**Leading Learners**

**Multi Academy Trust**



**Debt Recovery Policy**

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| **Approved by:** | Trust Board | Date: 9th May 2022 |
| **Last reviewed on:** | 9th June 2025 by Finance and Resources Committee | |
| **Next review due by:** | 9th June 2028 | |

## General requirements

Leading Learners Multi Academy Trust is a custodian of public money and has a duty towards the tax payer in regard to management of funds. Whilst the Trust is aware of this responsibility, we remain mindful of the equally important responsibility towards the families of children who attend the schools. We always seek to support parents/carers and signpost them to appropriate organisations to gain advice and help in numerous situations including debt management.

The Trust’s debt recovery policy will observe the relevant financial regulations and guidance set out in the **Academy Trust Handbook** and any other legal requirements. In particular:

* + The formal agreement of the Chief Financial Officer (CFO) will be obtained before a debt exceeding £1,000 is written off. (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).
  + Debts greater than £10,000 can only be written off by the by the CFO.
  + A formal record of any debts above £1,000 written off will be maintained and this will be retained for 7 years.
  + The Trust may consider legal action to recover any debts that it has not been able to collect (unless a decision to write-off the debt is deemed a reasonable course of action).

## Acceptable ‘credit period’

## Invoices

In general payment for all goods and services supplied by the School should be collected in advance or at least within **30 days upon receipt of an invoice**.

## Breakfast and After School Clubs

As per the agreement and offer letter signed by the parent/carer, we recommend that payment is made a minimum of one week in advance and a credit balance is maintained at all times. Payment is required for all days booked even if the child does not attend, the exceptions being when school is closed. Should the child no longer require a place the parent/carer is to advise the School office at least one week in advance, otherwise the parent/carer is still liable for charges. Should the parent/carer fall into arrears, the club will temporarily withdraw the child’s place.

## School lunch

We recommend that payment is made a minimum of one week in advance and a credit balance is maintained at all times.

Should the account fall into arrears, the Office Manager will contact the parent/carer to remind them of the overdue payment and agree a payment plan and timeframe to clear the outstanding debt.

If the arrears are not cleared within the existing time frame, a meeting will be arranged with the Parent/Carer and Headteacher to discuss what further support can be offered to help clear the outstanding debt.

## Reporting of outstanding debt levels

The Headteacher/Office Manager will ensure that the level of outstanding debit is regularly monitored. Suitable records will be maintained to detail individual debts and the total value of debt to the school.

## Debt Recovery Procedures for Breakfast/Before/After School Clubs

Where payment from the parent/carer has not been received within the above acceptable credit period the following process should be applied.

### First ‘overdue payment’ reminder letter

An initial reminder letter will be sent home on Monday, requesting the account be brought up to date within 48 hours and warning the parent/carer that their child’s access the club may temporarily be withdrawn until the debt is paid.

### Second ‘overdue payment’ reminder letter

If full payment is not received by the Wednesday, letter two will be sent home advising the parent/carer that their child’s breakfast/before/after school club place has been temporarily withdrawn. An immediate payment must be made or a repayment plan must be agreed by the Headteacher/Office Manager by the end of the next school day. A The office manager will make a follow up phone call to the parent/carer to advise them to make alternative arrangements for breakfast/before/afterschool club care.

**Third (FINAL) ‘overdue payment’ reminder letter**

If by the end of the week, the parent/carer has failed to make a payment or agree to a payment plan, Letter 3 will be sent home informing the parent/carer that this is a Final reminder and payment must be received immediately otherwise legal action may be taken.

**Debt Recovery Process**

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| --- | --- |
| **Monday – Check all debts** | Letter to go out to all parents with arrears giving them 48 hours to bring their account up to date |
| **Wednesday – Check all remaining debts** | Letter 2 goes out to all parents/carers still in arrears. This should be followed by phone call advising them that their child’s before & after school club place has been temporarily withdrawn until payment has been received. |
| **Friday - check debt**  **account** | Letter 3 goes out to all  parents still in arrears |

## Negotiation of Repayment Terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the initial ‘overdue payment’ reminder.

## However, if people are unable to pay;

The School may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account:

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| 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. |

If a debtor requests for ‘repayment terms’ these may be negotiated at the discretion of the Headteacher/School Office Manager. 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. The Headteacher/School Office Manager will decide whether any debtor who has been granted extended settlement terms will not be offered any further ‘credit’ and in future will be required to pay in advance.

## Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the CFO will decide whether to seek to recover such costs from the debtor.

The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt. This decision and its basis will be recorded and reported to the Board of Trustees.

**6. Monitoring and Evaluation**

Staff and Trustees will review this policy on a three yearly basis, unless circumstances demand an earlier review.

**Appendix 1**

Parent Carer of \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

10th June 2021

Dear \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

**Re: Re-Payment Agreement**

Following our conversation regarding the outstanding debt for before and after school club/school lunch payments, please find below repayment schedule in order to clear your account.

Balance outstanding – £60.00

Week 1 – 01/05/2020 - £15.00

Week 2 – 08/05/2020 - £15.00

Week 3 – 15/05/2020 - £15.00

Week 4 – 22/05/2020 - £15.00

Please can you sign and return a copy of this letter to the school office, acknowledging your agreement to the proposed repayment schedule.

Until the outstanding debt is cleared, your child will not be able to attend before or after school club/ will not receive a school meal

If you need to discuss this matter further, please do not hesitate to contact me on the above number.

Yours sincerely

Finance Officer

**Appendix 2 – Debt Recovery – Letter 1**

Parent Carer of \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

10th June 2021

Dear \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

**RE: Arrears for Before/After School Club / School Lunches**

I am writing to remind you that according to our records, you have arrears on your child’s Before school/ after school club / School lunch account. In order for your child to continue to attend the before and after school cub / receive a school meal, it is important to keep your account in credit.

Our records show that the amount you currently owe is £\*\*.\*\*

Please arrange for this to be paid by the (insert date). Payment can be made using the school’s online payment system / paid at the school office. Once the debt has been cleared, please ensure your account is always kept up to date and in credit.

Non-payment affects the quality of service we are able to offer to the children therefore we need to ensure that all payments are up-to-date. Once the debt is cleared please ensure that your account remains up to date and in credit.

If you have any queries regarding these arrears, or if you have difficulty making payment, please contact me at the School Office to discuss this further.

Yours sincerely

Finance Officer

**Appendix 3 – Debt Recovery - Letter 2**

Parent Carer of \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

10th June 2021

Dear \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

**RE: Arrears for Before/After School Club / School Lunches**

Our records show that despite our previous reminders, you have still not made payments on your child’s before/after school club / school meal account.

As a result, their before/after school club place / school lunch has now been suspended and you will need to make alternative arrangements. As of today’s date, your account is showing an outstanding balance of £00.00. Please arrange for this to be paid by the (insert date). Payment can be made using the school’s online payment system / paid at the school office.

If you are having problems making the payment, please contact me as soon as possible to discuss this otherwise nonpayment may result in Legal action.

Once the debt has been cleared, please ensure that your account remains up to date and in credit.

If you have any queries regarding these arrears, please contact me at the School Office to discuss.

Yours sincerely

Finance Officer

**Appendix 4 – Debt Recovery - Letter 3**

Parent Carer of \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

10th June 2021

Dear \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

**RE: Final Reminder - Arrears for Before/After School Club / School Lunches**

It has been brought to my attention that despite our previous reminders, there is still an outstanding balance on your child’s before/after school club / school meal account.

As of today’s date, your account is showing an outstanding balance of £00.00. Please arrange for this to be paid by the (insert date). Payment can be made using the school’s online payment system / paid at the school office.

After the above date, should your account be showing an outstanding balance or you have not contacted the school to arrange a payment plan, the schools Legal Team will be contacted to begin recovery proceedings.

Once the debt has been cleared, should you wish your child to resume before/after school club / school meals, please contact the school office to discuss this.

If you have any queries regarding these arrears, please do not hesitate to contact me.

Yours sincerely

Finance Officer

## Appendix 5

## Records of Debt Write Offs

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| --- | --- | --- | --- | --- | --- | --- |
| **Debtor Details** | **Details of Debt Owing** | **Amount Owing** | **Reason for Write Off** | **Authorisation of Write Off** | | |
| **Name** | **Signature** | **Date** |
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