



THE NEW GUILD TRUST

Debt Minimisation and Recovery Policy

POLICY

This policy has been adopted on behalf of all academies in the New Guild Trust Academy:

Member academies:

Moorpark Junior School
Jackfield Infant School
Alexandra Junior School
Alexandra Infants' School

Approval and review

Committee to Approve Policy	Resource and Audit Committee
Date of Board / Academy Committee Approval	1 st July 2020
Chair of Board / Academy Committee	Mrs S Brough
Signature	<i>S Brough</i>
Accounting Officer	Mrs Karen Peters
Signature	<i>K Peters</i>
Policy Review Period	12 months
Date of Policy Review	July 2021

Contents:

Version Control			
Version	Date Approved	Page	Reason for Alterations
1	June 2018		Initial policy

1. INTRODUCTION

The majority of people recognise that owing money to schools within the MAT reduces the amount of money available to spend on resources, equipment and teachers. Most of these individuals pay any bills promptly. However, there are some individuals who do not pay their bills on time, which leaves the school at a loss.

The New Guild Trust operates across several schools, and it is most effective to have a consistent protocol for debt minimisation and recovery so individuals who have a relationship with more than one school receive the same experience. This policy sets out the agreed stages for pursuing money owed to schools in the MAT.

2. Minimising opportunity to get into debt

The most effective means of reducing money owed to the school is to limit the opportunity for money to be owed and not paid in the first place. A summary of debt recovery is:

If payment is not made:

- Day 1: contact is made via a phone call or a text.
- Day 3: a phone call or face to face contact is made.
- Day 5: Parents will be asked to send in a packed lunch for the following week until the debt is paid.
- Day 7: a reminder letter will be sent to parents and notification of alternative arrangements applicable to the situation (lunch, nursery, care club etc – see below).
- within 14 days: a meeting shall be arranged between the SBM and the debtor (Instalments shall be offered if appropriate).
- after 14 days and/or no agreed instalment payment made, a further reminder letter will be sent with a threat of legal action through the Small Claims Court if payment is not received within 7 days.

If payment is still not forthcoming the school should proceed with legal action through the Small Claims Court or, following approval by the Finance and Resources Committee, the Headteacher can agree to write off the debt. (*See Academy finance Policy*)

2a Primary schools – Lunch

Dinner money must be paid in advance on a Monday morning.

Parents who owe one week's dinner money will be contacted by the school at the end of the week and asked to pay the outstanding debt by the following week and will be asked to send in a packed lunch until the debt is cleared.

Parents struggling to pay for school meals should be reminded that, if they are in receipt of certain benefits, they can apply for Free School Meals.

2b Cashless System – Dinner Money

The cashless catering system does not allow students' lunch accounts to go into debt. If a student arrives at the tills with insufficient money on their lunch account to buy food, they must be sent to the office for a lunch credit, which will be recorded by the Office Team. Parents will then be contacted to ask them to credit their child's account and the same process is followed as above.

Provision of any further meals to the child is at the discretion of the Headteacher.

2c – Over 5's Milk

To give parents of pupils aged over 5 years the opportunity to purchase milk notification is sent out, by letter and text, two weeks in advance giving details of total cost of milk for the following half term and required date of receipt. A further reminder is sent out one week before the cut-off date. Following the cut-off date an order is placed for all pupils over 5 where a payment has been received.

As milk is perishable parents are informed in the letter that there is no refund for milk not taken due to absence from school; however if the pupil has been absent for up to two days, on their return they should be given the cartons of milk to take home for their missed days.

2d Education visits & Extra- curricular Activities

All educational visits and activities must be authorised by the Headteacher within each of the schools. Objectives must be clearly stated in order to apply the Academy's Charges and Remissions Policy. Educational activity is provided by voluntary contribution only except for residential visits where charges will be made – see *Charges and Remissions Policy*.

A leader must be appointed for each trip to take responsibility for ensuring the students pay any sums due. The trip leader must work with the Business Manager to prepare a costing sheet giving an estimate of income and expenditure for the number of students going on the trip and there must be evidence to show that there is no intention to make a profit.

If an online payment system is used the trip leader must advise the SBM which students are participating in the trip to ensure that the online payment system is updated. The trip leader will remind students of any outstanding payments.

The Admin staff will maintain an up to date record for each trip showing the amount paid and the amount outstanding. This record should be sent to the trip leader, who is responsible for chasing any outstanding contributions for students where appropriate. Any overpayments made for educational visits, must be refunded within thirty days of the visit taking place.

Visits organisers are responsible for notifying the Admin staff if a visit does not take place or if a student does not attend a planned visit. Systems will then be updated.

2e Breakfast / After School Care Club

Parents who owe money for Care Club will be contacted by the school at the end of the week who will follow the procedure outlined in the summary above.

Parents who still owe money at the end of the second week will be contacted by the school and informed that their child will not be able to attend the club the following week unless the parent makes arrangements with the school to repay the debt.

2f Chargeable After School Activities

Parents and carers should be asked to pay for the term/half term's activity in advance at the start of that term/half term, unless an alternative payment plan is agreed by the school. The plan must be added to the pupils online payment account. Parents should consent in writing to the payment plan before the commencement of the lessons.

If the debt is outstanding after two weeks (or if two payments on the agreed plan are missed), they should be contacted and reminded that they need to pay for the term/half term's lessons as soon as possible.

If the debt is still outstanding after four weeks (or if four payments on the agreed plan are missed), the parent should be contacted and told that the pupil will not be allowed to participate in any future after school clubs until the debt is cleared.

2g Overpayment of staff salaries

Staff contracts of employment provide for the MAT to recover any salary overpayments in full once they are identified. Staff salaries should be checked carefully on a regular basis to ensure that individuals are being paid at the correct rate for the number of hours they work each week. By checking on a regular basis, errors are more likely to be picked up quickly and the value of any overpayment minimised.

Checks should be made on the current salary rate and hours of any member of staff giving notice to leave the Academy's employment so that any overpayment of salary can be identified and rectified (where possible) in their final salary payment.

3. Recovery of debt

Money owed to the school becomes a debt to be pursued through the process below after two weeks (excluding holidays).

Stage 1a – Informal approach by school

In the first instance a debtor should be contacted by the school by text to remind them of their outstanding debt and to ask them to arrange payment promptly (within one week).

Stage 1b – Informal approach by school (debts relating to pupils only)

If the debt is not repaid following the initial approach, the school should try to make contact, by phone or in person, with anyone on the child's records who has parental responsibility to try to get the debt repaid (within one week). Measures should be taken to prevent the level of debt escalating further.

Stage 2 – Formal approach by school

Where a debt has not been repaid following an informal approach, or if the person cannot be reached by telephone or in person, the debt moves immediately to stage 2. The school should write to the debtor using the template letter (Appendix 1A) on school letterhead asking for the debt to be repaid within two weeks. In the case of a child attending the school, written contact should be made with anyone who has parental responsibility to try to get the debt repaid.

Stage 3 – Referral to Senior Leadership Team

Where a debt remains outstanding following the formal approach by the school, the debt should be referred to the Senior Leadership Team. Details of the debt and previous contact with the debtor must be provided, along with any supporting documentation which would help to pursue the debt. The SBM will write to the debtor requesting a meeting with the Head and asking for the debt to be paid or a payment plan agreed with the school.

Stage 4 – Letter before Action

Where the debt remains outstanding the SBM will write to the debtor using the template letter (Appendix 1B) giving a further two weeks to pay the debt or arrange a payment plan with the school. Headteachers will be notified of any debtors who have reached this stage and asked to discuss whether the school wishes to pursue court action if the debt is above £50.

Stage 5a – Money Claim online (Small Claims Court)

Subject to the approval of the Finance and Resources Committee and the Headteacher to pay the court costs, debtors owing more than £50 who have not responded to the Letter before Action will be pursued through the Small Claims Court for payment of their outstanding debt and any associated costs.

Stage 6b – write off of debt

Debts of less than £50 which have been pursued through this process and which cannot be collected will be referred back to the Headteacher for agreement to be written off. The decision must be minuted in the LCGB finance meeting. Debts of more than £50 but less than £500 (£1000 for non-supported schools) which the LCGB does not wish to pursue through the Small Claims Court will be referred back to the Local Governing Body for agreement to be written off. Write off of debt of more than £500 (supported schools) or £1000 (non-supported schools) must be authorised by the Trust Board.

4. Dealing with vulnerable debtors

The schools and wider Trust, being funded by public money, have a duty to pursue repayment of debts where possible. Some individuals, however, will find repaying any debt difficult.

The MAT and its schools tries to support these people by minimising the opportunity for individuals to build up debt as described above. Debtors should also be offered the opportunity to agree to a regular payment plan at a level that is reasonable for both them and the school to whom the money is owed.

If a debtor agrees to repay money in instalments, a formal letter should be issued, setting out the schedule of repayments and confirming that the debt will immediately become due in full if the repayment schedule is not met.

Appendix 1A

DEBT REMINDER LETTER - FORMAL

Date

NAME and Address of parent / Carer

Dear,

RE : SCHOOL MEAL/CARE CLUB/NURSERY PROVISION -ARREARS. £XXXX,

You child has been provided with school meals/accessed the Care Club, for which payment, despite several requests, has not been received. The price per meal/day is £ and the amount now owing is £

Please make arrangements to bring the account up to date by XXXXXXXXXX by paying online at ParentPay

School meals/access to Care Club/Nursery provision are provided on the basis of payment in advance on a Monday. If the arrears remain unpaid the school must pursue the outstanding debt by commencing court proceedings. Please note that if your financial circumstances have changed, support may be available (Free School Meals).

You may wish to consult with the school office who will be able to advise you on eligibility for support.

Yours sincerely,

Appendix 1B

LETTER BEFORE ACTION

Date

NAME and Address of parent / Carer

Dear

RE : Outstanding debt for £xxxxx relating to dinner money/etc.

FINAL LETTER BEFORE COMMENCING LEGAL ACTION

We are writing to you about the fact, despite previous reminders, there remains an outstanding amount of £ xxxxx in respect of meals consumed. This amount was due for payment before the meals were taken.

Our procedure is for all meals to be fully paid in advance and this account is now very overdue.

The total amount due from you is therefore £XXXXXX

If the full amount of the sum outstanding, as set out above, is not paid within 28 days of the date of this letter, we will begin legal action, without warning, for a court order requiring payment. We may also commence insolvency proceedings. Legal proceedings may affect your credit rating. The costs of the legal proceedings and any other amounts within the court orders must also be paid, in addition to the debt.

The letter is being sent to you in accordance with the Practice Direction on Pre-Action Conduct) the PDPAC) contained in the Civil Procedures Rules. The court has the power to sanction your continuing failure to respond.

The amount can be made in cash, cheque or via your Parentpay account.

We await your immediate payment of the outstanding amount.

Yours sincerely