

The Federation of St John's & St Paul's Whitechapel CE Primary Schools

DEBT RECOVERY POLICY

Purpose

The services provided by school are no different to those provided by any other business and school meals and other services must be paid for. If debts are incurred, then the school budget has to pay for them. This means that money which should be spent on the children's education is used to pay for debts incurred by parents and therefore effective management of debt is important to the success of any school. The Headteacher and Governors of the Federation of St John's and St Paul's CE Primary Schools have a duty to ensure that procedures are in place for the collection of income, monitoring of debt, the recovery of any outstanding debt and the write-off of any debt which is deemed to be irrecoverable. This policy sets out the procedures to comply with that obligation.

This policy will also help provide parents and carers with clarity of what is expected with regard to paying for services provided by the school and the procedure the school will adhere to should parents/carers fall behind with payments owed.

Parents/ carers will be made aware of this policy by:

- An initial letter being sent to parents;
- A letter in the application pack to parents (Appendix A);
- Being mentioned in the school's newsletter;
- Being on the school website.

General Principles

The School will ensure that:

- all parents/ carers are aware that all chargeable services must be paid for in advance
- all parents/ carers understand the eligibility for Free School Meals (FSM) and are given the information on how to apply for this.
- those children who qualify for FSM are recorded as such on RM Integris.
- there is a professional, consistent and efficient approach to debt collection.
- it will effectively pursue all debts owed to the school ensuring that those with the means to pay do pay.
- it will consider fully the debtor's circumstances and ability to pay and so distinguish between the debtor who won't pay and the debtor who genuinely can't pay.
- the privacy of the family involved will be respected and the circumstances pertaining to debt will only be made known to those who need to know.
- it will treat the individual consistently and fairly, regardless of age, sex, gender, disability and sexual orientation and will ensure that the individuals' right under Data Protection and Human Rights legislation are protected.

Process

Income is recorded each day by the school office. Each week payments received will be analysed against monies owed to ascertain levels of debt.

1. Initial 'overdue payment' reminder

An initial reminder will be made by sending a text message to the parent/ guardian, reminding them of the full outstanding amount and to pay in advance. Before the text is sent the following checks will be made:

- is this a FSM child?
- are all dates correct?
- is there a possibility that payments have not been credited?
- does this person normally pay on time, is this just a one off?

2. Second 'overdue payment' reminder

If the arrears are not settled within 5 school days from the date of the text, the parent/guardian will receive another reminder text from the school, asking them to pay all outstanding arrears within one school day after receipt of the text.

3. Third overdue payment' reminder

If the arrears persist for more than 10 school days from first text and exceed £20.00, and the issue has not been resolved through a telephone call, a final letter is sent to the parent/

guardian. If the debt relates to school lunch, then the parent will be told to repay in full or provide the child with a packed lunch until the debt is repaid.

Situations of Hardship

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. However, if it is ascertained that the parent is genuinely struggling to repay in full, the school will consider implementing a repayment plan or in exceptional circumstances cancelling the debt completely.

The School will take the following factors into account:

- Hardship – where paying the debt would cause financial hardship.
- Ill health – where our recovery action might cause further ill-health.
- Time – where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.
- Cost – where the value of the debt is less than the cost of recovering it.
- Multiple debt – where someone owes more than one debt to the School. In this situation an attempt to agree one repayment plan to include all debts will be established.

Repayment terms may be negotiated at the discretion of the Headteacher and a record of all such agreements entered into will be retained. In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment. The settlement period should be the shortest that is judged reasonable.

Managing Bad Debt

At each meeting of the Finance, Premises and Personnel Committee (FPP), the Headteacher is required to inform governors of any debt which is still outstanding after the final reminder, together with any proposed action. Such action may include:

- to write-off the debt if there is no realistic prospect of debt recovery being successful, or if further action is not cost-effective.
- a referral to solicitors for legal action
- a debt collection agency

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 FPP for information at their next meeting.

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

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.

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

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 that the individual/ organisation pay for goods/ services/ facilities at the time they are consumed.

Policy	Federation Debt Recovery Policy - 2020
Draft Completed	July 2020
Agreed by Governing Body	1 st October 2020
Review Date	July 2023

Appendix A - Families new to the School

Dear Parents/ Carers,

School Meals Nursery

This letter is to advise you about school meals at XXXXXX School.

School meals are available for all children attending our school, although you may provide a packed lunch for your child if you wish.

We offer a healthy menu (with halal and vegetarian options) which is on a rolling 2 week cycle and is changed in April and October. The menu is devised in accordance with healthy nutritional standards which the school actively promotes.

The cost for meals currently is £2.00 a day (£10.00 per week) and must be paid for in advance by cash or cheque at the school office; there is no limit on the number of weeks you can pay for in advance. Receipts are given for all payments. Any changes to the cost of school meals will be published in the school newsletter and sent out by text message.

If you are in receipt of the following benefits, your child may be eligible for free school meals:

- Income Support
- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- support under Part VI of the Immigration and Asylum Act 1999
- the guaranteed element of Pension Credit
- Child Tax Credit (provided you're not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190)
- Working Tax Credit run-on - paid for 4 weeks after you stop qualifying for Working Tax Credit
- Universal Credit - if you apply on or after 1 April 2018 your household income must be less than £7,400 a year (after tax and not including any benefits you get)

If you would like to apply for free school meals please contact the school office for the application form.

Yours faithfully,

Federation Business Manager

Appendix B – If no payment has been received after text messages

Dear

Re: School Meal Payments for (pupil's name)

Further to my texts we still have not received any payment for xxxxxxx 's school meals this term. To date your account stands at £xxx .

As your debt has been outstanding for more than 10 days, we now require you to make immediate payment. If you are unable to clear this debt by the end of the week please provide your child with packed lunches until your account has been settled.

Should you not provide your child with a packed lunch the School may inform the Local Authority that you are neglecting your responsibility of care by not providing food for your child(ren) at lunchtime.

If you are having difficulties paying, please make an appointment to see me so we can arrange a payment plan.

Yours sincerely

Federation Business Manager