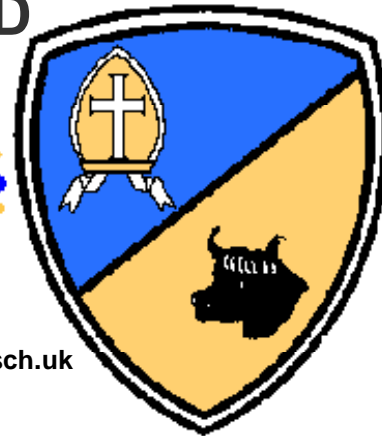


ST. LUKE'S CHURCH OF ENGLAND PRIMARY SCHOOL



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DEBT MANAGEMENT POLICY

Date of Policy: 2020

Review date: 2023

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.

2 POLICY

- 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 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 21 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. The Headteacher and Chair of Finance Committee will agree the revised terms, which must not exceed 49 days from the date of issue of the invoice. Where the debtor requests permission to settle by instalments for a pupil residential visit the settlement period must not exceed the end of the academic year in which the visit takes place. 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.
- 2.13 Where a parent has accumulated a debt for a number of items, such as dinners, music fees and snack then a letter should be sent to inform them that the cumulative amount is payable. See appendix 4.

3 POLICY – SCHOOL MEALS

- 3.1 Payment for school meals should be made weekly in advance via the school's chosen on-line payment provider. This would normally be the Monday of the week for which the meals are being paid for.
- 3.2 Any arrears of dinner money that arise must be pursued by the school on a weekly basis.
- 3.3 If payment is not received, a reminder letter should be issued to the parent on the first day of non-payment, requesting payment on the following day. This letter will advise the parent that if the debt remains unpaid the school will refuse to provide a school meal and request contact with the school to discuss any problems in making the outstanding payment. See Appendix 1.
- 3.4 If dinner monies remain outstanding at the beginning of the second week a second reminder will be issued and a member of school staff will attempt to contact the parent to discuss the debt. See Appendix 2.
- 3.5 If dinner monies remain outstanding at the beginning of the third week 'final warning' letter must be issued to the parent. This letter will remind the parent of the previous reminder letter and the current amount outstanding. The letter will also inform the parent that if the debt is not settled the child will need to be provided with a healthy packed lunch. See Appendix 3.
- 3.6 If dinner monies remain outstanding at the beginning of the fourth week a 'notification of withdrawal of school meals' letter must be issued to the parent. This letter will give the parent a final opportunity to clear the outstanding debt. The letter will inform the parent that the child will not be provided with a meal with effect from the following Monday if the debt is not cleared in full and requesting that the parent makes alternative arrangements.

- 3.7 This debt management policy in respect of dinner monies includes the refusal to provide a school meal when the parent has not paid or made contact with the school and payment has been outstanding for 4 weeks. This policy is intended to keep debts to a minimum and thereby avoid the cost of a referral to solicitors for legal action or debt collection agency, or to write-off the debt if there is no realistic prospect of debt recovery being successful. This course of action would not be cost-effective with the amounts concerned.
- 3.8 Arrangements can be made to clear any dinner money debt by instalments, however the amount should be acceptable to both the school and the parents and must be in addition to the cost of school meals taken by a child. Where an arrangement to pay by instalments is agreed, a signed agreement must be completed, and a payment card will be issued. All meals must be paid for in advance, independent of the instalment agreement. Where payment is not received in advance parents will be contacted and asked to provide a packed lunch. See appendix 5.
- 3.9 At each meeting of the Governing Body/Finance Committee, the Headteacher is required to inform the Governors of any outstanding dinner money debt.
- 3.10 Outstanding individual school meals 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.
- 3.11 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.
- 3.12 A write-off must not be communicated to the parent. 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.

4 SCHOOL SNACK

- 4.1 School snack is payable half termly, in advance, via the school's chosen on-line payment provider.
- 4.2 Where snack is not paid by the second Thursday of each half term a reminder by text will be sent to parents informing them that if payment is not paid by 09:00am on the following Monday, snack will be stopped for their child. Parents will remain liable for the proportion of snack that their child has received.
- 4.3 Where snack is stopped prior to payment, the full cost is still chargeable. No refund will be given in respect of snack stopped for non-payment reasons.



Appendix 1

1st Reminder

Date _____

Dear Parent or carer of _____

Our records show that you have an outstanding debt for school meals for your child

_____ Class: _____

As at ___/___/___ your account is showing a debt of £_____

Please arrange for this money to be paid immediately by logging into your Lunch Shop account. Once the debt is cleared please ensure the account is always in credit.

The cost of a school meal is £2.25 per day - £11.25 per week.

If you have any queries regarding these arrears, please contact the school office immediately.

Yours sincerely,

Mr S Hardaker
Headteacher

Appendix 2

2nd Reminder

Date _____

Parent or carer of

Our records show that you have an outstanding debt for school meals taken by your child _____ Class: _____

Despite a previous written reminder, as at ___/___/___ your account is showing a debt of £ _____

Please arrange for this money to be paid immediately by logging in to your Lunch Shop account.

The cost of a school meal is £2.25 per day - £11.25 per week.

Since non-payment for school meals affects the quality of service we offer to the children, we need to ensure that all payments are up-to-date and I am afraid that if the debt is not cleared by ___/___/___ it will not be possible to provide your child with a school meal. You will need to make your own arrangements for your child's lunch.

The school reserves the right to begin legal proceedings to recover the debt and to inform social services of our concerns that you are not providing a meal for your child at lunch time.

If you have any queries regarding these arrears, please contact the school office immediately.

Yours sincerely,

Mr S Hardaker
Headteacher

Appendix 3

3rd and final reminder

Date _____

Dear Parent or carer of: _____

Our records show that despite two previous reminders you have not paid dinner money for your child _____ Class: _____ As at ___/___/___ your account is showing a debt of £ _____

In accordance with our school meal's policy, your child will not be provided with school dinners as of ___/___/___ until the debt is settled.

Please ensure you have made sufficient provision for your child's lunch as is your legal responsibility. Once the debt has been cleared your child is welcome to resume school meals with payment in advance.

Please either clear your debt by logging into your Parent Pay account or, if you are experiencing financial difficulty, contact school to discuss your outstanding debt (reminders of activation codes are available on request). Failure to do so will result in the activation of the school's debt management recovery procedure and your debt will be referred to Wigan Council for recovery.

Yours sincerely,

Mr S Hardaker
Headteacher

Appendix 4

REMINDER OF ACCUMULATED DEBT

Date _____

Dear Parent or carer of _____ Class: _____

Our records show that you have an outstanding debts with school, as listed below:

Detail of debt	Amount
Total debt to school	

As at ___/___/___ your account is showing a debt of £_____

Please arrange for this money to be paid immediately by logging into your Lunch Shop account and adding the outstanding items to your basket before paying. Once the debt is cleared please ensure the account is always in credit.

Non-payment of charges for school meals, music, school snack and other extra-curricular activities will result in the services being withdrawn but the debt will remain.

If you have any queries regarding these arrears, or you are experiencing any difficulties in paying, please contact the school office immediately.

Yours sincerely,

Mr S Hardaker
Headteacher

Appendix 6 debts other than school meals

1st Reminder

Date _____

Dear Parent or carer of _____

Our records show that you have an outstanding debt for _____ for your
child _____ Class: _____

As at ___/___/___ your account is showing a debt of £_____

for the period/s _____

Please arrange for this money to be paid immediately by logging into your Lunch Shop account. Once the debt is cleared please ensure the account is always showing a zero balance or in credit.

If you have any queries regarding these arrears, please contact the school office immediately.

Yours sincerely,

Mr S Hardaker
Headteacher

Appendix 7 debts other than school meals

2nd Reminder

Date _____

Parent or carer of _____

Our records show that you have an outstanding debt for _____

taken by your child _____ Class: _____

Despite a previous written reminder, as at ___/___/___ your account is showing a debt of
£ _____

Please arrange for this money to be paid immediately by logging in to your Lunch Shop
account.

Since non-payment affects the quality of service we offer to all the children, we need to
ensure that all payments are up-to-date and I am afraid that if the debt is not cleared by
___/___/___ it will not be possible to provide your child with
_____ from ___/___/___.

The school reserves the right to begin legal proceedings to recover the debt and to inform
social services of our concerns where appropriate.

If you have any queries regarding these arrears, please contact the school office
immediately.

Yours sincerely,

Mr S Hardaker
Headteacher

Appendix 8 debts other than school meals

3rd and final reminder

Date _____

Dear Parent or carer of: _____

Our records show that despite two previous reminders you have not paid for

_____ taken by your child _____ in Class: _____

As at ___/___/___ your account is showing a debt of £_____

As outlined in our previous letter your child will not be provided with _____ from ___/___/___, until the debt is cleared.

Once the debt has been cleared your child is welcome to resume _____ with payment in advance.

Please either clear your debt by logging into your Lunch Shop account or, if you are experiencing financial difficulty, contact school to discuss your outstanding debt and a plan to clear the debt (reminders of activation codes are available on request). Failure to do so will result in the activation of the school's debt management recovery procedure and your debt will be referred to Wigan Council for recovery.

Yours sincerely,

Mr S Hardaker
Headteacher