery for those schools within the Trust and for the write-off of any debt which is deemed to be irrecoverable.
3. Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. If this is not possible, a debtor's list will be collated by the school administrator.
4. The responsibility for recommending the write off, of any debtor will lie with the Finance and Operations Director.

5. The school administrator has the responsibility to review aged debtors on a monthly basis. All debts will be recorded, and non-payment will be followed up. The school administrator should provide the central finance team with a list of outstanding debts and the end of each month.

6. 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 in accordance with the finance policy and the following procedures:-

- Initial approval must be given by both the Headteacher and the Finance and Operations Director.
- The write-off must be approved by the Finance & Resources Committee and then reported to the next meeting of the Local Governing Board and Trust Board.
- The Academy will retain a Bad Debt Write-Off Summary.

7. Where necessary the Finance and Operations Director is responsible for notifying the ESFA of any debt written off that is required under the Academies Financial Handbook.

Process and Procedure

Parents will be asked to pay for most services in advance. Each school has a system for collecting income including cash, cheques, online payment or requests payments are made directly into the Trust bank account.

The following procedures, apply to:

Dinner Money

Payment for school meals should be paid in advance. To access school dinners, parents should pay weekly or monthly. Failure to pay in advance may result in the withdrawal of services.

Trips

A voluntary charge will be requested to cover the cost of educational visits and other activities. However, charges cannot be enforced where this forms part of the curriculum. Where the level of non-payment renders a trip financially unviable, consideration will be given to cancellation.

Visits that take place outside the academy day or as part of an extracurricular activity can be charged for, and parents are expected to meet the full cost of the trip. Parents are notified of the cost in advance and may pay by instalments once an initial deposit is made. Full payment for trips must be paid in advance. If full payment is not received in advance of the departure date the Academy retains the right to withdraw the place, retain the deposit to cover costs incurred and refund the sum of the remaining payments.

Trip deposits are non-refundable.

Lettings

Contracts for lettings of the school premises will be drawn up as necessary between the Academy and the applicant. Charges will reflect the school's costs for energy, water

and lighting as well as those incurred for opening and closing of the school by the Caretaker or member of staff.

Out of Hours Care

Some schools run 'Breakfast Club' and 'After School Clubs'. Payment for out-of-hours care should be booked and paid for in advance. Failure to pay in advance or on the day will result in the withdrawal of services.

Debt Recovery Procedures

Where payment from the parent has not been received in line with the terms above the following process will be applied and overseen by the academy:

- **First Telephone Call / Text Message** – The office staff must record the details of the call. The office staff should establish the nature of the payment delay and obtain agreement from the debtor to make payment within 14 days.

- **First Letter** – Where no payment has been received after 14 days following telephone/Text message contact with the debtor, the first letter should be sent as per Appendix A1 from the academy.

Bring the issue to the attention of the Headteacher.

- **Second Letter** – Where no payment has been received within 14 days of sending the first letter, the second and letter will be sent as per Appendix A2 from the academy.

- **Third Letter** – Where no payment has been received within 14 days of sending the second letter, the third and final letter prior to legal action will be sent as per Appendix A3 from the MAT.

- **Referral to Solicitor** – Where no payment has been received within 7 days of the second letter the matter shall be reviewed by the Finance and Operations Director with subsequent referral to solicitors where it is considered to be the most appropriate course of action. The debtor will be informed of this in writing. All future services relating to that debtor should be stopped until payment is received in full.

Debt write-off

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 in accordance with the following procedures:-

- Initial approval must be given by both the Headteacher and the Finance and Operations Director.
- The write off must be approved by the Finance & Resources Committee, with the exception of pupil related debts, which may be written off at the discretion of the Head teacher, up to a value of £100.
- The Academy will retain a Bad Debt Write-Off Summary.

Appendix A1 – First Debtors Letter

Reminder - Sent in post

Parent or carer of A Child

Address

Date

Our records show that there is still an amount outstanding for **(please delete as appropriate)breakfast/after-academy club/dinner/trip/residential/tuition/music tuition** for your child **Child's name, class name** despite previous communication.

As at **Date** your account is showing a balance of **£-0**

Please arrange for this money to be paid immediately. You can pay by:

- 1. Parent Pay**
- 2. Cheque made payable to 'Dales Academies Trust'**
- 3. Cash**

(Amend/Delete as appropriate) You can check the account balance anytime by logging into your ParentPay account at www.parentpay.com. You can even see what meals have been taken and when.

(Amend/Delete as appropriate) The cost of a school meal is £XX per day, £XX per week.

(Amend as appropriate) Since non-payment for activities offered by the academy affects the quality of service we offer to the children, we need to ensure that all payments are up-to-date and I am afraid that if the balance is not cleared by the start of next week, or no dialogue has taken place with the academy to resolve the issue, it will not be possible to provide your child with **breakfast/after-school club/dinner/trip/residential/music tuition. (please delete as appropriate)**
You will need to make your own arrangements for your child's lunch.

If you have already paid the outstanding amount by the time you have received this reminder, please accept our apologies, disregard this letter and report your payment to our school office.

If you would like to discuss this matter please do not hesitate to contact the school. The school is keen to provide any necessary assistance and support it can to try and resolve this matter as quickly as is possible. Our contact details can be found at the top of this letter.

Yours sincerely

School Personnel

Appendix A2 – Second Debtors Letter

Reminder 2 – Sent “signed for” post

Parent or carer of A Child

Address

Date

SECOND REMINDER

Despite my previous letter of *(date)* (copy enclosed) it appears that the amount owing for **(please delete as appropriate) breakfast/after-school club/dinner/trip/residential/tuition/music tuition** for your child Child’s name, class still remains outstanding.

As at date your account is showing a balance of £0

This amount should be paid to the school office with immediate effect.

As stated in that letter until the debt is cleared it will not be possible to provide your child with **breakfast/after-school club/dinner/trip/residential/music tuition. (please delete as appropriate) You will need to make your own arrangements for your child’s lunch.**

You should make alternative arrangements for your child(ren) as **breakfast/after-school club/dinner/trip/residential/music tuition. (please delete as appropriate)** can only be provided if payment is received in advance.

Parents/carers who are experiencing difficulty with payment or who are eligible for Free School Meals for this academic year and have not already applied should contact the school office immediately.

I must advise you that failure to settle this outstanding amount will result in your debt being referred to The Trust to begin proceedings to recover the debt as appropriate.

If you would like to discuss this matter please do not hesitate to contact the school. The school is keen to provide any necessary assistance and support it can to try and resolve this matter as quickly as is possible. Our contact details can be found at the top of this letter.

Yours sincerely

School Personnel

Appendix A3 – Third Debtors Letter

Reminder 3 – Sent post

Parent or carer of A Child

Address

Date

FINAL REMINDER

Despite two previous letters of *(date)* from XXX Academy (copies enclosed) it appears that the amount owing for **(please delete as appropriate) breakfast/after-school club/dinner/trip/residential/tuition/music tuition** for your child **Child's name, class** still remains outstanding.

As at **date** your account is showing a balance of **£0**

As **XXX** Academy has not been able to recover this debt it has now been referred to The Trust, please make payment with immediate effect.

If you are experiencing financial issues please contact me as soon as possible to discuss, my contact details can be found at the bottom of this letter. The Trust is keen to provide any necessary assistance and support it can to try and resolve this matter as quickly as is possible. If I do not hear from you or payment is not made within 7 days of the date of this letter, we then may pass this over to our legal team to start proceedings.

Yours sincerely,

F Holmes
Finance and Operations Director