St Catherine's Catholic Primary School

"Loving and Learning Together as Jesus taught us"

Debt Management Policy

Date of policy review: October 2024

Next review: October 2026

Policy Reviewed & Passed by the Governors

Key Person Responsible: Maureen Kelly

Introduction

As from 1st June 2016, the Governors of St Catherine's Catholic Primary School have adopted a strict 'no debt' policy in respect of all services provided by the school. This Debt Management policy for parents, carers and staff forms part of our strategy to make sure this is achieved. Voluntary contributions for activities are out of scope of this policy. For the purposes of this policy the term 'parent or parents' will be used to represent any parent, guardian or carer.

Background

Where debts are allowed to build up, it often becomes harder for the person owing the money to pay. If a debt is not repaid then money which should be utilised to pay for children's education is used to subsidise these debts, which is an unacceptable use of public funds. We therefore hope that parents will understand why we are adopting this policy to avoid incidence of debts, and will give it their support in order to protect the education provided to all children in the school.

Therefore in adopting this policy we aim to:

- Reduce the risk of parents incurring large debts that they will struggle to pay off.
- Ensure that the entire school budget is used to provide educational services to all of our children.

Services which parents are required to pay for

The services provided to pupils which parents are required to pay for include:

- School Meals (unless pupil is eligible for either Free School Meals or Universal Infant Free School Meals) (except where covered by London Mayor funding)
- Breakfast Club
- After School Club
- Sports and Activities Clubs (before and after school)
- Nursery extended hours, where applicable
- Chargeable Activities, e.g. Residential School trips where board and lodging costs are chargeable to parents

Timing of payments

Parents are required to pay for all services provided by the school in advance by making a payment to their child's account on the on-line payment system. On the on-line payment Parents can choose how frequently they make payments to their account; this could be termly, monthly or weekly but always in advance.

Debt Management process

Where payment has not been made for a particular service that service will no longer be provided to the pupil concerned.

For school meals, this means that the parent will be requested to provide a packed lunch or take the pupil home for lunch. For extended nursery hours, any before and after school club services the pupil will not be allowed to attend and may lose their place.

Any family experiencing genuine financial hardship is encouraged to come and discuss this confidentially with the head teacher before accessing chargeable school services. The Council may also be able to provide support for families experiencing hardship and the school will work with parents to help them access this support if they are eligible.

Any reasonable request for permission to pay in instalments will be considered. However, in the absence of either payment or an agreed payment plan within this period, the school will have no choice but to proceed with formal debt recovery which may include legal action.

Debt Management Steps

The following steps outline the communication process to be followed in managing debt. Where appropriate, depending on the circumstances of the charge, these steps may be worded according to the requirements of the individual payment item and sent via text, email or letter.

Step One – Invoices/Statements

- Parents are informed, via the newsletter or email, of the daily and weekly cost of breakfast club, after school club and school dinners. Prices for extended nursery sessions are in the application pack and contract. Payments must be made in advance, reminders will be sent via text and email and the current balance can be accessed at any time from the school's on-line payment system.

- Parents / Carers of students on trips or making a purchase are advised of that cost prior to signing up to the trip or purchase. They are advised if payments are non-refundable and that cancellations may incur additional costs.

- Staff will be informed by school office staff of any cost of school meals. Payments are to be made in advance.

Step two – initial overdue reminder (See Appendix A for example wording)

An overdue reminder is sent to the debtor, in the form of a statement, a letter, a text or an e-mail and may also be followed with further text messages. This is sent out at an appropriate time, usually prior to, but not more than one week after, the due date. Copies of all reminders are kept in a debtors' file, this reminder will ask for payment within 14 days from the date of the communication.

Step three – reminder letters (See Appendix B for example wording)

If payment is not received following step two:

Formal reminder letters are sent to the debtor as per (appendix B) requesting payment within 7 days. Copies of all letters are kept in a debtors file.

Step four – letter from the Head (See Appendix C for example wording)

If no response is received from the reminders the debt will be referred to the Headteacher who will write to the debtor and invite them in to discuss repayment. This letter will advise that should the school not hear from the debtor the matter will be passed to our legal section for debt recovery. The costs incurred by the school as a result of this process will be passed onto the debtor.

As in previous letters it will be made clear that the service being invoiced for will not be available until the debt is cleared, e.g. the child will not be able to attend after school club.

Step Five – Notice of Intention (See Appendix D for example wording)

If no response is received from the Headteacher's letter a notice of intention will be issued advising the debtor that the matter is being handed to the school's legal department for referral to a debt

recovery company or small claims court; it will be reiterated that the costs incurred by the school as a result of this process will be passed onto the debtor.

Where the parent or guardian has been instructed not to use school services until the debt has been cleared but continues to do so; a member of the safeguarding team should make a call to the Multi Agency Support Team (MASH) of the appropriate local authority for advice.

Step Six - Legal Action (See Appendix E for example wording and example letter)

If a debtor does not respond to any of the steps above, the Chair of the Finance Committee of the Governing Body will need to authorise the debt being passed to legal and the debt recovery agency or to the Small Claims Court.

If submission to the Small Claims Court is authorised, the school will write to the debtor explaining the procedure involved in claiming the outstanding debt through the Small Claims Court. This letter will give the debtor 10 working days to pay the outstanding debt before the claim is submitted to the court. An administration fee of £50 and 8% annual interest on the debt will be added at the point of submission to the court. This letter will be sent by registered post and a range of payment methods will be provided, together with a full breakdown of the money owed.

Step Seven - Bad Debts (See Appendix F and G for example wording)

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.

Authority to write of a debt is given as follows:

Authority to: Write off value

Headteacher up to £50

Chair of the Finance Committee over £50 but less than £250.

Above this limit the matter must be referred to the Full Governing Body and advice sought from the Local Authority.

Reporting of outstanding debt levels (see Appendix G for example)

The Headteacher 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 Finance Committee.

The Headteacher and Finance Committee will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

The relevant member of the Administrative Team who monitors repayment of invoices/charges for each category of debt will produce a termly list of any outstanding debt above £100 every term (with the exception of nursery fees and residential trips which are always higher than this and have staged payments set up). The list will be shared by the Headteacher with the Finance Committee at their termly meeting.

Appendix A

Example of Initial Overdue Reminder
To be printed on headed paper

Insert date

Insert name and address of carer

Dear Parent/Carer

Child's Name:

Class:

Overdue balance:

Balance due for After School Club/ Breakfast Club/School dinners/Extended Nursery Hours (delete as appropriate)

According to our records the above quoted balance remains unpaid. I am writing to ask that this balance be cleared by (insert date – 14 days)

If you have a query about the balance owed please contact Mrs Ward / Mrs McKenzie in the school office.

Whilst this balance remains unpaid your child will **not** be able to attend after school club. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to attend breakfast club. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to have school dinners. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to attend extended Nursery Sessions. (Delete as appropriate)

Yours sincerely

Maureen Kelly

Headteacher

Appendix B

Example of Second Overdue Reminder

To be saved on Headed paper

Insert date

Insert name and address of carer

Dear Parent/Carer

Child's Name:
Class:
Overdue balance:
Balance due for After School Club/ Breakfast Club/School dinners/Extended Nursery Hours (delete as appropriate)

I am writing to you formally as according to our records the above quoted balance remains unpaid and the deadline payment quoted in my initial overdue reminder (insert date from previous letter) has lapsed. The school requires payment of this outstanding balance within 7 days.

If you have a query about the balance owed please contact Mrs Ward / Mrs McKenzie in the school office.

Whilst this balance remains unpaid your child will **not** be able to attend After School Club. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to attend breakfast club. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to have school dinners. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to attend extended Nursery Sessions. (Delete as appropriate)

Yours sincerely

Maureen Kelly
Headteacher

Appendix C

Example of Third Overdue Reminder – Appointment with the Headteacher
To be printed on headed paper

Insert date

Insert name and address of carer

Dear Parent/Carer

Child's Name:
Class:
Overdue balance:
Balance due for After School Club/ Breakfast Club/School dinners/Extended Nursery Hours (delete as appropriate)

I am writing to you formally invite you to a meeting to discuss repayment terms of the overdue outstanding balance quoted above as according to our records the amount remains unpaid.

I have booked an appointment for you on (insert date). If you are unable to make the appointment time you may rebook it via the office within 7 days of receipt of this letter.

If you have a query about the balance owed please contact Mrs Ward / Mrs McKenzie in the school office.

Whilst this balance remains unpaid your child will **not** be able to attend after school club. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to attend breakfast club. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to have school dinners. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to attend extended Nursery Sessions. (Delete as appropriate)

Yours sincerely

Maureen Kelly
Headteacher

Appendix D

Example of Fourth Overdue Reminder – Notice of Intention

To be printed on headed paper

Insert date

Insert name and address of carer

Dear Parent/Carer

Child's Name:

Class:

Overdue balance:

Balance due for After School Club/ Breakfast Club/School dinners/Extended Nursery Hours (delete as appropriate)

I am writing to formally inform you that as the overdue outstanding balance quoted remains unpaid, the matter will be passed to the school's legal department for referral to a debt recovery company. The costs incurred by the school to commence this process will be added to your outstanding balance quoted above. Should payment be received by the school, this process will cease once your payment has cleared on the school's on-line payment system.

If you have a query about the balance owed please contact Mrs Ward / Mrs McKenzie in the school office.

Whilst this balance remains unpaid your child will **not** be able to attend after school club. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to attend breakfast club. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to have school dinners. (Delete as appropriate)

Whilst this balance remains unpaid your child will **not** be able to attend extended Nursery Sessions. (Delete as appropriate)

Yours sincerely

Maureen Kelly
Headteacher
Appendix E (1)

Authorisation for Debt Recovery Procedures to Commence or Debt to be Written Off

Insert date

Chair of Governors

c/o St Catherine's School

Dear Chair of Governors,

I would be grateful if you consider the outstanding debt listed below and authorise either for the payment to be collected via a debt recovery agency or for the debt to be written off (please refer to point 7 of the school's debt recovery procedures).

Authorisation for Debt Recovery

Debtor	Details of debt	Amount (£)	Invoice reference and date (*where applicable*).	Reason for debt recovery action (*including brief details of measures taken to secure payment - as appropriate*).	Authorisation of debt recovery action – *name and signature of the authorising individual and date.* *Cross reference to entry in the accounts where applicable.*

Authorisation for Debt Write Off

Debtor	Details of debt	Amount (£)	Invoice reference and date (*where applicable*).	Reason for write-off (*including brief details of measures taken to secure payment - as appropriate*).	Authorisation of write off – *name and signature of the authorising individual and date.* *Cross reference to entry in the accounts where applicable.*

I would be grateful if you could return this letter to the school office once you have authorised your decision.

Appendix E (2)

Letter to Debtor Giving Notice of Intention to Submit a Claim to the Small Claims Court

Insert Date

Insert Name and Address of Parent /Carer

Dear Parent/Carer

Child's Name:

Class / Leaving Date:

I am writing to give you ten working days' notice of the school's intention to lodge a claim with the Small Claims Court in respect of your outstanding debt. The details of the amount outstanding are provided for you in the attachment to this letter, along with a range of payment methods.

If this amount is not cleared within ten working days of the day following the date of this letter (ie by insert date) then an administration fee of £50 and interest at 8% per annum will be added to the debt and the claim will be submitted to the Small Claims Court.

You should be aware that if you are ordered to pay the outstanding amount then the judge may also award costs and a County Court Judgement may be issued against you.

If the payment is made in the allotted timeframe we will issue a receipt for the amount received and action will be halted.

Yours sincerely

Maureen Kelly

Headteacher

Appendix F

RECORDS OF DEBTS WRITTEN OFF

Debtor	Details of debt	Amount (£)	Invoice reference and date (*where applicable*).	Reason for write-off (*including brief details of measures taken to secure payment - as appropriate*).	Authorisation of write off – *name and signature of the authorising individual and date.* *Cross reference to entry in the accounts where applicable.*

Appendix G

Debtor	Details of debt	Amount (£)	Invoice reference and date (*where applicable*).

Tracking

DfE Stat Policy	Best Practice	Web	MyUSO	Signed by Staff
-	✓	✓	✓	-