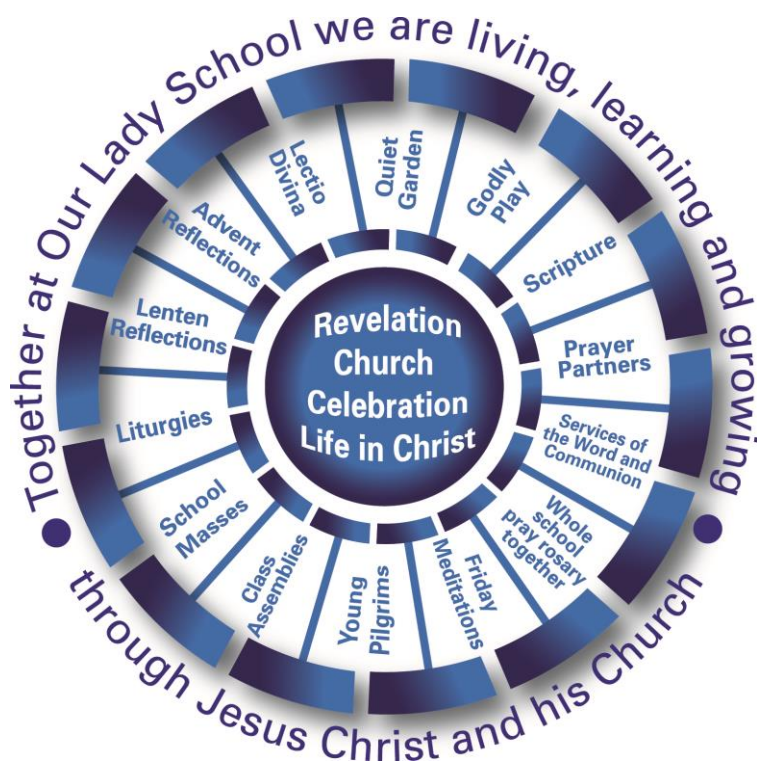




# Our Lady Catholic Primary School

## *Debt Recovery Policy*



The Diocese of Westminster Academy Trust  
A Catholic Academy

**February 2021**

## Contents

1. Introduction .....	2
2. Procedures .....	2
3. Reminder Letters.....	3
4. Negotiation of repayment terms .....	3
5. Costs of debt recovery .....	3
6. Reporting of outstanding debt levels .....	4

## 1. Introduction

Our Lady Catholic 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.

Our Lady Catholic Primary School's debt recovery policy will observe the relevant financial regulations and guidance. The Governing Body will not write-off any debt belonging to the school which exceeds £500. A formal record of any debts written off will be maintained and this will be retained for 7 years

## 2. Procedures

**School staff are expected to follow 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. child, parent, 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 paid by, etc.

The Headteacher should determine what the reasonable 'credit period' is if this is not otherwise specified.

### **3. Reminder Letters**

Initial reminders may be informal and made either in person (when a parent comes to collect/drop off the child) or by telephone. Normally, the admin assistant will undertake this having built up a good relationship with the parents.

#### **First reminder letter**

A formal reminder letter should be issued after four weeks from any informal reminder / the date of supply.

#### **Second reminder letter**

A second reminder letter will be issued in two weeks 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**

At the discretion of the Operations committee the debtor may 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.

### **4. 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. A record of all such agreements will be kept. A letter will be issued to the debtor confirming the agreed terms (unless this not judged necessary). The settlement period should be the shortest that is judged reasonable.

The Operations committee 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.

### **5. Costs of debt recovery**

Where the school incurs material additional costs in recovering a debt then the Operations committee 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.

## **6. Reporting of outstanding debt levels**

The Finance Administrator will ensure that the level of outstanding debt over £30 for school meals is known / can be determined at any time.

The Operations committee will review the level of outstanding debts as necessary and decide whether action to recover debts is effective.