

# Debt Recovery Guidance

Academic Year 2022-2025



The Board of Trustees has a responsibility for ensuring that appropriate procedures are in operation to enable the Trust to receive all income to which it is entitled. This debt recovery guidance has been developed to support the Academy Trust Handbook and Financial Regulations and is stated below.

### **Policy Statement on Debt Recovery**

1. The Connect Education Trust will actively pursue the collection of monies owed to it. If the pupil is not an adult, the parents of the pupil are jointly and severally liable for the charge.
2. The Connect Education Trust is required to ensure that:
  - All invoices outstanding are accurately recorded and maintained.
  - The Trust must document all steps undertaken by the Trust to recover the debt. This includes recording the dates that invoices and statements were distributed, and/or phone calls and letters that have been sent to debtors.
  - For all outstanding debts a final statement (stamped final notice) must be issued to all persons liable for the charge. This statement must state “further action will be taken if this account remains outstanding after a period of no less than 14 days.”
3. The Chief Financial Officer must:
  - Discuss the various debt recovery options and consider the arrangements for debt recovery.
  - Approve the Trust undertaking legal action.
  - Ensure the anonymity of the families involved must be preserved at all times.
4. Pursuance of Debt
  - The costs incurred in pursuing the outstanding charges will be passed onto the debtor.
  - The debtor must be given appropriate notification and time to pay the outstanding charge.
  - The debtor must receive as a minimum a final statement, which states that this is the final notice and that further action will be taken.
5. Waiving of Debt
  - The Headteacher/ Chief Financial Officer can waive or reduce the charge, where they believe the debtor is experiencing financial hardship.
  - The waiving or reduction of the charge is to be dealt with confidentially between the debtor and the Headteacher/ Chief Financial Officer.
  - A recommendation to write off a debt can be made when all reasonable avenues to recover the debt have been exhausted, and where it is not cost effective to pursue the debt through legal action.
  - A debt may be written off according to the Trust Financial Scheme of Delegation.

### **School Meals (Via Online Payment System)**

1. School Meals should be paid in advance of being taken.
2. This is explained verbally at the pre-admission interview and in a letter given at the admissions meeting.
3. If the child takes a meal, when insufficient funds are in the child’s account, the Admin Officer will contact the family by text to remind them of the amount owed and request payment.
4. No further meals can be taken until the account is in credit.
5. If no money is received the Admin Officer sends a letter to advise the parent that they will need to give their child a packed lunch from the next day until the account is in credit. The Headteacher must be informed.
6. Every effort must be made to recover debt through texts, phone calls and by letter. Records must be kept of all communication.

7. If non-payment continues to be a problem the matter should be referred to the Headteacher and the Headteacher should arrange a meeting with the debtor
8. Pursuance of debt should be referred to the Trust Finance Department if all avenues have been explored.
9. The Finance Department will pursue the debt and seek legal action if required.

#### **Money unpaid through provision of services**

1. Lettings - All lettings are dealt with through a lettings agent, who receive payment and deals with debt.
2. No letting can take place without prior payment and public liability insurance has been checked by the agent.
3. For provision of goods and services numbered invoices will be raised.
4. The terms of settlement (30 days) will be stated on the invoice.
5. Where no payment is received a second invoice will be sent, followed by texts, phone calls and letters.
6. If no payment is forthcoming after 60 days the Headteacher will be advised.
7. Advice will be sought from the Finance Department and Executive Leadership Team as to whether the debt should be pursued.
8. The Chief Financial Officer will determine if the school can afford to write off the debt.

Debts that have been written off must be reported to the Board of Trustees in accordance with the Scheme of Delegation and authorisation limits.