



# Marshbrook First School & Marshmallows

## Debt Policy

September 2015

### Introduction

The school's governing body has a responsibility to have a debt recovery policy which ensures that appropriate procedures are in place to enable the school to receive all income to which it is entitled.

### Aims and Objectives

1. To ensure that the governing body complies with the Staffordshire Scheme for Financing Schools and Financial Regulations;
2. To protect the delegated school budget;
3. To apply this policy consistently to ensure debt is dealt with in a timely manner;
4. To ensure further goods or services are not supplied to parents/carers or customers who have not paid for items already received or used.

### The Debt Recovery Process

Marshbrook First School has their own procedures in place which are used to collect income (see headings below). However, in the event that payment is not forthcoming then an official invoice will be raised on the County Council's finance system (SAP) which will lead to the Council's debt recovery procedures being implemented as follows:

- Invoice raised with payment terms of 28 days (school raise invoice then contact debt recovery team if not paid)
- A reminder is sent 3 days after the 28 days has expired
- A final notice is issued before the school can request the debt recovery officer to contact the parent/carer/customer at their home/ business address (minimum value £150) or the matter referred onto the courts (minimum value £250).

### Dinner Money

Payment for schools meals should be paid preferably at the beginning of each week, in some instances meals may be paid for daily via cash or cheque.

The school office will reconcile weekly (on a Friday) as a minimum, ideally daily, the payments received to meals ordered and any discrepancy will in the first instance result in a phone call or text to the parent/carer to request payment by the following Monday. Any parent/carer that has not made payment by the Monday will be contacted again to request immediate payment.

If payment is still not received within 5 school days then the parent/carer will be informed that the matter will be referred to the County Council, an invoice will be raised in SAP and recovery action will be pursued as outlined below. A meal will not be served if payment has not been received for ten meals. Thereafter, the parent/carer will be asked to send in a packed lunch or to collect their child for lunch.

### After School Clubs

Payment for after school activities are made in accordance with the appropriate organisation.

### Residential Visits

The board and lodging element of a residential visit can be charged to parents/carers and they are notified of the cost in advance and are given to opportunity to pay in instalments. Payment must be made in full by the deadline in order to secure the place, otherwise the child will not be allowed to attend.

### Remissions

In some cases governors have agreed that certain categories of pupils are not liable for the fee or are eligible for a reduced fee for some or all of; extended school activities, music tuition or residential visits. This is included within the Charging and Remissions Policy (reviewed annually).

## **Lettings**

Contracts for lettings of the school premises will be drawn up as necessary between the school and the client in line with the Charges and Remissions Policy. An invoice will be sent each term. A reminder letter will be sent after 7 days. If payment is not received after 7 days the parent/carer will be informed that the matter will be referred to the County Council, an invoice will be raised in SAP and recovery action will be pursued as outlined below. The letting agreement will be void and the client will be refused future hires.

## **Before and After School Care and Additional Nursery Hours**

Parents/carers are invoiced directly in advance of each half term. Payment is expected in full via cheque, cash or childcare voucher before the half term begins.

If an invoice is not paid by that date a reminder invoice will be issued to bring their account up to date within seven days.

If this fails a letter will be issued, along with an invoice raised in SAP informing that if account is not paid in full by month ending the account arrears will be passed to the County Council Debt Recovery Team and the child will be unable to attend nursery/before and after school club.

Payment for ad-hoc sessions should be made on the day. If payments are not received, then the same procedures as above will be followed.

## **Monitoring and Review**

This policy will be reviewed every 3 years or earlier if necessary.

## Overview of Invoice and Debt Recovery Process

Issue invoice with pay by date.



If payment is not received by date given, a text message or phone call will be made, followed by a reminder letter asking for payment within 7 days and giving the opportunity to come up with payment plan



If no payment is forthcoming after 7 days, A 2<sup>nd</sup> reminder letter is sent along with an invoice raised in SAP and warn that if payment not forthcoming refer to CC Debt Recovery Team



If no payment is forthcoming after 28 days refer to CC Debt Recovery Team

### REMINDER LETTER 1

Address

Date

Dear [insert name],

I enclose a copy of invoice number(s) xxxx which is/are overdue for payment.

The total amount outstanding is £

If you feel there is a discrepancy on the invoice, or if you would like to pay in instalments please contact me as soon as possible, otherwise I look forward to receiving your payment by return.

Yours sincerely,

Your Name

Your Job Title

### REMINDER LETTER 2 to be sent with invoice issued via SAP

Address

Date

Dear [insert name],

Invoice Number (s) xxxxxxxxxxxxxxx

Overdue Amount £xxxx

Despite my previous reminder the above debt is still outstanding. We are a non-profit making organisation with limited reserves and rely on prompt payment of invoices to ensure we can pay staff wages and provide the resources the children need and enjoy.

It is with regret that unless payment is received by (7 days) we will not be able to offer your child(ren) a place from [insert date] and I will have no alternative

but to pass your account to the County Council's Debt Recovery Team which may result in legal action.

Yours sincerely,

Your Name

Your Job Title