

"As unique individuals, we do our best at work and play for the love of God and others."



St Benedict's Catholic Primary School

Bad Debt Policy

Adopted by St Benedict's Catholic Primary School: September 2023

To be reviewed: September 2027

INTRODUCTION

1.1 The Governing Board is responsible for ensuring that procedures are in place for the recovery of any outstanding debt. This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

1.2 In order to mitigate against parents accruing debt, parents will be expected to pay upon booking for the after school club. Residential trips must be paid in advance before the cut-off point as determined by the company organising the residential

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/service/facilities are delivered a text will be sent out asking for payment the following day.

2.3 If payment is not received the following day a letter will be sent out asking for payment immediately.

2.4 If no payment is received within 7 days from date of issue of the letter 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 21 days from the issue of the original letter. 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 School Business Manager will agree the revised terms. If the debt is not settled within the terms set by the Headteacher and School Business Manager 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 of the Leadership & Management Committee meetings, 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 Leadership & Management Committee for information at their next meeting.

2.9 Write-off of outstanding debt in excess of £50 must be approved by the FGB 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.