



West Norfolk
Academies Trust

Bad Debt Policy

Approved by: Trustees

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Contents

Introduction	3
Minimising opportunities to get into debt	3-5
Recovery of debt	5-6
Dealing with vulnerable debtors	7
Appendix A	8
Appendix B	9
Appendix C	10
Appendix D	11

1. Introduction

The majority of people recognise that owing money to schools within the Trust reduces the amount of money available to spend on resources, equipment and teachers. Most of these individuals pay any bills promptly. However, there are some individuals who do not pay their bills on time, which leaves the school at a loss.

Because West Norfolk Academies Trust operates across a selection of schools, we believe it is most effective to have a consistent protocol for debt minimisation and recovery so individuals who have a relationship with more than one school receive the same experience. This protocol sets out the agreed stages for pursuing money owed to schools in the Trust.

2. Minimising opportunity to get into debt

The most effective means of reducing money owed to the school is to limit the opportunity for money to be owed and not paid in the first place.

2.1 Primary schools – dinner money

Parents who owe one week's dinner money will be contacted by the school at the end of the week and asked to pay the outstanding debt by the following week.

Parents who owe two weeks' dinner money will be contacted by the school at the end of the second week and informed that their child will need to bring packed lunches from the start of the following week unless the parent arranges with the school to repay the debt. Parents struggling to pay for school meals should be reminded that if they are in receipt of certain benefits they can apply for Free School Meals and should be signposted to the appropriate claim's procedure.

If a child whose parents owe two weeks' dinner money arrives at the start of the third week with no packed lunch, the child should be provided with a meal on the first day only, the amount added to the debt and parents contacted to notify them that a case of child neglect has been reported to social services. Provision of any further meals to the child is at the discretion of the Headteacher.

2.2 Secondary school – dinner money

The cashless catering system does not allow students' lunch accounts to go into debt. If a student arrives at the tills with insufficient money on their lunch account to buy food, they must be sent immediately to the finance department for a one-day overdraft (equal in value to FSM daily allowance), which will be recorded by the Finance Team and parents contacted to ask them to credit their child's account.

If an overdraft needs to be issued five times before the parent has cleared their debt, parents should be contacted and told that they will need to make other arrangements for their child's lunch unless the parent arranges with the school to repay the debt. Parents struggling to pay for school meals should be reminded that if they are in receipt of certain benefits they can apply for Free School Meals and should be signposted to the appropriate claim's procedure.

If a child whose parents owe dinner money comes for a sixth time before the debt is repaid, the child should be provided with an additional overdraft, the amount added to the debt and parents contacted to notify them that a case of child neglect has been reported to social services. Provision of any further meals to the child is at the discretion of the Headteacher.

2.3 Trips and visits

Optional trips where a parental contribution is being sought require parental agreement to pay the charges in full by the final payment date. This date should be set *at least one week* (and preferably more) before the date by which the school needs to make full and final payment for the trip. Parents make this commitment by paying their deposit for the trip.

If an amount becomes due before the final payment date (e.g. 50% of the costs 12 weeks before), payment plans for pupils must be set to take account of this. Any pupil who has not paid the required amount by any date when money is due to be paid by the school should be withdrawn from the trip. This should be made clear to parents from the outset.

If a pupil is unable to go on an optional trip after the initial deposit has been paid (unless this is because of ill-health, for which a doctors' note will be required and an insurance claim made if appropriate), parents will lose their deposit unless another pupil can be found who will take the place.

Any pupil who has not paid in full by the final payment date should not be allowed to participate in the trip and should be removed from the totals before the school is required to pay for the place in full. Any pupil who has paid a deposit but then loses their place by not making payment in full by the deadline will also lose their deposit.

2.4 Music lessons

Parents should be asked to pay for the term/half term's music lessons in advance at the start of that term/half term, unless an alternative payment plan is agreed by the school.

If the debt is outstanding after two weeks (or if two payments on the agreed plan are missed), they should be contacted and reminded that they need to pay for the term/half term's lessons as soon as possible.

If the debt is still outstanding after four weeks (or if four payments on the agreed plan are missed), the pupil should be withdrawn from the music lessons, the parent contacted and told that the pupil will not be allowed to participate until the debt is cleared.

2.5 Breakfast club

Parents should be asked to pay for Breakfast club at least one day in advance but preferably a week, to avoid the ability to build up a debt for this facility.

2.6 Provision of Snack/break

Parents who owe money for snacks being provided by the school will be contacted by the school at the end of the week and asked to pay the outstanding debt by the end of the following week.

Parents who still owe money at the end of the second week will be contacted by the school and informed that their child will not receive any further snacks until the parent arranges with the school to repay the debt in full.

Payment for Snack/break provision should be taken in advance wherever possible to avoid the possibility of a debt being owed.

2.7 Chargeable afterschool activities

Parents should be asked to pay for the term/half term's activity in advance at the start of that term/half term, unless an alternative payment plan is agreed by the school.

If the debt is outstanding after two weeks (or if two payments on the agreed plan are missed), they should be contacted and reminded that they need to pay for the term/half term's lessons as soon as possible.

If the debt is still outstanding after four weeks (or if four payments on the agreed plan are missed), the parent should be contacted and told that the pupil will not be allowed to participate in any future afterschool clubs until the debt is cleared.

2.8 Nursery Provision

Parents should be invoiced as early as possible in the term but no later than the end of the first month (e.g. Autumn term, 30th Sept, Spring Term, 31st Jan, Summer Term, 30th April). They should be invoiced for the full term and Invoices should be issued with 14 days credit terms. Any outstanding invoices after 3 weeks should commence stage 2 non-payment procedures. If any Debtor fails to pay within 6 weeks then nursery provision should be withdrawn, an alternative payment plan may be offered in exceptional circumstances at the Head Teachers discretion.

2.9 Overpayment of staff salaries

Staff contracts of employment provide for the Trust to recover any salary overpayments in full once they are identified. Staff salaries should be checked carefully on a regular basis to ensure that individuals are being paid at the correct rate for the number of hours they work each week. By checking on a regular basis, errors are more likely to be picked up quickly and the value of any overpayment minimised.

Checks should be made on the current salary rate and hours of any member of staff giving notice to leave the Trust's employment so that any overpayment of salary can be identified and rectified (where possible) in their final salary payment.

3. Recovery of debt

Money owed to the school becomes a debt to be pursued through the process below after two weeks (excluding holidays) or 3 weeks for Nursery provision.

3.1 Stage 1a – informal approach by school

In the first instance a debtor should be contacted by the school by telephone or in person to remind them of their outstanding debt and to ask them to arrange payment promptly (within one week).

3.2 Stage 1b – informal approach by school (debts relating to pupils only)

If the debt is not repaid following the initial approach, the school should try to contact anyone on the child's records who has parental responsibility to try to get the debt repaid (within one week).

3.3 Stage 2 – formal approach by school

Where a debt has not been repaid following an informal approach, or if the person cannot be reached by telephone or in person, the debt moves immediately to stage 2. The school should write to the debtor using the template letter (Appendix A) on school letterhead asking for the debt to be repaid within two weeks. In the case of a child attending the school, written contact should be made with anyone who has parental responsibility to try to get the debt repaid.

3.4 Stage 3 – Chase letter from school

Where a debt remains outstanding following the formal approach by the school, the debt should be pursued using Appendix B as with stage two written contact should be made with anyone who has parental responsibility to try to get the debt repaid.

3.5 Stage 4 – final demand

Where the debt remains outstanding this should be referred to the Academies Trust Finance Team. Details of the debt and previous contact with the debtor must be provided, along with any supporting documentation which would help to pursue the debt. The Trust Finance Manager will write to the debtor on behalf of the Trust using Appendix C template letter and raise an invoice for the amount owed, asking for the invoice to be paid within two weeks or a payment plan agreed with the school.

3.6 Stage 5 – Letter before Action

Debtors who have not paid the amount due following the final demand will be issued with a Letter Before Action by the Trust informing them that they have 14 days to pay the amount outstanding before legal proceedings may be issued without further notice. Schools will be notified of any debtors who have reached this stage and asked to discuss with their Head Teacher whether the school wishes to pursue court action if the debt is above £100.

3.7 Stage 6a – Money Claim online (Small Claims Court)

Subject to the agreement of the school to pay the court costs, debtors owing more than £500 who have not responded to the Letter before Action will be pursued through the Small Claims Court for payment of their outstanding debt and any associated costs.

3.8 Stage 6b – write off of debt

Debts of less than £100 which have been pursued through this process and which cannot be collected will be referred back to the school's Head Teacher for agreement to be written off. Head Teachers will need to decide on debts of more than £100 but less than £500. Write off of debt of more than £500 must be authorised by the Principal Finance Officer and Accounting Officer.

4. Dealing with vulnerable debtors

The schools and wider Trust, being funded by public money, have a duty to pursue repayment of debts where possible. Some individuals, however, will find repaying any debt difficult.

The Trust and its schools try to support these people by minimising the opportunity for individuals to build up debt as described above. Debtors should also be offered the opportunity to agree to a regular payment plan at a level that is reasonable for both them and the school to whom the money is owed.

If a debtor agrees to repay money in instalments, a formal letter using the Payment Plan letter template should be issued, setting out the schedule of repayments and confirming that the debt will immediately become due in full if the repayment schedule is not met.

To be printed on School letter headed paper

APPENDIX A

Date

Mr Name

Address

Address

Address

Post Code

Re: Overdue Dinner/break/music money (*delete as appropriate*) amount: £xxx

Dear *Mr Name*

Further to my previous communications may I bring to your attention the outstanding amount of £0.00 which is in respect of XXXXXXXXXXXX.

I am sure this is a simple oversight and I would be grateful if payment could be made promptly to clear the outstanding amount.

It is the school's policy that no further debt may be incurred where one is already outstanding and therefore your son/daughter may be excluded from further non-curriculum based activities where there is a cost involved until the above mentioned debt has been cleared.

If you have already sent your payment please accept our apologies for sending this letter

If you have a query on the above invoice please contact me on (*Insert the school's number*), or email (*insert the schools contact e-mail*)

Yours sincerely

XXXXXXX

Relevant school Contact

To be printed on school Headed Paper

APPENDIX B

Date

Mr Name

Address

Address

Address

Post Code

Re: Overdue Invoices

Dear Mr Name

Further to my previous communications may I bring to your attention the amount of £0.0 in respect of XXXXXXXXXX.

I would be grateful if payment could be made promptly (within 7 days from the date of this letter) to clear the outstanding amount. *If payment is not forthcoming I may be compelled to a) suspend your son/daughters' lessons/ b) suspend your after school activity XXXXXXXXX*

It is the school's policy that no further debt may be incurred where one is already outstanding and therefore your daughter may be excluded from further non-curriculum based activities where there is a cost involved until the above mentioned debt has been cleared.

If you have a query on the above invoice please contact me on *(insert the school number)*, or email *(insert the school e-mail)*

Yours sincerely

Insert school Contact

To be printed on Trust Headed Paper

APPENDIX C

Date

Mr Name

Address

Address

Address

Post Code

Re: Final Demand Outstanding Invoice No. XXXXXXXXXX

Dear Mr Name

I am writing to you in connection with the outstanding invoice XXXXXXXXXX - at "Insert name of school" Mr/Mrs/Miss (insert name of person making contact at school level) has already written to you and as yet has received no response.

The school unfortunately is not in receipt of funds to cover outstanding fees/(debts) and has already had to pay for the provisions that we have provided.

It is the **Trust's** policy that no further debt may be incurred where one is already outstanding and therefore I must remind you that your son/daughter may be excluded from further non-curriculum based activities where there is a cost involved until the above mentioned debt has been cleared.

If you are having financial difficulties then perhaps we can come to some arrangement either with regards to paying it over a period of time or perhaps paying a proportion of it.

I would be happy to discuss these options with you if you would care to ring or write to me within the next few days.

Yours sincerely,

Miss C Larkman

Trust Finance Manager

C.larkman@westnorfolkacademiustrust.co.uk

Tel: 01553 773393

Legal Warning Letter – To be printed on Trust Headed Paper

APPENDIX D

Date

Name

Address

Address

Address

Postcode

Re: Outstanding Invoice No. XXXXXXXXX

Dear Name

As you are aware from our previous communications, the amount of £XXXXXXXX is still owed by you to (Insert school name) School in respect of XXXXX

We cannot afford to ignore such debts. Therefore, we must advise you that unless this account is settled in full by (dated one week after the date of the letter), we will refer the matter to our legal advisors and legal proceedings may be issued without further notice.

Yours sincerely

Mr A Johnson
Executive Head Teacher
West Norfolk Academies Trust