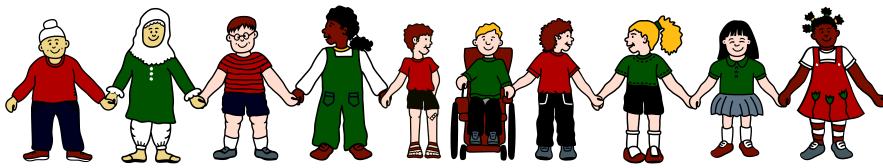


**THE GILES
NURSERY
AND
INFANTS' SCHOOL**



Debt Recovery Policy

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Debt recovery policy

General Requirements

The Giles Nursery and Infants' School will take all reasonable measures to vigorously collect debts as part of its responsibility in managing public funds. A debt will only be written off only after all reasonable steps (commensurate with the size and nature of the debt) have been taken to recover it.

This policy follows the relevant financial regulations and guidance set out in the Financial Handbook for Schools and any other legal requirements.

Key principles

The governing board will not write off any school debt exceeding £500. Amounts above this will be referred to the Director of Children Schools and Families, and will require formal agreement from Hertfordshire County Council's Finance Director before being written off. (Note: if a debtor holds multiple debts that total more than £500, these will be treated as a single cumulative debt).

A formal written record of any debt written off will retained for seven years.

The Giles Nursery and Infants' School will pursue legal action itself but will refer uncollected debts (unless a write-off is demonstrably reasonable). Advice will be sought from Hertfordshire County Council in such cases.

The Giles Nursery and Infants' School will not write off debts that belong to Hertfordshire County Council (e.g. unpaid school milk fees). Advice will be sought from County Council officers in such cases.

Staff responsibilities and procedures

Recording transactions

For any goods or services supplied without advance or point-of-sale payment, a record will be kept including:

- The nature of the supply
- Value
- Date(s)
- Identity of the debtor (e.g. parent, child, hirer)

Where invoices are issued, they must clearly state the due date for payment. In other cases (e.g. letters to parents), deadlines should be included such as:

“Contribution for a school trip should be received by....”

The Headteacher will determine what constitutes a reasonable credit period in the absence of a specific timeframe. For example, for lettings as set out in the lettings policy.

Debt reminder process

- Informal reminders may be given in person, such as at school drop-off, or via telephone.
- These are usually handled by the school administrator who maintains close contact with parents.

First reminder letter

A formal reminder letter should be issued after two weeks from any informal reminder / the date of supply. *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 the debt first became overdue.*

Second reminder letter

A second reminder letter will be issued in two weeks after the First reminder letter.

Using reminder letters

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced. It is therefore important that at least one, but preferably two, written reminders are sent. Details of all reminders whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file.

Failure to respond to reminders / 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 County Secretary's Department, Legal and Administration.

At the discretion of the governing board, finance committee, or headteacher, the debtor may be advised that they will be required to pay in advance for all future supplies, or that such supplies will no longer be available to them. This decision, along with its rationale, will be formally recorded.

Negotiation of payment 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 finance committee. A record of all such agreements will be minuted accordingly.

The finance committee will determine whether any debtor who has been granted extended settlement terms will be ineligible for further credit and required to make advance payments for all future supplies.

Costs of debt recovery

Where the school incurs material additional costs in the process of recovering a debt, the finance committee will decide whether to seek recovery of those costs from the debtor. The decision, along with its justification, will be formally recorded.

The debtor will be notified in writing that they are liable for the additional costs incurred by the school in pursuing the recovery of the original debt.

Reporting of outstanding debt levels

The finance officer will ensure that the level of outstanding debt is known / can be determined at any time.

The finance 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

In accordance with the Schedule of Financial Delegation, debts under £250 require the written approval of the Headteacher for write-off. Debts between £250 and £500 require written approval from the finance committee.

A formal record of each debt written off, including the reason for the write-off and the relevant approval, will be maintained and retained for a period of seven years.

Any debt owed to Hertfordshire County Council will be referred without delay to the appropriate officer for consideration and further action, once the school has taken all reasonable measures to recover the debt in line with the procedures outlined above.

In the case of school milk debts, the school will follow the procedures outlined by the School Milk Finance Team at HCC.