



## **The Societas Trust Debt Recovery Policy**

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Reviewed and Agreed by	The Directors' Board
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## **Statement of intent**

The Societas Trust 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.

## 1. Legal framework

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

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

This policy operates in conjunction with the following school policies:

- Business Continuity Plan
- Data Protection Policy
- Finance Policy and Procedures
- Data Retention Policy

## 2. Roles and responsibilities

The local governing board is responsible for:

- Reviewing this policy on an annual basis.
- Regularly reviewing details of its debts and what recovery action is needed.
- Consultations if legal services are required for debt recovery.
- Adhering to the privacy rights of pupils and their guardians in all cases.
- Deciding to leave a case of debt recovery to the decision of the headteacher in line with the Financial Scheme of Delegation.

The headteacher is responsible for:

- The overall implementation of this policy and ensuring that all staff, parents and pupils are aware of their responsibilities.
- Recording debt reminders, and ensuring those records are maintained for a period of seven years – this includes dates and times of letters, phone calls, emails, conversations or any other correspondence.
- Ensuring instances of debt are judged on an individual basis, with consideration of the nature of the debt and the circumstances of the family involved.
- Ensuring the privacy of the pupil and their family will be protected by all staff.
- Ensuring the level of outstanding debt owed to the school can be determined at short notice.

## 3. Acceptable credit period

In the case of a debt, the governing board should agree 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 governing board, dependent on the nature and size of the debt.

#### 4. Declaring outstanding debt levels

The headteacher and governing board 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.

Any individual cases of debt that are deemed to require intervention will then be pursued by the procedure starting from section five of this policy.

#### 5. Debt recovery procedures

Where there is an outstanding payment yet to be received and the acceptable credit period has surpassed, an official invoice will be created outlining the value and reason for the debt, as well as the debtor's identity.

Upon creating the invoice and stipulating a date on which it must be paid by, there will be acknowledgement from the school that the debt has been set up.

#### 6. Verbal and written overdue payment reminders

Overdue payment reminders are outlined below:

- **Initial verbal reminder** – informal in-person, telephone or email correspondence notifying the individual of debt with the date and time officially recorded.
- **First formal written reminder** – an official, dated letter addressed to the debtor which will be written up two weeks after the first informal reminder and will acknowledge that it took place.
- **Second formal written reminder** – this will arrive two weeks after the second reminder, citing the details of both previous reminders and stating that concerted efforts have been made to make the person aware that an outstanding debt is overdue.

#### 7. Failure to respond

If overdue payment reminders are not responded to, another letter will be sent to the debtor advising them that the case has been referred to the Local Governing Board and may be referred to the Trust's legal services.

It is then for these parties to agree on a timeframe for a repayment or, if necessary, a payment plan for separate instalments.

The school expects 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 board.

If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the school may consider involving the [Trust's](#) legal services to resolve the issue and recuperate owed funds.

## 8. Negotiation of debt payment

It is expected that the debt will be repaid as soon as possible, particularly after repeated reminders; however, this will be negotiated at the discretion of the governing board, particularly if the circumstances in section nine of this policy apply.

If there is a case where the debtor is deemed to be refusing to pay without sufficient reason, the school may consider involving the Trust's legal services to resolve the issue and recuperate owed funds.

## 9. Exceptional circumstances and remissions

The school will ensure that parents of pupils are aware of the help the school can extend to those in financial difficulty. Parents 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 – if they apply on or after 1 April 2018, their household income must be less than £7,400 a year (after tax and not including any benefits that they receive)

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 bursaries available will be sent to the debtor in question.

The governing board is not guaranteed, but may decide, to waive or reduce the outstanding debt in these circumstances in line with the Scheme of Financial Delegation.

## 10. Debt recovery costs

In addition to the remission allowances outlined in the [Exceptional circumstances and remissions](#) section of this policy, 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.

The local governing board 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 in line with the Financial Scheme of Delegation.

## 11. Monitoring and review

This policy will be reviewed on an [annual](#) basis by the headteacher and governing board.

The next scheduled review date for this policy is [September 2024](#).

## 12. Example Debt Recovery Letters

Example First Formal Written Reminder

Dear .....

Further to our previous conversation, I am writing to remind you that you have arrears on your child's ParentPay account.

Our records show that as of (date) your debt for (service) is (amount). You can make payment by logging into your ParentPay account.

Your username and password are:

You can check your account balance at any time by logging into your ParentPay account. You also have the option to use the Auto top-up feature for school meals which will automatically top up your child's lunch balance when it falls below a set value.

If you have any queries regarding these arrears or if you have difficulty making payment please contact the school office to discuss this further.

Yours sincerely

Headteacher

Example Second Formal Written Reminder

Dear.....

Despite the two previous reminders, your records show that you still have arrears for **school club /dinner /residential/ breakfast/afterschool club\***

As at **Date** your account is showing a balance of £**Amount**

Please arrange for this money to be paid immediately.

No matter how you pay you can check the account balance anytime by logging into your ParentPay Account at [www.parentpay.com](http://www.parentpay.com)

The cost of the **school meal is £2.30 per day £11.50per week**

Since non- payment for activities offered by the school affects the quality of service we offer to the children, we need to ensure that all payments are up to date; it is with regret that if the balance is not cleared within 7 days, or no dialogue has taken place with the school to resolve the issue, it will not be possible to provide your child with breakfast/after-school club/dinners. You will have to make your own arrangements for your child's lunch

If you have already paid the outstanding amount by the time you have received this reminder, please accept our apologies and report your payment details to our school office.

If you have any queries, please do not hesitate to contact the school office.

Yours sincerely

Headteacher

Example Failure to Respond Letter



Dear .....

Our records show that you have still not paid **\*breakfast/after-school club/dinners** even though you have had one verbal reminder and two written reminders.

As at date your account is showing a balance of **£**.....

Sending reminders and calling parents to chase payments takes up valuable time and resources. Parents who are experiencing difficulty with payment or who are eligible for Free School Meals for this academic year and have not already applied should contact the school office immediately.

Please arrange for this debt to be paid immediately or, if this is not possible, please contact the school office to arrange a payment plan otherwise the Local Governing Board and the Trust will review the debt which may result in beginning legal proceedings to recover the debt as appropriate.

If you have already paid the outstanding amount by the time you have received this reminder, please disregard this letter and notify the school office with details of your payment alternatively if you have any other you have any queries regarding this debt, please contact the school office

Yours sincerely

Headteacher