CHINLEY PRIMARY SCHOOL

NURSERY DEBT MANAGEMENT AND RECOVERY POLICY

AIMS

Any money owed to school Nursery has an impact on the school's budget and may affect the resources we can provide to all children. We hope that parents understand this and will make every effort to avoid owing the school money.

The school will take all reasonable measures to collect debts as part of its management of public funds.

A debt may be written off or passed onto an external debt collection agency (Vilcol) only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The Nursery debt recovery policy will observe the relevant financial regulations and guidance in line with the Schools Financial Value Standard (SFVS) and guidance from Derbyshire County Council Auditors and any other legal requirements covering current debt recovery guidelines in place at that time.

Acceptable 'credit period'

The Full Governing Body has determined that all Nursery bills must be settled by the end of the term of issue. <u>No debt can be carried forward after the date set on invoices</u>.

Reporting of outstanding debt levels

Invoices are completed on a monthly basis and payment is checked against payment by the school admin officer.

Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Finance Committee and/or Governing Body. The Finance Committee and/or Governing Body will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

Debt Recovery Procedures

Where payment has not been received in advance, within agreed timescales or 'at the point of sale', the following process should be applied:

Any extended Nursery provision will be withdrawn until the debt is repaid. Children eligible for 15 hours free funding will only be able to attend their chosen 15 hours and no more and will not be able to order a lunch until all debt is cleared or unless eligible for free school meals.

Initial 'informal overdue payment' reminder – 2 weeks following invoice

The first action to address any outstanding payment is an informal reminder of overdue payment, made on the day the invoice is due for payment should no payment have been forthcoming, 14 days after the original billing date. This should be completed in person, by telephone, e-mail or text message and should detail the amount outstanding and ask for payment within a further 7 days. A record of this contact will be kept.

Formal reminder

If payment is not made within 7 days of the initial, informal reminder, then a formal 'overdue payment' reminder will be sent in writing stating that if payment is not received before the end of that term then any extended provision, including EBNOC service will be withdrawn from the date set on the invpoice until the debt is paid. This will be accompanied by a second telephone call or face to face meeting. The date of the formal request will be recorded. As the end of term approaches

If people are unable to pay
If there is any difficulty on settling any debt it is vital that school are contacted as soon as possible in order that any individual circumstances can be discussed with the Headteacher or Deputy Headteacher. Wherever possible the school will adopt a sensitive approach to debt recovery; however open, early communication is essential. The School may reduce or cancel a debt in certain circumstances. In such circumstances **extended nursery; EBNOC and lunch provision will be withdrawn to protect the family from further compounding the debt.**

If a debtor requests 'repayment terms' these may be negotiated at the discretion of the Finance Committee and/or Governing Body. A record of all such agreements entered into will be retained.

In all cases, a letter will be issued to the debtor **confirming** the agreed terms for repayment. The settlement period should be the shortest that is judged reasonable.

Review of the outstanding liability to be made if no contact received within a 14 day period following the final demand.

If action is to proceed further, it is necessary that there will be a double check that no contact has been made by the parent to the school explaining the non payment.

When this has been checked and no monies have been received or a request for deferred payment has been received the school will formally instruct Vilcol to undertake the debt recovery. The contact will be by email Email: customercare@vilcol.com instructing the company to take measures to collect the debt.

It should be noted that the Governing Body will make every effort to work with parents to prevent debts mounting.

Currently Vilcol will charge 20% of the debt owed for recovery and the final letter to the parent will make it clear that this further amount will be added to the accrued debt

PROCESS

1. School approach parent for payment (informal notice) on the due date of the original invoice (14 day period from the initial invoice) requesting payment within 7 days.
2. First formal request made for immediate payment (overdue reminder) within 7 days
3. No contact made or money received within this time frame - Final request made for immediate payment (Overdue and final reminder) within 7 days.
4. No contact received within 28 days of initial reminder the final demand letter is sent. Service is withdrawn.
5. If no contact or payment received within 14 days following the final demand letter then instruct Debt Recovery Company to act.
6. All correspondence to be recorded and dated.

Costs of debt recovery
Where the school incurs material **additional** costs in recovering a debt then the Finance Committee and/or Governing Body 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 Finance Committee and/or Governing Body.

Bad debts
This debt recovery policy should be cross-referenced with the School's Financial Values Standards and requires written approval from the Full Governing Body.

A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

Agreed by Full Governing Body: Minute number: FP11/051222f

Next review December 2025