



Debt Management and Recovery Policy	Date: April 2025
	Signed:
	Review Date: April 2026

Introduction

The need to ensure public funds are managed and utilised efficiently requires the school to take all reasonable measures to control the debts owed to it. Money which should be spent on the children's education **should not** be used to pay for debts incurred by parents / carers.

All trips and activities arranged by the school are to enhance the children's learning experience; however, without sufficient contributions from parents, these trips and activities will be put into jeopardy.

The government is clear in its guidance to schools, should insufficient contributions be received from parents; the activity should be cancelled. This is not something the school would do lightly, but, unless the activity is self-funding, cancellation is a decision that will need to be made.

Voluntary Contributions for school visits / workshops

If an activity occurs during the school day, whether on the school premises or elsewhere, the school can ask parents for a *voluntary* contribution towards the cost of providing those activities.

To ensure that parents are aware of the voluntary nature of the contribution being requested, the school will request voluntary contributions via the Arbor App.

A reminder message will be issued should the voluntary contributions towards the event, trip or activity not cover the cost of provision. Should the voluntary contributions not meet the full cost of providing that activity, a decision to cancel will be made and parents will be notified of that decision.

If there is a cancellation charge, refunds will be processed after deducting that charge.

If an activity goes ahead, children of parents who are unable, or unwilling, to provide a voluntary contribution will not be excluded from that activity.

Non-Voluntary Contributions

Preschool

The school purchases supplies and resources in advance for the Preschool and has to pay staff to run this, it is essential that sufficient funds are available. If there are insufficient funds from those parents and carers who use these services, the school has to cover the shortfall from the school's main budget allocated for the children. That would be unfair, illegal and unsustainable.

Parents will be sent an invoice for any hours / sessions in excess of the government funding (if applicable) in advance each half term. Parents are expected to pay the invoice by the deadline on the invoice (a minimum of two weeks). An unpaid invoice will be chased. The child's place for the next half term will be cancelled if the invoice is unpaid.

Where a debtor requests permission to settle the debt by instalments and extend the normal term and conditions they must submit an application in writing explaining the reasons for their inability to meet the original contract terms. The Headteacher and Chair of the Finance Committee will agree the revised terms. If the debt is not settled with the terms set by the Headteacher and Chair of Finance then a final reminder should be issued to the debtor. The final reminder (detailed below in Debt Recovery Procedures) should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder and the child's place in Preschool will be forfeited from the following week.

After School Care Club

The school purchases supplies and resources in advance for the After School Care Club and has to pay staff to run this, it is essential that sufficient funds are available. If there are insufficient funds from those parents and carers who use these services, the school has to cover the shortfall from the school's main budget allocated for the children. That would be unfair, illegal and unsustainable.

Parents will be sent an invoice for the terms sessions in advance. Parents are expected to pay the invoice by the deadline on the invoice (a minimum of two weeks). An unpaid invoice will be chased. The child's place will be cancelled if the invoice is unpaid.

Where a debtor requests permission to settle the debt by instalments and extend the normal term and conditions they must submit an application in writing explaining the reasons for their inability to meet the original contract terms. The Headteacher and Chair of the Finance Committee will agree the revised terms. If the debt is not settled with the terms set by the Headteacher and Chair of Finance then a final reminder should be issued to the debtor. The final reminder (detailed below in Debt Recovery Procedures) should clearly state that legal action will be taken if the debt is not settled in full within a further

14 days of the date of the reminder and the child's place in After School Club will be forfeited from the following week.

Reporting

The School Business Manager will ensure that debt levels are monitored regularly.

Records of individual debts will be maintained; all debts will be reported to the Governing Body.

The Governing Body will review significant outstanding debt and determine whether further action to recover the debt is required.

Debt Recovery Procedures

Where payment from the parent / carer has not been received within the above acceptable credit period the following process should be applied.

First overdue payment message

An initial reminder message will be sent via the Arbor app and a hard copy put in the child's bag requesting the amount be paid by an appropriate due date or that a payment plan is put in place.

Second overdue payment message

If full payment is not received by the due date in the first message, or a payment plan has not been arranged (see guidance under Non-Voluntary Contributions), a second message will be sent with a further deadline date.

Third (FINAL) 'overdue payment' reminder message

If full payment is not received within 14 days of this message the child's place at either After School Club or Nursery will be forfeited from the following week. The Council's Legal Services will then be contracted to commence proceedings.

Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Headteacher 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 school in recovering the debt. This decision and its basis will be recorded and reported to the Governing Body.