



OLSJ
OUR LADY + ST JOSEPH
CATHOLIC PRIMARY SCHOOL

Debt Management Policy

Our Lady and St Joseph Catholic Primary School

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Approved by: Governing Body
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DEBT MANAGEMENT POLICY

‘ With Christ at our centre, we love, listen and learn’

Purpose of policy

To ensure that:

- Reasonable measures are taken to collect debts
- Only after reasonable measures have been taken will the debt be written off

Aims:

- To ensure all reasonable measures are taken to collect debt, prior to debt being written off.
- To ensure the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements are followed

Definition

To ensuring that debt write offs are kept to a minimum by taking all reasonable steps to recover money owed to the school. However there will be situations where the debt recovery process fails to recover all or some of the debt and in such cases the debt needs to be recommended for write off. The writing off of debts should only be considered where appropriate recovery action has been exhausted or a cost benefit analysis indicates this to be uneconomic.

Procedures

School meals

We actively encourage parents to pay for school meals in advance, however there are situations when this does not happen.

On a weekly basis the Finance Assistant calculates school meals arrears/credits for individual pupils. Pupils who are in arrears are sent a reminder text. Pupils in arrears of £40.00 or more will be sent a letter home, explaining that the child will no longer be able to have a school meal until the debt is paid. We do not allow debts for school meals to accumulate over £50.

In cases where pupils have left the school and owe money we will use the following procedure to recover debts;

- Contact parents by telephone
- Write to parents for monies owed.

Income

If the account remains unpaid 30 days after the invoice is issued, a reminder will be sent. The reminder will request immediate payment, and its issue documented.

If an account remains unpaid after a reminder has been issued, further action may be required, depending on whether the debt originates from an internal or external source. If the debt is from an internal source, ie. between schools within the LA or within the LA itself, legal proceedings will not be instigated; instead, schools must inform the Schools Support (Finance) Team at Tower Hamlets of the outstanding debt so that they may resolve the issue on the school's behalf.

If the debt is from an external source, it may be pursued by taking legal action if sufficient reminders have not resulted in settlement of the debt. In such cases, the school should seek legal advice (at the school's cost).

Year 6 Residential

Parents are advised to make regular payments to prevent a debt occurring. Dates are set detailing total payment that should be made by that time.

For payments not received, where alternative arrangements have not been made, the following procedure will be followed:

- Notice sent to parents by text to remind them that payment must be made in order for their child to participate
- Text notification followed up with telephone call from Finance Assistant if no payment has been made
- The Business Manager will contact the parents concerned and discuss a payment strategy
- If full payment is not received 1 month prior to the start of the planned trip, the Headteacher will contact the parent by

telephone and will remind them that their child will be unable to take part unless payment is made.

School Care & Clubs

Payment for School Care is encouraged to be made in advance for half a term.

For payments not received in advance the following procedures will be followed:

- Text sent to parent to remind them payment is outstanding
- Finance Assistant will contact the parent by telephone to advise there is a debt outstanding and payment is required
- If no payment is made the Business Manager will contact the parent to advise that until the debt is paid the child will no longer be able to attend the said care or club.

In cases where pupils have left the school and owe money we will use the following procedure to recover debts;

- Contact parents by telephone
- Write to parents for monies owed.

Write Off

In the event that a debt has not been recovered and the above procedures have been exhausted then the debt should be written off.

The Governing Body is authorised to write off debts up to £5,000, the limit set at present in the Schools Financial Procedures Manual.

The Governing Body has delegated responsibility for the write off of debts up to £250 to the head teacher.

The Personnel, Finance and Premises committee has the delegated powers to write off debts between £251 and £1,000.

A record of debts that have been written off should be presented to the full governing body annually.

RECORDS OF DEBITS WRITTEN OFF

Debtor	Details of debt	Amount (£)	Invoice Debt & Date	Reason for Write-off *	Authorisation of write-off **

***Include brief details of measures taken to secure payment – as appropriate**

****Name and signature of authorising individual and date. Cross reference to entry in the accounts where applicable**