



# Debt Recovery Policy

## 2025

<b>Approved by:</b>	Resources Committee
<b>Date:</b>	18 <sup>th</sup> March 2025
<b>Review Date:</b>	March 2026

## 1. General Requirements

Holsworthy CofE Primary School will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Financial Handbook for Schools and any other legal Requirements. In particular:

- The Governing Body will not write-off any debt belonging to the school which exceeds £500. Any sums above this will be referred to the Director of Children Schools and Families for approval and the formal agreement of the County Council's Finance Director obtained before writing-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).
- A formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- The school will not initiate any legal action to recover debts, but will refer any debts which it has not been able to collect (unless a decision to write-off the debt is demonstrably a reasonable course of action) to the County Secretary to consider taking legal or other action to recover the debt.
- The school will NOT write-off any debt belonging to the County Council or another party, e.g., debts for school meals. If in doubt as to the appropriate action to collect any such debts the school will seek advice promptly from officers of the County Council.

## 2. School staff are expected to follow the following procedures to secure the collection of all debts:

- Recording of goods or services supplied where payment is not received in advance or 'at the point of sale'.
- A record will be kept of all such supplies that details what was supplied, the value, the date(s) and the identity of the 'debtor', e.g. child, parent, hirer, etc.
- Where invoices are raised these should state the date by which payment is due.
- In all other cases correspondence with parents, etc. should indicate the maximum period that the school regards as reasonable before payment is overdue, e.g. *contributions for a school trip should be received by, payment for items purchased should be sent to the school office by, etc.*
- The Headteachers should determine what the reasonable 'credit period' is if this is not otherwise specified, e.g. the governors may stipulate the maximum settlement period for school lettings in a separate 'premises hiring policy'.

### Initial reminders

Initial reminders may be informal and made either in person (when a parent comes to collect/drop off the child) or by text/email. Normally, the school office will undertake this having built up a good relationship with the parents.

### First reminder letter

A formal reminder letter should be issued after 2 weeks from any informal reminder / the date of supply. If action is to proceed further, it is necessary to prove that all reasonable

attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time that the debt first became overdue.

### **Second reminder letter**

A second reminder letter will be issued 2 weeks after the First reminder letter.

### **Using reminder letters**

*Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced. It is therefore important that two written reminders are sent. Details of all reminders, whether verbal or in writing, and any responses received - should be maintained. Where a letter is issued, a copy must be retained on file.*

## **3. Negotiation of Repayment Terms**

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

If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the Administrator in discussion with the Headteacher. A record of all such agreements will be kept in the form of a 'Payment Plan'.

A letter will be issued to the debtor confirming the agreed terms (unless this not judged necessary). The settlement period should be the shortest that is judged reasonable.

The Headteacher will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will be required to pay in advance in future.

## **4. Costs of Debt Recovery**

Where the school incurs material additional costs in recovering a debt then the Resources Committee will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded.

The debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

## **5. Reporting of Outstanding Debt Levels**

The School Administrator will ensure that the level of outstanding debt is known / can be determined at any time.

The Resources Committee will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

## **6. Bad Debts**

If all reasonable steps have been taken to recover the debt and there is no reasonable prospect for cost effective recovery, the limits below can be written off (as per the Schedule of Financial Delegation):

- Below £11 requires the approval of the Administrator.
- £10 to £50 requires approval of the Headteacher using their knowledge of circumstances and previous record of payment.
- The Resources Committee can write off a maximum of £500. Both the Resources Committee and the Headteacher will take into account previous history of payment and decide whether to write off the debt or refer the matter to County Hall (County Secretary's Department, Legal and Administration).
- Any debt above £500 will be referred to the appropriate officer for consideration/action without delay once the school has taken reasonable measures to collect the debt (i.e., has followed the reminder notification procedures set out above).

At the discretion of the Headteacher, the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them. This decision and its basis will be recorded.

A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

## **7. Debt limits**

### **School Meal Debts**

Reminder letters will be sent at £12 for 1 child, £24 for 2 children and £36 for 3 children. If debts remain to be unpaid (either in full or through the start of a payment plan), the second reminder letter will advise parents to send in a packed lunch from the following week and until the debt is cleared. A copy of this letter will be sent to the class teacher. If no packed lunch is sent in, the office will telephone home to request a home packed lunch. If parents are unavailable, school will provide a chargeable hot lunch. The school will not provide school meals if the debt reaches £48 per child (1 month of school lunches). The school reserves the right to begin legal proceedings against parents to recover this debt.

### **After School Club (ASC) Debts**

The first letter will be sent when debt reaches £40 (1 week). Access to ASC will be denied if a debt reaches £160 (1 month) with no payments received.

### **Breakfast club Debts**

The first letter will be sent when debt reaches £10 (1 week). Access to Breakfast Club will be denied if a debt reaches £40 (1 month) with no payments received.

**RECORDS OF DEBTS WRITTEN OFF**

Debtor:	Details of debt:	Amount: (£)	Inv Ref: (Date where applicable).	Reason for write-off: (inc. brief details of measures taken to secure payment - as appropriate).	Authorisation of write off – name and signature of the authorising individual and date.

## Appendix 2

### Outstanding Dinner Money – Example Reminder Letter

Date: xx xxxxx 2025

Dear Parent/Guardian,

Our records indicate that there is an outstanding balance for your child's school meals as of today.

The amount due is £xx.xx.

For reference, the last payment recorded on our system was made on [date]. We kindly request that this balance be settled as soon as possible. Payments can be made via Parent Mail.

Please contact the school office if are unable to pay the amount in full and wish to set up a payment plan.

If you have any questions or are experiencing difficulties with payment, please contact us at your earliest convenience, and we will do our best to assist you.

If you believe you may be eligible for free school meals, you can apply online directly at: <https://www.devon.gov.uk/support-schools-settings/administration-and-finance/administration/free-school-meals/>

Thank you for your prompt attention to this matter.

Yours Sincerely,

Ms Johanna Warren  
School Administrator

## Appendix 2

### Outstanding Dinner Money – Example Second Reminder Letter

Date: xx xxxxx 2025

Dear Parent/Guardian,

Following our previous letter dated [insert date], we have not yet received a payment or any communication regarding the outstanding balance.

As of today, the amount due is £xx.xx, and we kindly request that this balance be settled immediately. Payments can be made via Parent Mail.

If payment is not received promptly, please ensure that your child brings a packed lunch next week until the debt is cleared.

If you are unable to pay the full amount at this time, please contact the school office as soon as possible to discuss setting up a payment plan. We are happy to assist in any way we can.

If you believe you may be eligible for free school meals, you can apply online at:  
<https://www.devon.gov.uk/support-schools-settings/administration-and-finance/administration/free-school-meals/>

We appreciate your immediate attention to this matter. Please do not hesitate to get in touch if you have any concerns.

Yours Sincerely,

Ms Johanna Warren  
School Administrator