



Debt Recovery Policy

March 2025

Version 1.0

Approved: 13.03.25

Date of ratification: 26.03.25

Date of next review: March 2027

1 Introduction

- 1.1 Sonning Common Primary School will take all reasonable measures to collect debts as part of its management of public funds. We are committed to ensuring that monies due to the school are collected efficiently, effectively and consistently. Any money owed to our school has an impact on the budget and may affect the resources we can provide to all our children. We trust that parents understand this and will make every effort to avoid owing the school any money.
- 1.2 A debt will only be written off or passed onto Oxfordshire County Council legal team after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

2 Recording of goods and services

- 2.1 A record will be kept of all goods and services supplied where payment is not received in advance or at point of sale. This policy covers all external customers as well as internal OCC customers and other schools within OCC.
- 2.2 Where invoices are raised these will be raised within the Integrated Business Centre system. Credit, collecting income and payment terms are addressed using the Corporate Credit Policy and payment terms are 30 days unless stated otherwise.
- 2.3 All payments due for goods and services provided for pupils are raised through Bromcom MyChildAtSchool. Correspondence with parents etc. should indicate the maximum period 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 received by etc.
- 2.4 The Headteacher should determine what the reasonable 'credit period' is if this is not otherwise specified. School dinners and educational trips should be encouraged to be paid for in advance.

3 Processes for types of activities giving rise to debt

Lunch Money - should be paid for in advance of meals being taken.

- 3.1 Parents are reminded regularly via the weekly newsletter what the cost is and that payments should be made in advance. The Governors of our school have agreed that a debt of no more than £13 should be all owed to accrue for school meals taken. This represents one week of school meals. If and when an account reaches this amount the parent will be informed via email that their child must bring a home packed lunch until the debt is cleared. If the child does not bring in a home packed lunch then the office staff will contact the parent by telephone to advise this is the case going forward. Invoices for accounts in debt are sent weekly by the school office by email.

Wrapround Care (Breakfast and Afterschool Club) - all sessions must be booked in advance.

- 3.2 Parents should be encouraged to make payments regularly so that their account does not accrue debt over £70. This represents one week of club attendance. Any parent wishing to pay using childcare vouchers must make this clear to office staff on booking and are responsible for coordinating payments from their voucher provider to the school.

Trip & Workshop Payments - reminders should be sent weekly up to the trip taking place.

- 3.3 Whilst payment of trips is detailed in our Charging and Remissions Policy all efforts should be taken to encourage parents to pay for trips and events so as to minimise the burden on the school budget.

Swim Lessons – swim lessons must be paid for termly in advance with fees due the week prior to the first week of lessons.

- 3.4 Payment details will be sent out prior to the commencement of each big term stating the due date for payments. A reminder will be sent to any non paying customers in the second week of term. Non-payment by half term will result in withdrawal of pupil lessons and any further bookings (including those for siblings) will be refused.

Facilities Hire - Payments for Hirers of the school premises are detailed in the Lettings Policy.

- 3.5 The letting invoice must be paid within 30 days of the letting period. Non-payment of the invoice within any agreed time limit will result in any further lettings being refused.

Utilities Recharges

- 3.6 The calculation and schedule of recharges of utilities and site maintenance costs are outlined in Memorandums of Understanding and written agreements between shared site users (namely Bishopswood School, Sonning Common Pre-school and Oxfordshire Library Services). Invoices will be raised via the IBC according to the schedule outlined in these agreements and payment terms are 30 days.

4 Procedures for collecting debt

Initial Reminders

- 4.1 Initial reminders may be informal and made either in person (when the parent comes into school) or by email, text or telephone. Normally this will be undertaken by the school office staff.

Reminder letters

- 4.2 *First and second reminder* – A reminder is sent to the debtor when a payment is two weeks late. This will be in the form of a statement, a copy of the original invoice, a letter or an email. A second reminder letter will be issued 2 weeks after the first reminder letter. A record is kept of all reminders and letters relating to debt recovery.
- 4.3 *Formal letter from the Headteacher* – If no payment is received within 2 weeks of the second reminder, a formal letter will be sent from the Headteacher requesting either payment of the debt or that the debtor contacts the school to arrange an alternative payment schedule (e.g. payment by instalments). This letter will advise that should the school not hear from the debtor then legal action may be taken. Formal letters will be sent by post.
- 4.4 Notes on use of reminder letters: 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. Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced. It is therefore important that at least one, but preferably two, written reminders are sent. Details of all reminders, whether verbal or in writing, will be maintained and where a letter is issued, a copy will be retained on file.

Failure to respond to reminders / settle a debt

- 4.5 If no response is received from the reminders issued, the debtor will be contacted by the Headteacher to discuss how the debt will be settled. The debtor will be advised that the debt may be passed to Oxfordshire County Council Legal Department or the debtor may be advised that they will be required to pay in advance of future supplies or the supply will no longer be available to them. This decision and its basis will be recorded and the Governors Resources committee will be notified.

Legal Action

- 4.6 The school will not initiate any legal action to recover debts but will refer any debt which it has not been able to collect (unless a decision to write-off the debt is a demonstrably reasonable course of action) to Oxfordshire County Council's Legal Department to take legal or other action to recover the debt. Any debt belonging to the County Council 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).

Negotiation of repayment terms

- 4.7 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 person’s 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*
 - *Multiple Debts – where someone owes more than one debt to the school. In this situation an attempt to agree one repayment plan to include all debts will be established*
- 4.8 Debtors are expected to settle the debt by a single payment as soon as possible after being notified of the amount. If a debtor requests payment terms these may be negotiated at the discretion of the Headteacher.
- 4.9 A record of all such agreements will be retained and the settlement period should be the shortest that is judged reasonable.
- 4.10 The Headteacher will decide whether any debtor who has been granted settlement terms will not be offered any further “credit” and will be required to pay in advance in future.

Cost of debt recovery

- 4.11 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.

Reporting of outstanding debts

- 4.12 The Business Manager and Office Manager will ensure that the level of outstanding debt is known/can be determined at any time.
- 4.13 The Resources Committee will review the level of outstanding debts regularly to determine whether this level is acceptable and whether action to recover debts is effective. Discussion, and if necessary, any actions will be minuted.

Bad debts

- 4.14 The school must also consider if a debt should be written off. The decision must be made based on the value of the outstanding debt and other background information given by the school and the debtor, such as hardship or ill-health.

- 4.15 This policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements. Authority to write off a debt is given as follows:
- *The Headteacher will not write off any debt belonging to the school which exceeds £500*
 - *The Governing Body will not write off any debt belonging to the school which exceeds £1000*
 - *Any sum above this will be referred to Oxfordshire County Council's Finance Director 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)*
- 4.16 Beyond the limits below the school must seek and obtain explicit and prior approval of the Secretary of State (through the ESFA):
- *1% of total annual income or £45,000 (whichever is smaller) per single transaction*
 - *Cumulatively, 5% of total income in any one financial year.*
- 4.17 Records of the value, reason and approval for debts that have been written off will be retained for six years plus the current year using the 'Record of Debt Written off Register'.
- 4.18 Any debtors that fail to settle a debt will be informed that in future they will be required to pay for any services in advance.
- 4.19 If appropriate, debtors will be informed that places on subsequent trips or activities will not be confirmed until outstanding debts are cleared.

5 Dissemination

- 5.1 The Policy is available on the school web site and a paper copy is available from the school admin office on request.

6 Reviewing the Policy

- 6.1 This policy will be reviewed bi-annually by the Headteacher and monitored by the Governors to ensure that the Policy is relevant and up to date.