



“Christ with me as I learn, grow and shine.”

Reviewed – September 2024

Next Review – September 2026

Debt Management Policy

This policy should be read as an appendix to the Charging and Remissions Policy.

Any money owed to school has an impact on the school's educational budget and may affect the resources available for children's teaching and learning. We hope that parents and guardians understand this and will make every effort to avoid owing money to the school.

The school will take all reasonable measures to collect debts as part of its management of public funds. A debt will be written off or passed onto an external debt collection agency only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The school's Debt Management Policy will observe the relevant financial regulations and any other legal requirements.

This policy refers to any debts owed for goods and services received in school that require a direct payment to school. This includes:

- School dinners (not including universal free school meals or income related free school meals)
- Before and after school club (the Shamrock Club)
- Out of school hours educational visits and trips e.g., residentials
- Peripatetic music lessons
- Purchase of equipment e.g., bags / ties

Payment for all paid-for services must be received in advance of the services provided. Statements for dinner money and the Shamrock Club will be issued towards the end of each month and in advance of the coming month's bookings. These statements will cover the forthcoming month's bookings; they should be settled by the first of each month. Requests for payment for all other services are likely to be made informally, verbally or by email.

Credit will only be given for paid-for services including snacks / equipment with prior arrangement through school.

Reporting of outstanding debt levels

The headteacher 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 Resources Committee and/or Governing Body. The Resources Committee and/or Governing Body will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

1. Debt Management Procedures (Table 1)

Parents and guardians who are facing financial difficulty, should actively contact the headteacher to discuss their circumstances and make timely and suitable arrangements for the settlement of any debt.

Where payment has not been received in advance e.g., by the first of each month, or 'at the point of sale,' the following process will be applied.

1.1 Overdue payment reminder (Appendices A and B)

During the first two weeks of any month, regular checks will be made of monies owed.

An overdue payment reminder will be issued to all accounts which have not been cleared by the end of the second week of each month. This will state that with immediate effect no further school meals and or sessions for the Shamrock Club will be provided for their child(ren) and the debt must be cleared within five working days.

If a child comes to school without the debt having been cleared and requires the school to provide a meal, the office will telephone the parents and guardians to make alternative arrangements for lunchtime. If a child turns up to attend the Shamrock Club, without the debt having been cleared, the office will telephone the parents and guardians to ask for the child(ren) to be collected from school.

1.2 Failure to respond to overdue payment reminder

If there is no response to the overdue payment reminder and by the end of week three of any month, the parents and guardians will be contacted directly by the school to discuss the settlement of the debt. The school will make every effort to work with parents and guardians to make manageable arrangements for the recovery of debt. Failure to respond to this communication could result in the school passing the debt to the Debt Recovery Team at Lancashire County Council.

1.3 Final Reminder (Appendix C)

If no payment is received by the end of the final week of any month a final payment reminder will be issued for the full amount, requiring immediate payment. This reminder will detail that once a final five working day deadline has expired the debt will be passed onto the Debt Recovery Team at Lancashire County Council where legal proceedings may begin. The reminder will also inform the parents and guardians that they will be required to pay in advance for all future paid-for services or that their supply will no longer be available to them.

Decisions taken at this stage will be recorded and reported to the Resources Committee and/or Governing Body.

2. Parents and guardians unable to pay

Parents and guardians who are facing financial difficulty, should actively contact the headteacher to discuss their circumstances and make timely and suitable arrangements for the settlement of any debt. In these circumstances, the school may reduce or write-off a debt and taking the following factors into account.

- Hardship – where paying the debt would cause financial hardship.
- Ill health – where the school's debt management action may 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 debts – 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.

- Personal circumstances – where families are facing challenging personal circumstances e.g., death of a relative

If parents and guardians request 'repayment terms' these may be negotiated at the discretion of the headteacher. A record of all such agreements will be retained. In all cases, a letter will be issued to the parents and guardians confirming the agreed terms for repayment. The settlement period should be the shortest that is judged reasonable.

Decisions taken at this stage will be recorded and reported to the Resources Committee and/or Governing Body.

3. Costs of debt management

Where the school incurs material additional costs in recovering a debt then the Resources Committee and/or Governing Body will decide whether to seek to recover such costs from the parents and guardians. The parents and guardians 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 and/or Governing Body.

4. Bad debts

To write-off of any debt over the value of £150 the written approval of the Resources Committee/Governors is required.

Table 1 - Overview of Debt Management Procedure

Week	Month	Process Step		Focus	Service implications
Wk 1	Aug-24	NA		NA	NA
Wk 2	Aug-24	NA		NA	NA
Wk 3	Aug-24	NA		NA	NA
Wk 4	Aug-24	Cleared accounts	Statements Issued (dinner money and Shamrock Club)	Dinners and Shamrock Club bookings for coming month (e.g. September). Payments due in advance of services and by first of coming month	Services in place
Wk 1	Sep-24	Payments in advance and by 1 st of September			
Wk 2	Sep-24	Accounts in arrears	Overdue payments: reminder issued where appropriate Appendix A and B	Dinners and Shamrock Club bookings for September	Services withdrawn with immediate effect effective at end of week 2
Wk 3	Sep-24	Accounts in arrears	Overdue payments: School makes direct contact where appropriate to discuss settlement possibilities.	Dinners and Shamrock Club bookings for September	Services remain withdrawn
Wk 4	Sep-24	Cleared accounts	Statements Issued (dinner money and Shamrock Club)	Dinners and Shamrock Club bookings for coming month (e.g. October)	Services in place
		Accounts in arrears	Overdue payments: final reminder issued where appropriate Appendix C	Dinners and Shamrock Club bookings for September	Debt referred to LCC's Debt Recovery Team. Services remain withdrawn.

Appendix A

Overdue payment reminder: school dinners (issued at the end of the second week of each month).

Dear parents / guardians,

We have recently contacted you regarding outstanding monies owed for school dinners. We have not yet received payment. In line with our Debt Management Policy and with immediate effect, your child will no longer be able to have school dinners and a packed lunch must be provided.

We ask that full payment is made within five working days. Once the debt has been cleared you will be able to order school dinners.

If you are unable to clear the amount, please contact school to discuss settlement possibilities.

Your statement is attached. Payment can be made through the SCOPAY system, or if necessary, by cash. If you cannot access the SCOPAY system, please contact the school office and we will be able to guide you.

Kind Regards
Mrs Liz Hindley
Appendix B

Overdue payment reminder: Shamrock Club (issued at the end of the second week of each month)

Dear parents / guardians,

We have recently contacted you regarding outstanding monies owed for Shamrock Club sessions. We have not yet received payment. In line with our Debt Management Policy and with immediate effect, your child will no longer be able to access these services and you should make alternative arrangements.

We ask that full payment is made within five working days. Once the debt has been cleared you will be able to book sessions.

If you are unable to clear the amount, please contact school to discuss settlement possibilities.

Your statement is attached. Payment can be made through the SCOPAY system, or if necessary, by cash. If you cannot access the SCOPAY system, please contact the school office and we will be able to guide you.

Kind Regards
Mrs Liz Hindley
Headteacher

Appendix C

Final reminder – school dinners and / Shamrock Club (issued by the end of the final week of any month)

Dear parents / guardians,

We have contacted you on a number of occasions regarding your outstanding balance, however we have not yet received payment.

In line with our Debt Management Policy, we have now reached the stage of referring your debt onto the Debt Recovery Team at Lancashire County Council where legal proceedings may begin. To avoid this happening please make payment within five working days of the date on this letter.

Your statement is attached. Payment can be made through the SCOPAY system, or if necessary, by cash. If you cannot access the SCOPAY system please contact the school office and we will be able to guide you.

Please note that you will be required to pay in advance for all future paid-for services.

Should you be facing difficult circumstances, I urge you to contact me to discuss them so that we can make mutually suitable arrangements for the settlement of this debt.

Kind regards,
Mrs Liz Hindley
Headteacher