

SACRED HEART CATHOLIC PRIMARY SCHOOL HINDLEY GREEN

Grow in the spirit of love and learning



DEBT MANAGEMENT POLICY

Reviewed and agreed
March 2018
Agreed by school Governors
To be reviewed March 2020

DEBT MANAGEMENT POLICY

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 – GENERAL DEBT RECOVERY

- 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 Resource Committee will agree the revised terms, which must not exceed 49 days from the date of issue of the invoice. If the debt is not settled within the terms set by the Headteacher and Chair of Resource 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 Resource 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 actioned 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 Resource Committee for information at their next meeting.
- 2.9 Write-off of outstanding debt in excess of £50 must be approved by the Resource 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.

3 POLICY – SCHOOL MEALS

Sacred Heart Catholic Primary School has adopted a strict **NO DEBT** policy relating to the school meal service.

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. Every parent will agree that this is unacceptable and we request that all parents give this policy their full support.

No parent would take their child to McDonalds and expect them to be given food without paying; the same applies at school.

If parents believe that their children should qualify for Free School Meals allowance please contact the office for more details. This allowance is a statutory right and it is important that you use it if you qualify. We will help you all we can with your application.

Parent(s)/Guardian(s) must pay in advance for the school dinners.
This is payable on a Monday morning (or the first day of the school week if different).
The cost is currently £11.00 per week

Children will not be provided with a school lunch unless it is paid for, or your child is entitled to free school meals. If a parent genuinely forgets to pay in advance, the school may grant a debt allowance of 1 meal. However this debt must be paid on the next day and future meals must be paid for in advance before any meal is provided.

If the debt is not cleared, parents will be asked to take their child home or provide a packed lunch. In a case when a debt payment is not received nor a packed lunch provided, the office manager will phone the parent to ask them to come to school with the money or sandwiches.

If payment of the debt is not received by the next day, the Head teacher reserves the right to begin legal proceedings against parents to recover the debt. If a family continues to need additional support then a referral to education welfare or social care will be made on their behalf.

The procedure will be straightforward, fair and just for all families. A reminder letter will be sent out for payment but unpaid debts will not be allowed to carry on, there will be a time limit.

We hope that by implementing this debt policy we are able to help parents manage school dinner money better and at the same time ensure that all monies available are used to enhance our children's learning.

If any further details are needed please contact the school office for advice.

School Meals Debt policy implementation

Key Information

1. All parents are provided with a copy of the debt policy when their child joins the school.
 2. All school lunches must be paid for in advance
 3. No child should be sent to school without their dinner money and expect to be given a meal
 4. Parents who don't want their child to have a school lunch, should provide a healthy packed lunch or arrange to take them home for lunch
- A gentle Reminder letter will be sent to parent/guardian on the first day of non-payment of meals (See Appendix 1)
 - Letter A sent after 5 school days have passed without payment
(See Appendix 2)
 - Letter B sent after 10 school days have passed without payment –post first class (See Appendix 3). Where arrears are in excess of two weeks and no attempt has been made to reduce the arrears, parents/guardians should be informed that they must make alternative arrangements for their child's midday meal until the arrears are cleared.
 - If a parent/guardian makes arrangements to pay and the arrears reduce each week then there is no requirement to send the above letters. As long as the outstanding arrears are reducing, and future school meals are paid for in advance, school meals can continue to be provided
 - Copies should be kept of all letters sent