



Debt Recovery Policy



DEBT RECOVERY POLICY

FOR DINNER/TUCK MONEY

Introduction

Swanlea School is a cashless school, with parents making payments for dinner/tuck money on-line via 'ipayimpact' We also accept card payments through the SumUp system over the phone and in person.. However, we will not allow a child to go without a dinner if they have insufficient money on their account. In these instances, the following steps are followed:

1 Step One – Weekly Account Check

Once a week, a report is run to indicate if any accounts are in deficit.

2 Step Two – Phone Call

- A phone call is made home to the parents to advise that the student's card is in deficit.

3 Step Three – Initial Reminder

- A reminder phone call is made home to the parents to advise that the student's card is still in deficit.

4 Step Four - Referral to AWA/Safeguarding Lead

- A Referral is made to the AWA/Safeguarding Lead to investigate if there are any underlying reasons for parents being unable to pay.

5 Step Five – Reminder Letters

- If the AWA/Safeguarding Lead determines that there is NO reason for the parent being unable to pay, then a formal reminder letter is sent to the debtor.

6 Step Six – Letter from the Head

- If no response is received from the reminders the debt will be referred to the Headteacher who will write to the debtor. This letter will advise that should the school not hear from the debtor the matter will be passed to the Governors for debt recovery and this may result in legal action.

7 Step Seven – Notice of Intention

- If no response is received from the Head's letter a notice of intention will be issued advising the debtor that matter is being handed to legal advisors for further action.

8 Legal Action

- If a debtor does not respond to any of the steps above, then the Financial and General Purpose Committee of the Governing Body should consider each debt with a view to passing it to legal advisors for further action.
- If appropriate the debt will be dealt with in a small claims court.

7 Bad Debts

The school must also consider if a debt should be written off. The decision must be made based on the value of the outstanding debt, and other background information given by the school and the debtor. Authority to write of a debt is given as follows:

- *Authority to: Write off value*
- Deputy Head (Safeguarding) up to £250
- School Business Manager up to £250
- Head up to £500
- Finance and General Purposes Committee over £500



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FOR LETTINGS/OTHER INVOICES

Introduction

Swanlea School uses the finance system to generate invoices electronically for income generation. This is usually for the following:

1. Lettings income for the use of school premises
2. Looked after children (LAC) income from other local authorities
3. Teacher cover costs charged to schools
4. Reimbursement of uniform costs from LBTH (hardship cases)
5. Recharge to schools for services provided (e.g. cluster training)
6. Other occasional income

This policy outlines the procedures to follow in order to ensure the invoice is paid, and if not, that debt recovery is attempted appropriately.

1 Step one – Invoicing

- All invoices are automatically numbered in sequential order within the finance system and issued electronically via email by the Finance Manager.
- All invoices are sent out as soon as they are raised. An electronic copy of all invoices are kept in the shared finance drive (T:\Admin\Finance\SAGE\Sage Invoices) and filed with the income once the income has been received and transaction reconciled (bank reconciliation).

2 Step two – Initial Reminder

- A reminder email is sent to the debtor(s). If there is no response, then a phone call is made to notify of its outstanding balance.

3 Step three – Reminder Letter(s)

- A formal reminder letter is sent to the debtor. A copy of the letter is kept on file. Please refer to appendix A.

4 Step four – Letter from the Head

- If no response is received from the reminders the debt will be referred to the Headteacher who will write to the debtor. This letter will advise that should the school not hear from the debtor the matter will be passed to the Governors for debt recovery and this may result in legal action.

5 Step five – Notice of Intention

- If no response is received from the Head's letter a notice of intention will be issued advising the debtor that matter is being handed to legal advisors for further action.

6 Legal Action

- If a debtor does not respond to any of the steps above, then the Finance and Premises Sub Committee of the Governing Body should consider each debt with a view to passing it to legal advisors for further action.
- If appropriate the debt will be dealt with in a small claims court.

7 Bad Debts

The school must also consider if a debt should be written off. The decision must be made based on the value of the outstanding debt, and other background information given by the school and the debtor. Authority to write off a debt is given as follows:

- *Authority to: Write off value*
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APPENDIX A – SCHEDULE OF STEPS

STEPS	LETTINGS AND ALL OTHER INVOICES
INITIAL LETTER / INVOICE	Lettings invoices are raised prior to the letting request. Block bookings are grouped together monthly and invoiced a month before. All other invoices are raised prior to the service or activity.
DUE DATE	Lettings invoices are due prior to commencement. All other invoices are due at the end of the next month.
STATEMENT	On the due date.
REMINDER LETTER	2 weeks after the due date with a statement.
FORMAL LETTER	4 weeks after the due date from the School Business Manager (SBM).
HEAD TEACHER'S LETTER	6 weeks after the due date.
NOTICE OF INTENTION	2 weeks after the head's letter.