

Appendix G to the Financial Regulations Manual
Debt Recovery Policy



Appendix G Debt Recovery Policy

Document Summary

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Amendment History

Version	Amendment Date	Author	Amendment Summary
1	October 2023	Kim Bowgin	New policy - approved by Board of Directors

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1) Purpose of the Policy:

As part of its management of public funds, the Trust will take all reasonable steps to ensure that all debts owed to it are collected.

2) Consultation process:

This policy was developed in consultation with the FAR Committee.

3) Relationship to other policies:

Financial Regulations Manual
Scheme of Delegation
Appendix E - Charges and Remissions Policy

4) Roles and Responsibilities:

To ensure the collection of debts, the Trust will keep a record of all services supplied, their value, the date and the name of the debtor and ensure that any invoices raised state the date by which payment is due. In general, the Trust will request payment in advance prior to providing any goods or services. It is expected that all invoices will be paid on time and in full. If this is not possible, debtors should contact the Finance Lead or CFO to make alternative arrangements for payment.

The Trust will actively pursue debtors for the collection of income owed to it. If a payment is overdue, the following actions will be taken:

Invoices:

- **Initial reminder** – An informal e-mail or telephone call will be made when a payment is two weeks late.
- **First reminder letter** – A statement and reminder letter will be sent after 30 days.
- **Second reminder letter** – A second reminder letter will be posted or e-mailed if payment has not been received two weeks after the first reminder letter.
- **Failure to respond after two reminders have been sent** – If no payment is received a third reminder letter will be posted or e-mailed and all future services will be cancelled until such time payment has been received. Future services will be subject to payment in full in advance of hire including the settling of any outstanding debts.
- **Failure to respond after three reminders have been sent** – If no payment is received the school will consider placing the matter in the hands of its solicitors.

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School Trip Payments:

Schools are permitted to ask parents for a voluntary contribution towards the cost of any activity which takes place during school hours, including towards the transport provided in connection with an educational visit.

The contribution is voluntary and pupils of parents who cannot, or do not wish to, contribute will not be excluded from the activity. If an activity cannot be funded without voluntary contributions, we will make this clear to parents from the outset. Where there are not enough voluntary contributions to make the activity possible, and there are no other ways to get funds, we will cancel the activity.

Payments already made will not be returned if the school is unable to receive a refund from the travel company or insurer.

Other Parental Debts:

This can include, but is not limited to:

- Music Tuition
- KS2 school dinners (see separate wording below)
- Wraparound care
- School activities wholly or mainly outside of school hours, that are optional

The Trust will actively pursue debtors for the collection of income owed to it. If a payment is overdue, the actions taken will be decided at school level on a case-by-case basis. The school will involve the central Finance team if support or advice is needed.

Debt recovery of KS2 school dinner income from parents will be in line with the individual school's catering contract provider. At the point the debt is handed over to the school for recovery, this will be stated above, be decided at school level on a case-by-case basis.

Debt Reduction or Write Off:

The Trust may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be followed, taking the following factors into account:

- Hardship – where paying the debt would cause financial hardship.
- Ill Health – where our recovery action might cause or further exacerbate existing ill health.
- Time – where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.

In such instances, any appeals made on hardship grounds will be considered by the CFO, Trust Board or Local Governing Committee (depending on where the debt sits and who the appeal is made to). Any debt cancellation or write-offs can only be made

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by those with specific authority as defined by the Financial Scheme of Delegation and within the debt write off limits outlined within the Financial Scheme of Delegation.

Costs of Debt Recovery:

Where the Trust incurs material additional costs in recovering a debt then the CFO, Trust Board or Local Governing Committee (depending on where the debt sits within the Trust, who is the debtor and how much is owed) 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 Trust/school in recovering the debt. This decision and its basis will be recorded and reported by the CFO, Trust Board or Local Governing Committee.

5) Monitoring & Review:

The Trust will review this policy every year and assess its implementation and effectiveness.

Board and/or Committee members will oversee the internal audit arrangements; providing the appropriate level of support and challenge to ensure that the agreed practice and procedure has been implemented through:

- Scrutiny of all reporting information requested and received.
- Identification of any associated risks, trends, underlying or contributory factors
- Assessing any opportunities for change to enhance existing practice and achievement of the Trust's vision.
- Making decisions in respect of any proactive and/or mitigating action to be taken.
- Evaluating the impact and effectiveness of policy and practice in line with the agreed policy review schedule or as necessary.