

Stroud Green Primary School

Debt Policy

Adopted by: Stroud Green Primary School Governors

Dated:

Signed: (Chair Resources)

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Date of Issue	July 2017
Date of Review / Status	Reviewed: January 2018
Status: This policy will be reviewed every 2 years by the Resources Committee	

Stroud Green Primary School

Debt Policy

Stroud Green Primary School does not offer credit to customers, payments must be made promptly in accordance with our payment terms. All services must be paid for in advance or at the time of receipt.

Objectives of this policy:

- Securing prompt payment for services
- Minimising bad debt

Definition of Debt:

- Any outstanding balances exceeding £50 (in relation to any one child in the school, debts will not be aggregated across more than one child)
- Any outstanding balances above £50 that do not have an agreed regular payment plan
- Any debt which has been outstanding for more than 1 term (12 weeks)

Payment Terms - Parental Debt;

If a parental debt exceeds £50 action will be taken where the parent will be required to commit to a regular payment plan to reduce the debt if they are unable to clear the debt in full. Any refusal to enter into such an agreement will in the first instance result in the immediate removal on non-essential services (i.e. child care or activity clubs) and result in an immediate referral to the Governing Body Resources Committee. This committee will review parental debt at least termly.

Sequential Triggers;

- Once a parent's debt exceeds £50 the School Business Manager will write formally giving 10 days for the debt to be cleared in full or parents to commit to a regular payment plan. Parents will receive a copy of our Debt Policy.
- *If a) the debt remains outstanding with no regular payment plan agreed by 10 days after the School Business Manager's letter or b) the debtor defaults on the payment plan...* the School Business Manager will issue an invoice summarising the outstanding debt and warning that non-essential services will be removed in 5 days if payment is not received in full.
- *If the debt remains outstanding 5 days following the School Business Manager's Letter...*the Head Teacher will write to confirm the removal of any non-essential services and arrange a meeting to discuss the debt. Parents will have 5 days to respond and meet the Head Teacher.
- *If the debt remains outstanding and the debtor fails to contact the Head Teacher by 5 days after the Head Teacher's letter* the matter will be referred to the Resources Committee of the Governing Body and the debtor's name will be recorded on the school's Bad Debtor Register. The Resources Committee will write to the debtor giving them 5 days to pay in full.

- *If the debt remains outstanding 5 days after the Governor's letter.....the matter will be referred to the small claims court/Debt collection agency.*

Notes: days working days (not weekends)

Debtors other than parents;

These are standard 30 days from the receipt of invoice or request for payment.

Monitoring of Bad Debt;

The School Business Manager will monitor payments received and highlight any Debt to the Head Teacher monthly and Resources Committee of the Governing Body at least termly. The Resources Committee will receive at least termly reports of Bad Debt.

The School will keep a Debtor Register where names, dates, debt descriptions, amounts and payment dates will be recorded. Inclusion of a parent in this register will result in no credit being offered for any non-essential service. All meals, child care, clubs etc. will have to be paid for in advance.