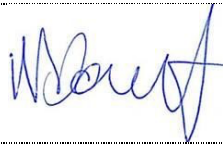




Debt Management Policy

November 2023

Signed (Chair Trustees):	
Date:	November 2023
Date of Review:	November 2024

The Arbor Academy Trust reviews this policy annually. The Trustees may, however, review the policy earlier than this, if the Government introduces new regulations, or if the Trust receives recommendations on how the policy might be improved. This document is also available in other formats e.g. e-mail and enlarged print version, on request to the School Offices and is displayed on the schools' websites.

Any money owed to the school has an impact on the budget and may affect the resources we are able to provide for the children. We hope that parents and carers understand this and make every effort to avoid owing money to the school.

The school will take all reasonable measures to prevent debt being accrued however will vigorously collect debts as part of its management of public funds. A debt will be written off or passed onto an external debt collection agency only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The schools debt recovery policy will observe the relevant financial regulations and any other legal requirements as well as coincide with the schools Finance Management Policy.

Acceptable Credit Period

The Trust Board has determined that one half term is an acceptable 'credit settlement period' before debt recovery procedures are applied.

Reporting of outstanding debt levels

The Executive Headteacher/ Executive Principal/ Headteacher/ Head of School will ensure that the level of outstanding debt is regularly monitored. Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Local Governing Board of the school. The Executive Headteacher/ Executive Principal/ Headteacher/ Head of School will review the level of outstanding debt each term and report to the Local Governing Board any unacceptable levels of debt for individuals and agree actions to recover debts.

Debt Recovery Procedures

Where payment from the parent/ carer has not been received in advance or at the point of sale for services provided by the school; the following processes should be applied:

Initial overdue payment reminder

An initial reminder may be informally provided either in person or by telephone. This initial reminder will be recorded on the child's fees log.

First overdue payment reminder letter

A formal reminder letter is issued 2 weeks after the informal reminder. If action is to proceed further the school will demonstrate that we have made all reasonable attempts to recover the debt and in a timely manner.

Second overdue payment reminder letter

A second reminder letter will be issued 2 weeks after the first reminder letter. At this point additional services provided by the school at a cost to parents and carers will be withdrawn for the child.

Failure to respond to reminders/ settle debt

If there is no response to the second overdue payment reminder letter the debtor will be invited to meet with the Executive Headteacher/ Executive Principal/ Headteacher/ Head of School to discuss how the debt will be settled. Failure to respond to this letter and/or failure to attend this meeting could result in the school passing the debt to an external debt collection agency. The school will make every effort to work with parents and carers to prevent debts mounting. Debtors may be advised that they will be required to pay in advance for future services otherwise they will no longer be available for them. This decision and its basis will be reported to the Local Governing Board. If a mutual agreement cannot be reached or if any agreed repayments are missed then the debt will be transferred directly to an external debt collection agency.

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 payment reminder. At the discretion of the Executive Headteacher/ Executive Principal/ Headteacher/ Head of School a repayment plan agreement may be reached. A signed record of all such agreements entered into will be retained. The settlement period should be the shortest that is judged reasonable. Any debtor entering into a repayment plan will not be offered further credit and will have to pay for any future services in advance. Failure to meet payment schedule deadlines will result in the debt being passed to an external debt collection agency.

If service users are unable to pay off debts

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:

- 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 persons 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.

Costs of debt recovery

Where the school incurs material additional costs in recovering debt then the Local Governing Board 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 will be reported to the Local Governing Board.

Bad debts

In order to write off any debt over the value of £150 the written approval of the Local Governing Board is required. A record of the write off, the reason for it and the approval for it will be retained for 7 years.

Date: _____

Overdue Payment Reminder For
Outstanding Childcare Fees

For the attention of parents of _____,

We write to you with regards to the outstanding payments for childcare at _____ School.
You are currently in arrears by £_____

Although you may have made payments on the account, this amount outstanding is the total that has been underpaid/ not paid since your child started at the school.

Unless payment is made in full by _____ we will not be able to provide your child/children with additional sessions beyond their free entitlement.

We appreciate that some large amounts outstanding may be difficult to pay in full, if this is the case you must submit a request in writing to the nursery for a payment plan to be agreed in order for the amount owed to be paid.

Kind Regards,

Date: _____

Second Overdue Payment Reminder
For Outstanding Childcare Fees

For the attention of parents of _____,

We write to you with regards to the outstanding payments for childcare at _____ School.
You are currently in arrears by £_____.

A previous letter sent to you on _____ outlined that payment was expected within
two weeks otherwise further debt collection procedures would be enforced.

Unfortunately, I must inform you that _____ School is unable to provide child care
beyond the funded sessions per week for your child until all debt has been cleared.

Kind Regards,

Date: _____

Outstanding Childcare Fees Payment Plan

For the attention of parents of _____,

We write to you with regards to the outstanding payments for childcare at _____ School.
You are currently in arrears by £_____.

In order to pay off this outstanding balance before your child leaves the school the following payment plan has been devised.

Payment Date	Amount
1	
2	
3	
4	
5	
6	

Any further sessions required must be paid for in advance and will be provided so long as this payment plan is adhered to.

We must make you aware that you will receive notification from our debt collection agency for your case to be pursued unless each of the outlined payments dates are met.

I agree to the payment plan outlined within this document,

Name _____ Signed _____ Date _____