Teversham Church of England Primary School

Debt Recovery Policy

2026 -2027

DATE ADOPTED: 13th July 2026
REVIEW DATE: July 2027

Introduction

The school's Governing Body has a responsibility to have a debt recovery policy which ensures that appropriate procedures are in place to enable the school to receive all income to which it is entitled. This policy sets out the procedures for debt recovery within the school and for the write-off of any debt that is deemed to be irrecoverable. This policy applies to all fee paying services including Pre-School, breakfast club, afterschool club, trips and school meals.

Any money owed to school has an impact on the 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 vigorously collect debts as part of its management of public funds. A debt may be written off or passed onto the Chief Finance Officer at Cambridgeshire county council only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in Cambridgeshire County Council Scheme of financial Management for Schools and any other legal requirements.

Payment of services

Parents are required to pay for all services provided by the school in advance by making either an online payment via school gateway, bank transfer, or childcare payments.

Acceptable 'credit period'

The Full Governing Body has determined that one half term is an acceptable 'credit settlement period' before the debt recovery procedures are applied.

Reporting of outstanding debt levels

The Head teacher will ensure that the level of outstanding debt is regularly monitored. 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 Resources Committee and/or Governing Body. The Resources 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 from the parent/guardian has not been received in advance, or 'at the point of sale', the following process should be applied:

Initial 'overdue payment' reminder

An initial reminder may be informal and can be made either in person (when a parent/guardian comes to collect/drop off the child), or by telephone. The date of the initial reminder should be recorded.

First 'overdue payment' reminder letter

A formal reminder letter is issued 2 weeks after the informal reminder. If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time that the debt first became overdue. The date of the initial reminder letter should be recorded.

In the case of a paid Pre-School session, Breakfast Club or After School Club, if the debt is not settled on the following day we may then withdraw any future provision until accounts are brought back up to date.

Second 'overdue payment' reminder letter

A second reminder letter will be issued 2 weeks after the First Reminder Letter. The date of the second reminder letter should be recorded.

Failure to respond to reminders / settle a debt

If there is no response to the second 'overdue payment' reminder letter the debtor will be invited to meet a member of the Governing Body to discuss how the debt will be settled. Failure to respond to this letter and/or failure to attend this meeting will result in the school passing the debt to an external debt collection agency. The Governing Body will make every effort to work with parents to prevent debts mounting. At the discretion of The Resources Committee and/or Governing Body an official invoice may be issued for the full amount. The debtor may be advised that they will be required to pay in advance for all future supplies and services or the supply will no longer be available to them. This decision and its basis will be recorded and reported to the Resources Committee and/or Governing Body. If a mutual agreement cannot be reached or if any agreed repayment is missed then the debt will be transferred directly to an external debt collector. This will be the Chief Financial Officer at Cambridgeshire County Council.

Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. Failure to meet any repayment terms will result in the debt being passed to an external debt collection agency.

If people are unable to pay

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

- Hardship – where paying the debt would cause financial hardship.
- Ill health – where our recovery action might cause further 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.
• Cost – where the value of the debt is less than the cost of recovering it.
• Multiple debts – where someone owes more than one debt to the School. In this situation an attempt to agree one repayment plan to include all debts will be established.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher acting under delegated authority from the 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. The Resources Committee and/or Governing Body will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance. This decision and its basis will be recorded and reported to the Resources Committee and/or Governing Body.

Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Resources 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 Resources Committee and/or Governing Body.

Bad debts

This debt recovery policy should be cross-referenced with the Cambridgeshire County Council Scheme of financial Management for Schools. Write-off of any debt over the value of £150 requires the written approval of the Resources Committee, debts over the value of £500 will be referred to 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.