



Bramley Church of England Primary School

# Bad Debt Policy

APPROVED AND ADOPTED

Reviewed by: Glen Golding

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## **1 INTRODUCTION**

1.1 The Governing Body is responsible for ensuring that procedures are in place for the recovery of any outstanding debt.

1.2 This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

1.3 At all times the Executive Headteacher and Governing Body will make decisions based on the schools values of Compassion, Friendship & Respect which may at times require adjustments to the procedures outlined below.

## **2 Procedures for highlighting and recovering debt**

2.1 Payment should be obtained as and when goods/services/facilities are provided wherever possible; in particular where the value of goods and services is relatively small, i.e. less than £100.

2.2 Where payment is not received at the time when the goods/services/facilities are booked or delivered an invoice must be raised as soon as possible, but normally within 7 days of the goods/services/facilities being provided.

2.3 Invoices should state that the bill is due and payable at the invoice date.

2.4 If no payment is received within 14 days from date of issue of the invoice a final reminder should be issued to the debtor. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

2.5 Where only part of the debt has been settled a final reminder for the balance outstanding should be issued 21 days from the issue of the invoice. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

2.6 Where a debtor requests permission to settle the debt by instalments and extend the normal terms and conditions of supply they must submit an application in writing explaining the reasons for their inability to meet the original contract terms to the Inclusion Leader. The Inclusion Leader will then advise the Headteacher and Chair of Finance Committee in order to agree the revised terms, which must not exceed 49 days from the date of issue of the invoice. If the debt is not settled within the terms set by the Headteacher and Chair of Finance then a final reminder should be issued to the debtor. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

2.7 At each meeting of the Governing Body/Finance Committee, the Headteacher is required to inform the Governors of any debt which is still outstanding after the 14 day period following the final reminder, together with any proposed action: This may be a referral to solicitors for legal action, a debt collection agency or to write-off the debt if there is no realistic prospect of debt recovery being successful, or if further action is not cost-effective.

2.8 Outstanding debt of up to £50 may be written-off by the Headteacher provided that the appropriate follow-up action outlined above has been taken and the details of the debtor, amount written-off and the reason for no further action being taken is reported to the Finance Committee for information at their next meeting.

2.9 Write-off of outstanding debt in excess of £50 must be approved by the Finance Committee following submission of details of the debt by the Headteacher together with reasons for no further action being taken.

2.10 A write-off must not be communicated to the debtor. It is not an acknowledgement that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.

2.11 Individuals or organisations that have previously defaulted on payments to the school are not allowed credit facilities.

2.12 Where a debtor's payments are regularly or consistently paid outside the terms of supply the Headteacher must consider withdrawal of credit facilities and request the individual/organisation to pay for goods/services/facilities at the time they are consumed.

### **3 The Schools Position on Bad Debt involving Meals and extended services**

The school meals and Breakfast Club service is no different to any other business and services have to be paid for. Parents/carers should be able to relate to the situation that they cannot take their child to a restaurant or a child minder and expect to not pay; the same applies at school. These services are not funded by the school but the responsibility of parents to provide for their children.

#### **School Meals**

3.1 Schools meals can be ordered on line or in school. Payment can be made by cash or cheque to the school office or by using our online payment system. Parents are strongly encouraged to pay for the children's meals in advance by crediting their account, or at the very least, clearing their debt weekly.

3.2 If a dinner debt exceeds £15 pounds a letter will be issued requesting that the debt on the account is cleared. Failure to clear the debt in 14 days will lead to the school refusing to provide school meals until the debt has been recovered. During this time, if a parent fails to provide a packed Lunch then the school would contact Children Services and report the parents for neglect.

#### **Breakfast/After School Club**

3.3 All parents are requested to book sessions for the half term in advance.

3.4 During the 4<sup>th</sup> Week of the half term invoices are issued for that whole half term, paying in arrears for sessions already attended and in advance for outstanding bookings.

3.5 All payments are expected within 14 days of the invoice being issued.

3.6 If no payment is received within 14 days from date of issue of the invoice a final reminder should be issued to the debtor. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder. In addition to legal action being taken access to the breakfast/afterschool service will be denied.

3.7 If a parent requests to make the repayment in instalments a written request must be made which will be considered by the EHT/EHOS for debts less than £100 and with the Chair of the Finance Committee for debts exceeding £100

## **Conclusion**

We hope that by implementing this debt policy we are able to help parents/carers manage their school debts effectively, reduce administration time and costs involved chasing debts and at the same time ensure that school budgets are used correctly for the education of its pupils.

## **Appendices**

- Final Reminder letter for outstanding debt
- Letter informing that legal action is being taken and that services are being withdrawn
- Request for staged repayments of debts.
- Bad Debt report template for Governors