

St. Theresa's  
Catholic Primary School



**ST. THERESA'S CATHOLIC PRIMARY SCHOOL**

# **Debt Recovery Policy**

"We learn together, we play together, we pray together, we grow together in the love of God"



### Validation grid

<b>Title</b>	Debt Recovery Policy
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<b>Associate Author</b>	
<b>Target Audience</b>	Parents and staff
<b>Stake holders consulted</b>	Governors
<b>Curriculum / non curricular</b>	Non curricular
<b>Associated Policies / Documents</b>	Finance, Charging
<b>New Policy or Review of existing policy.</b>	Review
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Headteacher

Barbara Costa

Barbara Costa

Chair of Governors

Fiona Kerin

Fiona Kerin

## Statement of intent

St. Theresa's Catholic School is committed to ensuring equal opportunities for all pupils, regardless of financial circumstances, and has established policies and procedures to ensure that no child is discriminated against by our offering of school trips, activities and educational extras.

While this is the case, the school must have a policy in place to ensure the repayment and recuperation of any outstanding debts incurred by the school on behalf of a pupil. The 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.

Each case is to be treated individually and the circumstances that have led to the outstanding debt will be taken into account to determine the best course of action and whether it is fair and reasonable to pursue the debt in its entirety if at all. The school is committed to adhering to legal requirements regarding charging for school food, activities and materials, and meeting all statutory guidance provided by the DfE.

All parents should be provided with a copy of this policy when their child joins the school. The general principle is that services will be paid for in advance.

This policy is to be used when recovering debt for, but not limited to, the following services:

- School lunches
- Music tuition
- Breakfast club

### 1. Legal framework

This policy will adhere to the relevant legislation and statutory guidance surrounding school payments and debt recovery, including the following:

- DfE (2018) 'Charging for school activities'
- DfE (2018) 'Schemes for financing schools'
- DfE (2020) 'Governance handbook'

### 2. School Lunches

#### **Specific Procedure for School Lunch Debt Management**

- 2.1. St. Theresa's Catholic School has adopted a strict NO DEBT policy relating to the school lunch service.
- 2.2. If parents believe that their children may qualify for entitlement to Free School Meals they must speak to the school office staff. This allowance is a statutory right.
- 2.3. Parent/s must pay in advance for the school lunch online using SchoolMoney or by cheque.
- 2.4. Children will not be provided with a school lunch unless it is paid for, except those that are entitled to Free School Meals.
- 2.5. **If a parent genuinely forgets to pay in advance, the school may grant a debt allowance of up to 5 meals.** However this debt must be paid, at the latest, by the end of the 5<sup>th</sup> day and future meals must be paid in advance before any further meal is provided.
- 2.6. The debt allowance of 5 meals will only be granted once.
- 2.7. If the debt is not cleared, parents must either provide a packed lunch or take the child home for lunch.

- 2.8. In a case when the debt is not cleared nor a packed lunch provided, the office staff will phone the parent to ask them to pay. Otherwise they must provide sandwiches before lunchtime or arrange to take their child home for lunch.
- 2.9. **Kitchen staff are instructed not to serve a child with an outstanding debt. In order to avoid any embarrassment to the child, s/he will not join their class in their dining room at lunchtime.**
- 2.10. If the situation persists, Social Services will be informed that these parents are failing in their duty of care by not providing food for their children at lunchtime.
- 2.11. The Headteacher reserves the right to begin legal proceedings against parents to recover the debt.

### **3. Other Debts**

#### **Roles and responsibilities**

- 3.1. As a general rule, to avoid incurring debts, payments for materials and services provided by the school should be collected in advance or at the point of sale.
- 3.2. Any person(s) involved in the monitoring, recording and pursuing of debts owed to the school must formally record any information gathered and actions taken – data which is to be kept by the school for a period of seven years.
- 3.3. The school's finance committee:
- Will regularly review details of its debts and what recovery action is needed.
  - Must be consulted if legal services are required for debt recovery.
  - Will adhere to the privacy rights of pupils and their guardians in all cases.
  - May decide to leave a case of debt recovery to the decision of Headteacher.
- 3.4. The Headteacher/Office staff will ensure:
- Debt reminders are recorded and those records maintained for a period of seven years – copies of letters.
  - Instances of debt are judged on an individual basis, with consideration of the nature of the debt and the circumstances of the family involved.
  - The privacy of the pupil and their family will be protected by all staff.
  - The level of outstanding debt owed to the school can be determined at short notice.

### **4. Acceptable 'credit period'**

- 4.1. In the case of a debt, the Headteacher will decide upon a 'credit period' within which the debtor can pay the outstanding sum before debt recovery procedures are exercised. This period of time may vary, at the discretion of the Headteacher, dependent on the nature and size of the debt.

### **5. Declaring outstanding debt levels**

- 5.1. The Headteacher and finance committee will review the level of outstanding debts every term to determine whether current debt levels are acceptable and whether current methods and procedures to recover debts are effective.
- 5.2. Any individual cases of debt that are deemed to require intervention will then be pursued by the procedure starting from section six of this policy.

### **6. Debt recovery procedures**

- 6.1. Where there is an outstanding payment yet to be received and the acceptable credit period has been surpassed, an official invoice should be created outlining the value and reason for the debt, as well as the debtor's identity.
- 6.2. Upon creating the invoice and stipulating a date on which it must be paid by, there is acknowledgement from the school that the debt has been set up.

### **7. Written overdue payment reminders**

- 7.1. First formal written reminder – an official, dated letter addressed to the debtor should be written up two weeks after the first informal reminder and the letter should acknowledge the informal reminder.
- 7.2. Second formal written reminder – this should come two weeks after the first formal written reminder, citing the details of 1. The informal reminder and 2. The first formal written reminder stating that concerted efforts have been made to make the person aware that an outstanding debt is overdue.

## **8. Failure to respond**

- 8.1. If these reminders are not responded to, another letter will be sent to the debtor advising them that the case has been referred to the school's legal advisors. It is then for these parties to agree on a time-frame for a repayment or, if necessary, a payment plan for separate instalments.

## **9. Negotiation of debt repayment**

- 9.1. It is expected that the debt should be repaid as soon as possible, particularly after repeated reminders; however, this can be negotiated at the discretion of the governing body/finance committee, particularly if the circumstances in section ten of this policy apply.
- 9.2. If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the school may consider involving legal services to resolve the issue and recuperate owed funds.

## **10. Exceptional circumstances and remissions**

- 10.1. The school must ensure that guardians of pupils are aware of the help the school can extend to those in financial difficulty. Guardians who may be eligible for remissions are those in receipt of any of the following benefits:
  - 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 State Pension Credit
  - Child Tax Credit, provided that they are 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 four weeks after they stop qualifying for Working Tax Credit
  - Universal Credit
- 10.2. In a case where there is, or it is suspected that there is, an overdue debt from a family who may qualify for remissions, details of the different types of bursary available should be sent to the debtor in question.
- 10.3. The finance committee may decide to waive or reduce the outstanding debt in these circumstances.

## **11. Debt recovery costs**

- 11.1. In addition to the remission allowances outlined in section ten, it may be advisable to waive or partially waive debts where it is deemed that it does not make financial sense to continue allocating time and resources to pursuing.
- 11.2. The finance committee will review any case a debt may be waived, and come to a final decision based on the value of costs versus value of the debt.

## **12. Monitoring and review**

- 12.1. The school's Debt Recovery Policy will come under review annually, and changes vis-à-vis any updated legislation will be made accordingly.