



# **Greenway Primary & Nursery School**

## **Debt Recovery Policy**

**Date of approval: 10 July 2024**

**Date of Review: Summer term 2025**

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## 1. Aims and Objectives

Greenway Primary & Nursery School ('the school') will take all reasonable measures to recover debts vigorously 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.

## 2. Legislation and Guidance

The school's Debt Recovery Policy ('the policy') will observe the relevant financial regulations and guidance set out in the Hertfordshire County Council ('HCC') Financial Handbook for Schools and any other legal requirements.

## 3. Roles and Responsibilities

### HCC Officers

- The HCC County Secretary will consider taking legal or other action to recover the debt;
- Any bad debt >£500 proposed for write off will be referred to the HCC Director of Children Schools and Families for approval and the formal agreement of the HCC Finance Director obtained before writing-off.

### The Governing Body will:

- Review this policy annually;
- Approve write-off of any debt belonging to the school >£200 to up to £500. If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount.
- Decide if debt recovery costs will be passed onto the debtor
- Approve repeated extended credit periods/ settlement terms;

### Headteacher will:

- Write-off of any debt up to £200 requires the written approval of the Headteacher
- 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';
- Decide whether any debtor who has been granted extended settlement terms will be offered any further 'credit' and will be required to pay in advance in future;
- Report to the Governing Body termly on any bad debts.

### School Staff will:

- Record all goods or services supplied where payment is not received in advance or 'at the point of sale';
- Where invoices are raised these should state the date by which payment is due.
- In all other cases correspondence with parents/carers, etc. should indicate the maximum period that the school regards as reasonable before payment is overdue, e.g. dates that contributions for a school trip should be received by or dates for payment for items purchased should be sent to the school office, etc;
- Follow the process outlined in section 4 to secure the collection of all debts;

- Maintain a formal record of any debts written off and retain records for 7 years;
- Refer any debts which it has not been able to collect to the HCC County Secretary to consider taking legal or other action to recover the debt;
- Collect any debts from non-payment of dinner money and be liable for any losses from non-payment.

## **4. Debt Collection Process**

### **Initial reminders**

Initial reminders may be informal and made either in person (when a parent comes to collect/drop off the child) or by text or telephone by the office staff. Reminder texts will be sent as and when necessary. With regard to school dinner debts, a text or phone call would be sent after a number of reminders advising that non-payment by a specified date would mean that their child was no longer able to have school dinners. A similar process would be followed for debts for 30 hours and WACCY whereby non-payment by a specified date would result in a child no longer being able to attend afternoon nursery or WACCY sessions.

### **First reminder letter**

Should texts and/or telephone conversations be unsuccessful in achieving payment of the debt, then a formal reminder letter will be issued.

### **Second reminder letter**

A second reminder letter will be issued 2 weeks after the first reminder letter. Copies of letters issued will be kept on file as formal written evidence should a debt need to be taken beyond two reminder letters.

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

If no response is received from the reminder letters issued, a letter will be sent to the debtor advising them that the matter will be referred to the HCC County Secretary's Department, Legal and Administration.

At the discretion of the Headteacher 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.

### **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 is not judged necessary). The settlement period should be the shortest that is judged reasonable.

### **Costs of debt recovery**

Where the school incurs material additional costs in recovering a debt then the Governing Body 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 Office Manager will ensure that the level of outstanding debt is known / can be determined at any time.

The Headteacher will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

### **Bad debts**

The appropriate level of sign off will be applied as per the Roles and Responsibilities section 3.

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 HCC 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).