



**Mid-Trent**  
Multi Academy Trust

# **MID-TRENT MULTI ACADEMY TRUST**

## **Debt Recovery Policy**

# Document Control Information

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Version	Date	Detail	Author	Key Changes
1.0	17.07.2018	Initial	A.Nield	New Policy
1.1	14.06.2023	Revised	A.Nield	Shortened Background, modified policy to bring in line with current requirements and systems. Amended Letters, first and second letter come from the school. Updated process and procedure to reflect new services

# Mid-Trent Multi Academy Trust

## Debt Recovery Policy

### Background

This policy aims to help the schools within Mid-Trent Multi Academy Trust (hereafter known as "Trust") to adopt a consistent approach to debt. It provides clarity and consistency in managing debt and will also help parents and carers clearly understand what is expected.

Any money owed to the Trust has an impact on the budget and may affect the resources we can provide to all children.

The Trust will take all reasonable measures to vigorously collect debts as part of its management of public funds.

The Trust's debt recovery policy will observe the relevant financial regulations and guidance set out in the Academies Trust Handbook and any other legal requirements.

### Policy

1. The Trust is responsible for ensuring that procedures are in place for the recovery of any outstanding debt. This policy sets out the procedure for debt recovery for those schools within the Trust and for the write-off of any debt which is deemed to be irrecoverable.
2. The Office staff / Finance Officer will ensure the level of outstanding debt is regularly monitored. Suitable records will be maintained to detail individual debts and total value of debt to the school in order that it can be determined at any time and reported to the Business Manager and Headteacher. All debts will be recorded, and non-payment will be followed up.
3. The Business Manager will review the level of outstanding debt termly to determine whether the level is acceptable in a school and on a case-by-case basis..
4. If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the financial scheme of delegation and the following procedures: -
  - Initial approval must be given by both the Headteacher and the Business Manager.
  - Where necessary the write off must be approved by the MAT Finance Committee and then reported to the next meeting of the Trust Board.
  - Where ESFA approval under the Academies Trust Handbook, this process will be completed by the Business Manager.
5. Parents/carers who are experiencing difficulty in paying for a chargeable service offered by the school should inform the school office immediately. In most circumstances a payment plan can be agreed to help parents clear their debt to the school as soon as possible. Large debts left unpaid may be referred for legal action.

6. Where the Academy incurs material additional costs in recovering a debt then the Finance Manager and Academy Committee 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 academy in recovering the debt. This decision and its basis will be recorded and reported by the Finance Manager and Academy Committee

## **Process and Procedure**

Parents will be asked to pay for most services in advance. Each school has a system for collecting income including cash, cheques, online payment or requests payments are made directly into the school bank account. Where childcare services are delivered then invoiced, parents have fourteen days to pay the invoice before services are withdrawn.

The following procedures, apply to:

### **School Meals**

Payment for school meals should be paid in advance. To access school dinners, parents should pay weekly or monthly. Schools should not allow debts of more than one week to build up. Failure to pay in advance may result in the withdrawal of services.

Your child might be able to get free school meals if you get any of the following:

- Income Support
- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- support under Part VI of the Immigration and Asylum Act 1999
- the guaranteed element of Pension Credit
- Child Tax Credit (provided you're not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190)
- Working Tax Credit run-on - paid for 4 weeks after you stop qualifying for Working Tax Credit
- Universal Credit - if you apply on or after 1 April 2018 your household income must be less than £7,400 a year (after tax and not including any benefits you get)

If a family has financial difficulties, then access to gain free school meals should be discussed and supported if required.

Currently infant children (reception, year 1 and year 2 pupils) are entitled to a Universal Infant Free School Meal. This is not the same as a free school meal from the local authority. For further information about applying for a free school meal please contact the school office.

### **Photographs**

School photographs are managed by an external partner. School photographs are a source of funding for the school from commission. Any income received contributes towards the maintenance of a school Fund.

### **Trips and Educational Visits**

For educational visits the Charges and Remissions policy will be followed.

For optional extra trips, Parents are notified of the cost in advance and may pay by instalments once an initial deposit is made. Full payment for a school trip must be paid in advance. If full payment is not received in advance of the departure date the Academy retains the right to withdraw the place, retain the deposit to cover costs incurred and refund the sum of the remaining payments.

School journey deposits are non-refundable.

### **Lettings**

Contracts for lettings of the school premises will be drawn up as necessary between the Academy and the applicant. Charges will reflect the school's costs for energy, water, and lighting as well as those incurred for opening and closing of the school by the Site Manager or member of staff. Please see the 'Lettings Policy'.

### **Child Care**

Some of our schools provide paid-for childcare (nursery, before and after school clubs, holiday clubs). To avoid the accumulation of debts, payment for out-of- hours care should be paid in advance, Failure to make payment may result in the withdrawal of services.

### **Music Lessons**

Music Lessons should be paid for in advance. The school is often required to enter into a commitment for lessons for a full year which requires full payment. Schools should ensure the commitment of the parent is equal to the one made with the supplier.

### **Pursuance of Debt**

A reasonable period of credit will be available to all customers who are invoiced (i.e. for items not within the day-to-day running of an academy). The settlement period will be 14 days from the date of any charge before debt recovery procedures are applied. These terms will be placed on all invoices raised.

## **Debt Recovery Procedures**

Where payment from the parent has not been received in line with the terms above the following process will be applied:

- **Informal Reminder** – The office staff will make an informal reminder either in person (when a parent/carer comes to collect/drop off the child), by telephone, email, text, or other approved communication method. The date and brief details of the informal reminder will be recorded on the school management information system (MIS). The office staff should establish the nature of the payment delay and obtain agreement from the debtor to make payment within 10 days.
- **First Letter** – Where no payment has been received after 14 days following an informal reminder, the first letter should be sent to the debtor as per Appendix A1 from the school. If the debt results in any sanctions, then details should be included in the letter. The date of the reminder letter will be recorded on the schools MIS.

- **Second Letter** – Where no payment has been received within 14 days of sending the first letter, the second and final letter prior to legal action will be sent by recorded delivery as per Appendix A2 from the MAT.

- **Referral for legal action** – Where no payment has been received within 10 days of the second letter the Headteacher will consult with the Chief Finance Officer to decide whether to take legal action against the debtor using the Trust’s legal advisors. The debtor will be informed of this in writing. Where the debt relates to lettings, all future lettings relating to that customer are cancelled until payment is received in full.

- **Final Letter** – Where no payment has been received following the second letter the Business Manager on behalf of the Trust shall write to the parents.

## Appendix A1 – First Debtors Letter

Parent or carer of A Child  
Address

Date

Dear [name of parent]

Further to our conversation on [insert date of informal reminder] our records show that you are still outstanding the amount of [insert amount] for [insert service, such as school meals] for your child [Insert Child's name, class name].

Please arrange for this debt to be paid in full using [ insert payment methods, e.g. Parentpay]. Alternatively, if you would like to set up a payment plan to pay off the debt in instalments then please contact the school office.

**(If sanction required please amend as appropriate)** Since non-payment for activities offered by the school affects the quality of service we offer to the children, we need to ensure that all payments are up-to-date and I am afraid that if the balance is not cleared by [insert date], or no dialogue has taken place with the school to resolve the issue, then [insert sanction e.g. a packed lunch will have to be provided].

If by [insert deadline] you haven't either paid off the debt or contacted us to set up a payment plan, we may have to refer the debt to the Trust for them to consider any legal action on recovering the debt.

If you have already paid the outstanding amount by the time, you have received this reminder, please accept our apologies, disregard this letter and report your payment to our school office.

Our school budget is intended to support the children's education and learning, and we cannot use it to cover debt owed to the school, I am sure you appreciate our position in this matter.

Thank you for your help and understanding. Please do not hesitate to contact me if you have any questions or difficulties in complying with the requests in this letter.

Yours sincerely

[insert name]

## **Appendix A2 – Second and Final Debtors Letter**

### **Reminder 2 – Sent “signed for” post**

Parent or carer of A Child

Address

**Date**

**Dear [name of parent]**

### **FINAL REMINDER**

I am writing to you following [insert dates of informal reminder, any letters or meetings regarding the debt]

Our records show that you still have an outstanding debt of [insert amount] for [insert service, such as school meals] for your child [Insert Child’s name, class name] despite the previous communication. As we have not received payment from you to settle this cost, I have no option but to refer this debt to our Trust and their advisors to see what legal action we should pursue to recover it.

**(If sanction required please amend as appropriate)** We have suspended your access to services with immediate effect and access will only be reinstated once the arrears are paid in full. This means:

[Insert as appropriate]

- School Meals – You will need to provide a packed lunch until the debts are paid in full
- Childcare – You will need to make alternative arrangements until this debt is paid in full.

We will continue to offer support where practical, parents who are experiencing difficulty with payment or who are eligible for Free School Meals and have not already applied should contact the school office immediately. If you would like to discuss options available, I would be more than happy to do so.

Please arrange for this debt to be paid immediately or, if this is not possible, please contact the school office to arrange a payment plan otherwise the Trust will review the debt and begin proceedings to recover the debt as appropriate.

If you have any queries regarding this debt, please contact the school office immediately.

If you have already paid the outstanding amount by the time you have received this reminder, please disregard this letter and notify the school office with details of your payment.

Yours sincerely

Headteacher