



**THOMAS ALLEYNES HIGH SCHOOL
UTTOXETER**

Debt Recovery Policy

This policy is reviewed annually to ensure compliance with current regulations

Approved/reviewed by	
Managing and Resources Committee 30 th September 2019	
Date of next review	September 2020

General requirements

The 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.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Financial Handbook for Academies and any other legal requirements. In particular:

- the Local Governing Board will not write-off any debt belonging to the school which exceeds £500. Any sums above this will be referred to the Chief Finance Officer (CFO) of the Uttoxeter Learning Trust for approval. (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 form of this record is specified below).
- 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 MAT to consider.
- the school will NOT write-off any debt belonging to the MAT or another party, e.g. debts for school meals. If in doubt as to the appropriate action to collect any such debts the school will seek advice promptly from the CFO.

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 sent to the school office by, etc.

The Head teacher 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 may be informal and made either in person or by telephone.

First reminder letter

A formal reminder letter should be issued after 2 weeks from any informal reminder / the date of supply. *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 in 2 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

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 CFO.

At the discretion of the Local Governing Board / Managing and Resources Committee / Head teacher / etc. 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 Business and Operations Manager/ Head teacher/Local Governing Board. A record of all such agreements will be kept. A letter will be issued to the debtor confirming the agreed terms (unless this judged unnecessary). The settlement period should be the shortest that is judged reasonable.

The Head teacher / Local Governing Board 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 material additional costs in recovering a debt then the Local Governing Board / Headteacher / etc. 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 Business and Operations Manager will ensure that the level of outstanding debt is known and can be determined at any time.

The Business and Operations Manager 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 school's debt recovery policy will be cross-referenced to the Financial Regulations Policy.

Write-off of any debt requires the written approval of the Local Governing Board up to a maximum of £500.

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 MAT 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).