

Coppermill Primary School



# Debt Recovery Policy

Ratified by the Resources Committee: 04 Feb 2015

To be reviewed: Every two years

Next review: Spring 2017

## 1. General requirements

Coppermill Primary 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.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and any other legal requirements. In particular:

- The formal agreement of the Local Authority's Director of Finance and Resources (Section 151 Officer) will be obtained before a debt exceeding £1,000 is written off. (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).
- Debts greater than £10,000 can only be written off by the Executive member for finance on advice of the section 151 officer.
- A formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- The school will not initiate any legal action to recover debts, but will refer any debts which it has not been able to collect (unless a decision to write-off the debt is deemed a reasonable course of action) to the Council's Legal Services section to consider taking legal or other action to recover the debt.

## 2. Acceptable 'credit period'

### **Invoices**

In general payment for all goods and services supplied by the School should be collected in advance or at least within **30 days upon receipt of an invoice**.

### **Breakfast and Tea-Time Clubs**

As per the agreement and offer letter signed by the parent/carer, we recommend that payment is made a minimum of one week in advance and a credit balance is maintained at all times. Payment is required for all days booked even if the child does not attend, the exceptions being when school is closed. Should the child no longer require a place the parent/carer is to advise the School office at least one week in advance, otherwise the parent/carer is still liable for charges. Should the parent/carer fall into arrears of **more than one week e.g. £17.50 breakfast club, £47.50 tea time club** and fail to make a payment within one week of receiving a reminder letter, the club will withdraw the child's place.

### **School lunch**

We recommend that payment is made a minimum of one week in advance and a credit balance is maintained at all times. The parent/carer can decide at the beginning or end of the term only if they want to change to/from school lunch and cannot change in between. When a child has a school lunch they go through the school till which registers

on Parent Pay. Should the parent/carer fall into arrears of **more than two weeks £20.00** and fail to make a payment within one week of receiving a reminder letter, a further letter will be sent advising the parent/carer that their child will no longer be entitled to a school lunch and that they should send their child to school with a packed lunch. Failure for the parent/carer to provide their child with a packed lunch may result in involving the school's child protection officer.

**3. Reporting of outstanding debt levels**

The Headteacher/School Business Manager 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. The Resources Committee will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective. Details of all reminders will be maintained in school. Where a letter is issued, a copy must be retained on file.

**4. Debt Recovery Procedures**

Where payment from the parent/carer has not been received within the above acceptable credit period the following process should be applied.

***Initial 'overdue payment' reminder***

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

***First 'overdue payment' reminder letter***

If by Monday no payment has been made Letter One will be sent home advising if full payment is not received by Friday their child's breakfast club/tea-time club/school lunch place WILL be cancelled.

***Second 'overdue payment' reminder letter***

If full payment is not received by the following Monday (one week from the first reminder letter) Letter Two will be sent home advising their child's breakfast club/tea-time club/school lunch place HAS been cancelled. Payment or a repayment plan must be made by Friday. A follow up phone call will be made to the parent/carer as they will need to make other arrangements.

***Third (FINAL) 'overdue payment' reminder letter***

If by the following Monday (two weeks from the first reminder letter) no payment or response is made, Letter 3 will be sent home advising this is a Final reminder and payment must be received by Friday otherwise the Council's Legal Service will be contacted.

#### **4.1 Staff Debt Recovery**

Staff debts can accumulate from staff school lunches they have taken. A standard Parent Pay letter will be put in their pigeon hole on the Monday advising of the debt. By the following Monday if the debt is still outstanding the same letter will be handed to them in person in the strictest of confidence and a school lunch will not be provided until the debt is paid in full.

#### **5. Negotiation of repayment terms**

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the initial 'overdue payment' reminder.

##### **However, 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 debt – 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.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher/School Business Manager. 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 Headteacher/School Business Manager will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and in future will be required to pay in advance.

#### **6. Costs of debt recovery**

Where the school incurs material additional costs in recovering a debt then the Head teacher 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.

#### **7. Bad debts**

This debt recovery policy should be cross-referenced to the Scheme for Financing Schools. Write-off of any debt above £50 requires the written approval of the Resources Committee up to a maximum of £1000. Write-off of any debt below £50 requires the Headteacher's written approval. A record of the write-off, the reason for it and the approval for it will be retained for 7 years.

## Debt Recovery Process

Check all accounts on a Thursday every week.

If an account is in arrears, **phone calls** to be made on Thursday and Friday requesting payment by Monday.

If, by Monday, no payment has been made **Letter One** is sent home advising if payment not paid by Friday their Breakfast club/Tea-time club/School lunch place will be cancelled.

Check account on Monday, if no payment has been made, **Letter Two** is sent home advising their Breakfast club/Tea-time/School lunch place has now been cancelled and payment must be made by Friday; follow this up with a phone call as parent/carer will need to make other arrangements.

Check account on Monday, if no payment has been made **Letter Three** is sent home advising this is their Final Reminder and payment must be received by Friday otherwise the Council's Legal Services will be contacted.

Process to cease at payment stage

If a payment plan to recover a debt is required - please use the sample attached. Ensure the parent signs one copy in agreement and returns to the School Office and it is kept on file.



## COPPERMILL PRIMARY SCHOOL

Edward Road  
Walthamstow  
E17 6PB

Head Teacher :  
Mrs Figen Bektasoglu

Telephone : (0208) 520 6267  
Facsimile : (0208) 520 9755

Acting Deputy HeadTeacher :  
Ms Karlie Walsh

NAME AND ADDRESS

DATE

Dear

Following our conversation regarding the outstanding debt for Breakfast club/Tea-time club/School lunch payments, please find below repayment schedule in order to clear your account.

Balance outstanding £ xxx

Repayment week commencing XXXXXXXXXX

Repayment week commencing XXXXXXXXXX

Repayment week commencing XXXXXXXXXX

Repayment week commencing XXXXXXXXXX

Can you please sign and return one copy of this letter showing agreement to the proposed repayment schedule.

Repayments need to be made via Parent Pay.

Until the outstanding debt is cleared, your child will not be able to attend Breakfast club/Tea-time club/School lunch.

If you need to discuss this matter further, please do not hesitate to contact me on the above number.

Yours sincerely

Miss N. Petridou  
School Business Manager

Letter One

I am writing to remind you that according to our records, you have arrears on your child's Breakfast club/Tea-time club/School lunch account. In order for your child to continue to attending Breakfast club it is important to keep your account in credit.

Our records show that for your child <consumerforename/> <consumersurname/> Class: <class/> at <date/> your debt is <balance/><b>

Please arrange for this to be paid by Monday DATE</b>. You have two ways to make payment. You can pay using ParentPay, our secure online payment system, using the login previously provided. Please visit [www.parentpay.com](http://www.parentpay.com)

Your username and password are:

<b>User Name <loginname/> Password <password/></b>

You can pay in cash at a local store using the PayPoint card provided to you. If you have misplaced your PayPoint card please take this letter to your nearest PayPoint store along with your payment, the store can then scan the barcode at the bottom of this letter to enable you to pay.

You can check your account balance at any time by logging into your ParentPay account.

Non-payment affects the quality of service we are able to offer to the children therefore we need to ensure that all payments are up-to-date. Once the debt is cleared please ensure the account is always in credit.

If you have any queries regarding these arrears, or if you have difficulty making payment, please contact me at the School Office to discuss this further.

Yours sincerely

Miss Bharj/Ms Perisic  
Administrative Assistant/Office Manager

## Letter Two

Our records show that despite numerous reminders, you have still not made payments on Breakfast club/Tea-time club/School lunch account for your child <consumerforename/> <consumersurname/> Class: <class/>

As a result there Breakfast club/Tea-time club/School lunch place has now been CANCELLED

As at <date/> your account is showing a debt of <balance/>

Please arrange for this money to be paid immediately or contact the school to arrange a payment plan, otherwise non compliance may result in Legal action.

Once the debt is cleared please ensure your child's Breakfast club account is always in credit.

You have two ways to pay the outstanding amount:

1. Online payment via ParentPay; using the login already provided please visit [www.parentpay.com](http://www.parentpay.com)

Your username and password are: <b>User Name <loginname/> Password <password/></b>

2. In cash at a local store using the PayPoint card provided to you. If you have misplaced your PayPoint card please take this letter to your nearest PayPoint store along with your payment, the store can then scan the barcode at the bottom of this letter to enable you to pay.

No matter how you pay you can check your account balance at any time by logging into your ParentPay account at [www.parentpay.com](http://www.parentpay.com). You can also see what meals have been taken and when.

If you have any queries regarding these arrears, please contact me at the School Office to discuss.

Yours sincerely

Miss Bharj/Ms Perisic  
Administrative Assistant/Office Manager



Letter Three – **FINAL REMINDER**

It has been brought to my attention that despite numerous reminders there is still an outstanding balance on your Breakfast club/Tea-time club/School lunch account for <consumerforename/> <consumersurname/> Class: <class/>

As at <date/> your account is showing a debt of <balance/>

Please arrange for this money to be paid by (FRIDAY and date) the **latest**. Your account will be checked on Monday morning and should the account be showing an outstanding balance or you have not contacted the school to arrange a payment plan; the council's Legal services will be contacted.

Once the debt is cleared and should you wish your child to resume Breakfast club/Tea-time club/School lunch, can you please contact Ms Bharj in the School Office to discuss regular payments.

You have two ways to pay the outstanding amount:

1. Online payment via ParentPay; using the login already provided please visit [www.parentpay.com](http://www.parentpay.com)

Your username and password are:

<b>User Name <loginname/> Password <password/></b>

2. In cash at a local store using the PayPoint card provided to you. If you have misplaced your PayPoint card please take this letter to your nearest PayPoint store along with your payment, the store can then scan the barcode at the bottom of this letter to enable you to pay.

No matter how you pay you can check your account balance at any time by logging into your ParentPay account at [www.parentpay.com](http://www.parentpay.com).

If you have any queries regarding these arrears, please do not hesitate to contact me.

Yours sincerely

Ms N.Petridou  
School Business Manager



