



## Shipton Bellinger Primary School Debt Recovery Policy Spring 2025

### General requirements

It is the policy of the Governors of Shipton Bellinger Primary School not to allow any debt to accrue. The school will take all reasonable measures to vigorously collect outstanding monies or debts as part of its management of public funds. A debt will be written off only after agreement with the Finance governors, and all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

Shipton Bellinger Primary School's debt recovery policy will observe the relevant financial regulations and guidance set out in the Financial Handbook for Schools and any other guidance from the County Treasurer's Dept. and any legal requirements.

In particular:

- The Governing Body will not write-off any debt belonging to the school which exceeds £300. Any sums above this will be referred to the County Treasurer's Debtors Group for approval and the formal agreement of the County Council's Chief Officer of Finance obtained before writing-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).
- A formal record of any debts written off will be maintained and this will be retained for 7 years.
- The school will not initiate any legal action to recover debts, but will refer any debts which it has not been able to collect (unless a decision to write-off the debt is demonstrably a reasonable course of action) to the County Treasurer's Dept. to consider taking legal or other action to recover the debt.
- The school will NOT write-off any debt belonging to the County Council or another party. If in doubt as to the appropriate action to collect any such debts, the school will seek advice promptly from officers of the County Council Treasurer's Debtors Group.
- Parents should be advised that the possibility of free school meals is available for parents on low income.

**School staff are expected to comply with the following procedures to secure the collection of all debts.**

### **Recording of goods or services supplied where payment is not received in advance or 'at the point of sale'.**

A record will be kept of all such supplies that details what was supplied, the value, the date(s) and the identity of the 'debtor', e.g. parent or guardian, hirer, etc. Where invoices are raised these should state the date by which payment is due. In all other cases correspondence with parents, etc. should indicate the maximum period that the school regards as reasonable before payment is overdue, e.g. contributions for a school trip should be received by, payment for items purchased should be sent to the school office by, etc.

The Headteacher should determine what the reasonable 'credit period' is if this is not otherwise specified, e.g. the governors may stipulate the maximum settlement period for school lettings in a separate 'Lettings Policy'.

### **Initial reminders**

Initial reminders to maintain a positive balance for school dinners may be informal towards the end of the week in question and made either in person (when a parent comes to collect/drop off the child) or by telephone or

text message. These can be supported by a statement. Normally, the Admin staff will undertake this having built up a good relationship with the parents.

### **First reminder letter**

A formal reminder letter should be issued after 5 school days from any informal reminder / the date of supply. This letter should also state that the service will be withdrawn until the debt is paid. (e.g. school dinners). *If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time that the debt first became overdue.*

### **Second reminder letter**

A second reminder letter will be issued one week after the first reminder letter.

### **Using reminder letters**

*Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced. It is therefore important that at least one, but preferably two, written reminders are sent. Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file.*

### **Failure to respond to reminders / settle a debt**

If no response is received from the reminders issued, a letter will be sent to the debtor advising them that the matter will be referred to the County Treasurer's Debtor Group. At the discretion of the Headteacher, the debtor will be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them. This decision and its basis will be recorded.

### **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 reminder'. If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the Headteacher / Finance Governors. A record of all such agreements will be kept.

A letter will be issued to the debtor confirming the agreed terms (unless this is not judged necessary). The settlement period should be the shortest that is judged reasonable. The Finance Governors will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will be required to pay in advance in future.

### **Costs of debt recovery**

Where the school incurs additional costs in recovering a debt, then the Finance Governors will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded. The debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

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

The Admin staff will ensure that the level of outstanding debt is known / can be determined at any given time. The Headteacher will review the level of outstanding debts at least once per term to determine whether this level is acceptable and whether action to recover debts is effective, and report these findings to the governors, as required.

### **Bad debts**

The Headteacher is not authorised to write-off any debts. Debts up to £300 may only be written-off with the written approval of the governors. A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years. Any debt belonging to the County Council will be referred to the appropriate officer for consideration/action without delay once the school has taken reasonable measures to collect the debt (i.e. has followed the reminder notification procedures set out above).