

Annex I

DEBT MANAGEMENT POLICY

1 INTRODUCTION

- 1.1 The Governing Body is responsible for ensuring that procedures are in place for the recovery of any outstanding debt.
- 1.2 This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.
- 1.3 This policy includes any debt arising from purchase of additional nursery sessions and extended services.

2 POLICY

- 2.1 Payment should be obtained as and when goods/services/facilities are provided wherever possible; in particular where the value of goods and services is relatively small, i.e. less than £100.
- 2.2 Where payment is not received at the time when the goods/services/facilities are delivered an invoice must be raised as soon as possible, but normally within 7 days of the goods/services/facilities being provided.
- 2.3 Parents/Carers are advised that payment for additional services must be paid on the day or in advance. If payment is not made when dropping off their child the Admin Officer will contact the parent and advise that no further sessions can be accessed until payment is brought up to date. Sessions are stopped. If payment is still not received the School Business Manager is informed and the parent will be spoken to by the SBM and then the Headteacher if necessary. An invoice will be raised after 14 days.
- 2.3 Invoices should state that the bill is due and payable at the invoice date.
- 2.4 If no payment is received within 28 days from date of issue of the invoice a final reminder should be issued to the debtor. The final reminder 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.
- 2.5 Where only part of the debt has been settled a final reminder for the balance outstanding should be issued 28 days from the issue of the invoice. The final reminder 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.
- 2.6 Where a debtor requests permission to settle the debt by instalments and extend the normal terms and conditions of supply they must submit an application in writing explaining the reasons for their inability to meet the original contract terms. The Headteacher and Chair of Governors will agree the revised terms. If the debt is not settled within the terms set by the Headteacher and Chair of Governors then a final reminder should be issued to the debtor. The final reminder 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.

- 2.7 At each meeting of the Governing Body, the Headteacher is required to inform the Governors of any debt which is still outstanding after the 14 day period following the final reminder, together with any proposed action: This may be:
- a referral to solicitors for legal action,
 - a debt collection agency, or
 - to write-off the debt if there is no realistic prospect of debt recovery being successful, or if further action is not cost-effective.
- 2.8 Outstanding debt of up to £50 may be written-off by the Headteacher provided that the appropriate follow-up action outlined above has been taken and the details of the debtor, amount written-off and the reason for no further action being taken is reported to the Governing Body for information at their next meeting.
- 2.9 Write-off of outstanding debt in excess of £50 must be approved by the Governing Body following submission of details of the debt by the Headteacher together with reasons for no further action being taken.
- 2.10 A write-off must not be communicated to the debtor. It is not an acknowledgement that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.
- 2.11 Individuals or organisations that have previously defaulted on payments to the school are not allowed credit facilities.
- 2.12 Where a debtor's payments are regularly or consistently paid outside the terms of supply the Headteacher must consider withdrawal of credit facilities and request the individual/organisation to pay for goods/services/facilities at the time they are consumed.

Policy Approved by: Governors

At meeting on: 6th July 2026

Policy to be
Reviewed: Summer 2027