



# DEBT RECOVERY POLICY

ST MARY'S LEWISHAM CE PRIMARY SCHOOL

## Our Vision

To be a learning community that promotes the unique gifts, wellbeing and potential of every person. Our work is founded on the life and teaching of Jesus Christ, building on His message of equality, peace and justice, guided by His words 'As I have loved you, so you must love one another' (John 13:34).

Approved by:		Date:	
Last reviewed:	April 2023	Next review due by:	April 2024

## **Mission Statement**

St Mary's school serves our community by providing the highest quality of education and experiences so everyone can achieve their full potential. Faith is at the heart of our life together which celebrates our diversity. Christian values unite and guide our relationships based on respect, responsibility and forgiveness.

## **General requirements**

St Mary's CE Lewisham School will take all reasonable measures to collect all 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.

St Mary's CE School's debt recovery policy will observe the relevant financial regulations and guidance set out in the Financial Handbook for Schools and any other legal requirements. In particular:

- the Governing Body will not write off any debt belonging to the school which exceeds £500. Any sums above this will be referred to the Director of Children, Schools and Families for approval and the formal agreement of the LA's Finance Director obtained before writing-off. (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as one total debt).
- a formal record of any debts written off will be maintained and this will be retained for 7 years (as stated in the Record Keeping and Retention Policy)
- St Mary's CE Lewisham School will not initiate any legal action to recover debts, but will refer any debts which it has not been recovered, to the LA to consider taking legal or other action to recover the debt. In certain circumstances, the decision will be made to write-off the debt and this will be recorded, with the rationale for this action.
- the school will NOT write off any debt belonging to the LA or another party e.g. debts for school meals. If in doubt as to the appropriate action to collect any such debts the school will seek advice promptly from officers of the LA.

## **School staff are expected to follow the following procedures to secure the collection of all debts.**

### **Recording of goods or services supplied where payment is not received in advance or 'at point of sale'.**

A record will be kept of all such supplies that details what was provided, the value, the date(s) and the identity of the 'debtor' e.g. parent, hirer etc.

Where invoices are raised these should state the date by which payment is due.

Correspondence should indicate the maximum period that the school regards as reasonable before payment is overdue.

The Headteacher should determine what the reasonable 'credit period' is if this is not otherwise specified e.g. the governors may stipulate the maximum settlement period for school lettings in a separate 'premises hiring policy'.

### **Initial reminders**

Initial reminders may be informal and made either in person (when a parent comes to collect/drop off the child) or by telephone. Normally, the SAO will undertake.

### **First reminder letter**

A formal reminder letter should be issued after 2 weeks from any informal reminder/the date of supply (Appendix 1).

### **Second reminder letter**

A second reminder letter will be issued 2 weeks after the first reminder letter (Appendix 2).

### **Failure to respond to reminders or settle a debt**

If no response is received from the reminders issued, a letter will be sent to the debtor advising them that the matter will be referred to the LA's Legal and Administration department (Appendix 3).

At the discretion of the Headteacher the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them. This decision and its basis will be recorded.

### **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 reminder'.

If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the Resource Committee. A record of all such agreements will be kept. A letter will be issued to the debtor confirming the agreed terms (unless this is not judged necessary). The settlement period should be the shortest that is judged reasonable.

The Resource Committee will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will be required to pay in advance in future.

### **Costs of debt recovery**

Where the school incurs material additional costs in recovering a debt then the Headteacher will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded.

The debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

### **Reporting of outstanding debt levels**

The Headteacher will ensure that the level of outstanding debt is known at any time. The SAO will inform the Headteacher of school meal debts on a monthly basis.

The Resource 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.

### **Bad debts**

Writing-off any debt above £200 requires the written approval of the Governing Body up to a maximum of £500.

A record of the write-off, the reason for it and the approval for it will be retained for 7 years.

Any debt belonging to the LA will be referred to the appropriate office for consideration/action without delay once the school has taken reasonable measures to collect the debt (i.e. has followed the reminder notification procedures set out above).

### **Debts incurred by parents**

Debts incurred by parents e.g. school meals, breakfast club, clubs and nursery fees are covered in the School Payment Policy.

# St Mary's Lewisham CE Primary School

**Headteacher: Mrs Christine Graham**

329 Lewisham High Street, London, SE13 6NX

Telephone: 020 8690 2613

Email: [admin@st-marys.lewisham.sch.uk](mailto:admin@st-marys.lewisham.sch.uk)



## **"Personal Development at St Mary's is Outstanding" - Ofsted Dec 2021**

### Our Vision

*To be a learning community that promotes the unique gifts, wellbeing and potential of every person. Our work is founded on the life and teaching of Jesus Christ, building on His message of equality, peace and justice, guided by His words 'As I have loved you, so you must love one another' (John 13:34).*

## **APPENDIX 1**

Date: \_\_\_\_\_

### **Reminder Letter**

Debtors name: \_\_\_\_\_ Company: \_\_\_\_\_

Dear (Debtors name)

According to our records you have accumulated a debt of £\_\_\_\_\_.

This debt has been accrued as follows:

\_\_\_\_\_

Please settle this amount as soon as possible by sending cash or cheque into the school office. Please make cheques payable to St Mary's CE Primary.

Our School Debt Recovery Policy is published on the school website in the 'Policies' section. A paper copy of this document can be made available on request.

If you have any queries, please contact the school office.

Yours sincerely,

**Mrs Christine Graham**  
**Headteacher**

# St Mary's Lewisham CE Primary School

**Headteacher: Mrs Christine Graham**

329 Lewisham High Street, London, SE13 6NX

Telephone: 020 8690 2613

Email: [admin@st-marys.lewisham.sch.uk](mailto:admin@st-marys.lewisham.sch.uk)



## **"Personal Development at St Mary's is Outstanding" - Ofsted Dec 2021**

### Our Vision

*To be a learning community that promotes the unique gifts, wellbeing and potential of every person. Our work is founded on the life and teaching of Jesus Christ, building on His message of equality, peace and justice, guided by His words 'As I have loved you, so you must love one another' (John 13:34).*

## **APPENDIX 2**

### **Second Debt Reminder Letter**

Debtors name: \_\_\_\_\_ Company: \_\_\_\_\_

Dear (Debtors name)

Following the second debt reminder letter dated \_\_\_\_\_ regarding debts owed to the school, our records show that this has not been paid and the amount of arrears is now £\_\_\_\_\_.

This debt has been accrued as follows:

\_\_\_\_\_

This debt needs to be paid immediately, either by sending cash or cheque into the school office. Please make cheques payable to St Mary's CE School.

If you have any queries or wish to discuss this matter please contact the school office.

Yours sincerely

**Mrs Christine Graham**  
**Headteacher**

# St Mary's Lewisham CE Primary School

**Headteacher: Mrs Christine Graham**

329 Lewisham High Street, London, SE13 6NX

Telephone: 020 8690 2613

Email: [admin@st-marys.lewisham.sch.uk](mailto:admin@st-marys.lewisham.sch.uk)



## **"Personal Development at St Mary's is Outstanding" - Ofsted Dec 2021**

### Our Vision

*To be a learning community that promotes the unique gifts, wellbeing and potential of every person. Our work is founded on the life and teaching of Jesus Christ, building on His message of equality, peace and justice, guided by His words 'As I have loved you, so you must love one another' (John 13:34).*

## **APPENDIX 3**

Date: \_\_\_\_\_

### **Final Debt Notification of Referral to Legal Services**

Debtors name: \_\_\_\_\_ Company: \_\_\_\_\_

Dear (Debtors name)

Following the second debt reminder letter dated \_\_\_\_\_ regarding debts owed to the school, our records show that this has not been paid and the amount of arrears is now £\_\_\_\_\_.

This debt has been accrued as follows:

\_\_\_\_\_  
Given that the debt remains, and as stated in the second letter, in line with our School Debt Recovery Policy, I am writing to advise you that, we have now referred your debt to Lewisham's Legal Services and they will be writing to you regarding the arrears.

I must advise you that the debt recovery process can result in a summons to Court.

If you have any queries or wish to discuss this matter please contact the school office.

Yours sincerely,

**Mrs Christine Graham**  
**Headteacher**