CHINLEY PRIMARY SCHOOL

DEBT MANAGEMENT AND RECOVERY POLICY

AIMS

Any money owed to school has an impact on the school's budget and may affect the resources we can provide to all children. We hope that parents understand this and will make every effort to avoid owing the school money. The school will take all reasonable measures to collect debts as part of its management of public funds.

A debt may be written off or passed onto an external debt collection agency (Vilcol) 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 in line with the Schools Financial Value Standard (SFVS) and guidance from Derbyshire County Council Auditors and any other legal requirements covering current debt recovery guide lines in place at that time.

Acceptable 'credit period'

The Full Governing Body has determined that 28 days from the billing date is an acceptable 'credit settlement period' before the formal debt recovery procedure is applied.

Reporting of outstanding debt levels

The Head teacher 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 Finance Committee and/or Governing Body. The Finance Committee and/or Governing Body will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

Debt Recovery Procedures

Where payment has not been received in advance, within agreed timescales or 'at the point of sale', the following process should be applied:

Initial 'informal overdue payment' reminder

The first action to address any outstanding payments is an informal reminder of overdue payment, made after 28 days of the original billing date. This should be completed in person, by telephone, e-mail or text message and should detail the amount outstanding and ask for payment within a further 14 days. If payment is not made then a formal 'overdue payment' reminder should be sent. The date of the informal request should be recorded.
**In regard of EBNOC outstanding debt after the 14 days 'withdrawal of club offer' should be enforced by letter.*

If people are unable to pay

If there is any difficulty on settling any debt it is vital that school are contacted as soon as possible in order that any individual circumstances can be discussed with the Headteacher. Wherever possible the school will adopt a sensitive approach to debt recover; however open, early communication is essential. The School may reduce or cancel a debt in certain circumstances.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Finance Committee and/or Governing Body.
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 Finance Committee and/or Governing Body will decide whether any debtor who has been granted extended settlement terms will not be offered any further ‘credit’ and will, in future, be required to pay in advance. This decision and its basis will be recorded and reported to the Finance Committee and/or Governing Body

‘Overdue & final payment’ reminder
This reminder must be formal and issued after the first 28 days from original invoice has been exceeded. It can be made either in person (when a parent/carer comes to collect/drop off the child), or by letter sent by a recorded delivery letter. The date of this overdue request should be recorded.

Review of the outstanding liability to be made if no contact received within the 14 day period following the ‘overdue’ reminder and again if no contact has been received 14 days following the ‘final payment’ reminder.
If action is to proceed further, it is necessary that there will be a double check that no contact has been made by the parent to the school explaining the non payment

When this has been checked and no monies have been received or a request for deferred payment has been received the school will formally instruct Vilcol to undertake the debt recovery. The contact will be by e mail
Email: customercare@vilcol.com instructing the company to take measures to collect the debt.

It should be noted that the Governing Body will make every effort to work with parents to prevent debts mounting.

Currently Vilcol will charge 20% of the debt owed for recovery and the final letter to the parent will make it clear that this further amount will be added to the accrued debt

PROCESS
School approach parent for payment (informal notice) after the 28 day period from the initial invoice> First request made for immediate payment (overdue reminder) within 14 days> No contact made or money received within this time frame> Final request made for immediate payment (Overdue and final reminder)> No contact received within the second 14 day period> Instruct Debt Recovery Company to act> All correspondence to be recorded and dated.

Costs of debt recovery
Where the school incurs material **additional** costs in recovering a debt then the Finance Committee and/or Governing Body 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 Finance Committee and/or Governing Body.

Bad debts
This debt recovery policy should be cross-referenced with the School’s Financial Values Standards and requires written approval from the Full Governing Body.

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

Reviewed by Peter Lambert on 14.01.2026

Agreed by Finance Committee: Minute number: FP09/020226c

Next review January 2030