

# **Debt Recovery Policy**

**Policy Number: HBS045**

**Trustee Committee: ARR**

**Author: DiW**

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**Issue Date: 10/12/24**

**Review Date: 10/12/26**

## Policy Review

This policy will be reviewed in full by the Board of Trustees every two years.

The policy was last reviewed and agreed by the Board of Trustees on 10/12/24  
It is due for review in 24 months from the above date.

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Headteacher**

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Chair of Board of Trustees**

## **Contents**

### Statement of intent

1. Legal framework
2. Roles and responsibilities
3. Declaring outstanding debt levels
4. Debt recovery procedures
5. Overdue payment reminders
6. Negotiation of debt repayment
7. Exceptional circumstances and remissions
8. Debt recovery costs
9. Bad debts

### **Statement of intent**

Hitchin Boys' School is committed to ensuring equal opportunities for all pupils, regardless of financial circumstances, and has established policies and procedures to ensure that no child is discriminated against by our offering of school trips, activities and educational extras.

While this is the case, the school must have a policy in place to ensure the repayment and recuperation of any outstanding debts incurred by the school on behalf of a pupil. The school will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

Each case is to be treated individually and the circumstances that have led to the outstanding debt will be considered to determine the best course of action and whether it is fair and reasonable to pursue the debt in its entirety if at all. The school is committed to adhering to legal requirements regarding charging for school food, activities and materials, and meeting all statutory guidance provided by the DfE.

## **1. Legal framework**

This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- DfE (2018) 'Charging for school activities'
- DfE (2024) 'Schemes for financing schools'

This policy operates in conjunction with the following school policies:

- Data Protection Policy
- Standalone Reserves Policy
- Charging and Remissions Policy
- GDPR Records Retention Policy

## **2. Roles and responsibilities**

The governing board is responsible for:

- Reviewing this policy every two years.
- Regularly reviewing details of its debts and what recovery action is needed.
- Consultations if legal services are required for debt recovery.
- Adhering to the privacy rights of pupils and their guardians in all cases.
- Deciding to leave a case of debt recovery to the decision of the School Business Manager/Headteacher.

The School Business Manager is responsible for:

- The overall implementation of this policy and ensuring that all staff, parents and pupils are aware of their responsibilities.
- Ensuring that a record of debt reminders is kept and maintained for a period of seven years – this includes dates and times of letters, phone calls, emails, conversations or any other correspondence.
- Ensuring instances of debt are judged on an individual basis, with consideration of the nature of the debt and the circumstances of the family involved.
- Ensuring the privacy of the pupil and their family will be protected by all staff.
- Ensuring the level of outstanding debt owed to the school can be determined at short notice.

### 3. Declaring outstanding debt levels

The School Business Manager, Headteacher and/or governing board will review the level of outstanding debts periodically to determine whether current debt levels are acceptable and whether current methods and procedures to recover debts are effective.

Any individual cases of debt that are deemed to require intervention will be pursued by the procedure starting from section five of this policy.

### 4. Debt recovery procedures

To ensure the collection of debts, Hitchin Boys' School will keep a record of all services supplied, their value, the date and the name of the debtor. The school will ensure that invoices are sent out in a timely manner and that any invoices raised state the date by which payment is due.

A monthly review of the debtors' ledger from the accounting system will be carried out to identify any outstanding debts and analyse the age of the debt.

### 5. Overdue payment reminders

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

#### Music debtors:

- **First reminder** - An initial reminder to pay is issued via WisePay 3 weeks after the start of each term (the invoice due date). Finance will make a follow up phone call 2 weeks later to discuss any payment issues and remind that the payment is due.
- **Formal letter from the Finance Manager** - 2 weeks after the phone call a formal letter will be sent from the Finance Manager requesting either payment of the debt or that the debtor contacts the school to arrange an alternative payment schedule (e.g. payment by instalments). Formal letters will be sent by post.
- **Formal letter from the School Business Manager** - If no payment or response is received in respect of the letter from the Finance Manager, the debt will be referred to the Business Manager who will write to the debtor. This letter will advise that should the school not hear from the debtor then legal action may be taken.

#### Non - music debtors:

For non-music debtors a written reminder/email and statement will be sent by Finance as part of the month end debtor review process, advising that the payment is overdue and requesting payment is made within 14 days (provided the credit terms have been exceeded). If no payment or response is received the debt will be referred to the School

Business Manager who will write to the debtor. This letter will advise that should the school not hear from the debtor then legal action may be taken.

## **6. Negotiation of debt payment**

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue reminder'. If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the School Business Manager. A record of all such agreements will be kept.

## **7. Exceptional circumstances and remissions**

The school will ensure that parents of pupils are aware of the help the school can extend to those in financial difficulty.

In a case where there is, or it is suspected that there is, an overdue debt from a family who may qualify for remissions, details of the different types of bursaries available will be sent to the debtor in question.

The School Business Manager, Headteacher and/or governing board may decide, to waive or reduce the outstanding debt in these circumstances.

## **8. Debt recovery costs**

The School Business Manager, Headteacher and/or governing board may deem it to be advisable to waive or partially waive debts where it is deemed that it does not make financial sense to continue allocating time and resources to pursuing.

## **10. Bad Debts**

If a debtor does not respond to any of the steps above the school must consider if a debt should be written off. The decision must be made based on the value of the outstanding debt and other background information given by the school and the debtor.