



**Snarestone Church of England
(Aided) Primary School**

DEBT MANAGEMENT POLICY

For Parents and Carers

Date of Review: March 2022

Date of Next Review: March 2023 in line with the Finance Policy

Signed Headteacher:

DEBT MANAGEMENT POLICY FOR PARENTS AND CARERS

Our Vision:

As a community, we are working together to ensure educational excellence underpinned by our Christian ethos and values, enabling all to live a rich and abundant life and to achieve their full potential. Each individual should leave us fully prepared for the next stage of their life. (Reflecting John 10:10)

Jesus said, 'I have come to give life – life in all its fullness.'

Introduction

This policy has been written to help Snarestone C of E (A) Primary School adopt a consistent approach to debt. It provides clarity and consistency in managing debt and will also help our parents clearly understand what is expected of them.

Snarestone C of E (A) Primary School, including Cygnets Pre-School ("the School") debt management policy aims are as follows:

- The School is required to take all reasonable steps to collect debts as part of its management of public funds.
- As of **09.04.2018**, the Governors of the School have adopted a strict '**zero debt**' policy in respect of all chargeable services provided by the school.
- This Debt Management policy forms part of our strategy to make sure this is achieved.
- Voluntary contributions for activities are out of the scope of this policy.
- For the purposes of this policy the term 'parent' refers to any parent, guardian or carer.

Background

- Where debts are allowed to build up, it may become harder for the debtor to pay.
- If a debt is not repaid, then funds which are supposed to be spent on providing the children's education is instead used to subsidise the debt.
- This is an unacceptable use of public funds.
- Therefore the intention of this policy is to:
 - reduce the risk of burdening parents with large debts
 - ensure the entire school budget is used to provide educational services to the children

- We hope our parents will understand and support the reasons for this policy.

Services for which parents are required to pay

The services provided to pupils which parents are required to pay for include:

- School Meals (*unless a pupil is eligible for either Free School Meals or Universal Infant Free School Meals*);
- Cygnets Pre-School fees;
- Music tuition if extra to the curriculum;
- Extra-curricular clubs if chargeable (e.g. after school sports, cooking clubs, art clubs, activity clubs, etc);
- Chargeable Activities, e.g. Residential School visits where board and lodging costs are chargeable to parents.

Timing of payments

- Parents are required to pay for all services provided by the school by making a payment to their child's account on the Eduspot School Money Parent Pay system. This is our preferred option.
- On SchoolMoney, separate payment items are listed for every child and for every service (e.g. School Meals, Cygnets Fees, After School Activity Clubs, extra costs incurred for Trips and Residential visits etc).
- Where possible, payments for Residential Visits, Cygnets Pre-School fees will be split into manageable instalments on the Parent Pay system.
- Parents can choose how frequently they make payments to their Parent Pay account as long as they ensure they meet the required instalment/pay period timings.

Debt Management Guidance

- The Headteacher with delegated responsibility to the Business Manager will ensure that the level of outstanding debt is regularly monitored.
- Suitable records will be maintained to detail any individual debts and the total value of debt to the school in order that it can be determined at any time and reported to governors.
- Where payment has not been made for a particular service, that service will no longer be available to the pupil concerned.
- Where payment has not been made for the school's Cygnets Pre-school, the child's place will be withdrawn.

- For school meals, this means that the parent will be requested to provide a packed lunch or to take the child home for lunch.
- For any chargeable school activity clubs, the child would not be allowed to attend and may lose their place.
- Debt recovery procedures will be triggered by the Headteacher/Business Manager following ratification from the Chair of Governors.
- The school may reduce or cancel a debt in certain circumstances, but only with approval from the Chair of Governors.
- Advice will be given about FSM/Pupil Premium if appropriate.
- A sensitive approach to debt recovery will be taken and consideration to individual family circumstances will be adhered to.
 - Any parent experiencing genuine financial hardship is encouraged to discuss this with the Business Manager or the Headteacher before accessing chargeable school services.

Debt recovery will be carried out, taking the following factors into account:

Hardship

- Where paying the debt would cause financial hardship.

Ill health

- Where our recovery action might cause further ill health.

Cost

- Where the value of the debt is less than the cost of recovering it.

Multiple debt

- Where someone owes more than one debt to the school. In this situation an attempt to agree one repayment plan to include all debts will be established.
- Any reasonable request for permission to pay in instalments will be considered, but the total debt must be cleared by the end of the school academic year.

Debt Recovery Procedure and Policy Implementation

Level 1

Indicator: A child's account for school lunches goes into arrears
Check 1 Is this a FSM child, are dates correct?
Check 2 Is there a possibility that payments have not been credited?
Check 3 Does this parent normally pay on time? Is this just a one off?

Action 1 Send a 'Gentle debt reminder'
This is by text alert via School Money or the school's text message service.

Level 1

Indicator: A child's account for school fees/trips/residential/chargeable clubs etc. goes into arrears
Check 1 Is there a possibility that payments have not been credited?
Check 2 Does this parent normally pay on time? Is this just a one off?

Action 1 Send a 'Gentle debt reminder'
This is by text alert via School Money or the school's text message service

Level 2

Indicator: A child comes to school again without the debt for school lunches being paid or a packed lunch

Check 1 Is there a possibility that payments have not been credited?
Check 2 Has the parent made contact?

Action 2 Personal contact – school lunches outstanding payment
The school office will phone the parent to ask them to either bring money; pay online or bring sandwiches to school before lunchtime or arrange to take their child home at lunchtime. Payment must be made within 5 school days.

- *If a child's parent cannot bring in a packed lunch, lunch will be given for that day only which will be chargeable.*
- *Subsequent lunches will NOT be authorised.*
- *This non-payment for school lunches is deemed unacceptable and in breach of the Debt Management Policy for the school.*

Level 2

Indicator: Payment for school fees/trips/residential/chargeable clubs etc. has still not been settled

Check 1 Is there a possibility that payments have not been credited?
Check 2 Has the parent made contact?

Action 2 Personal contact – outstanding payment
The school office/Business Manager will phone the parent to ask them to either bring money or pay online. A letter will be printed from SchoolMoney

outlining the amount of arrears and for what the outstanding amounts are for. Payment must be made within 5 school days.

- *If a parent is experiencing hardship as per this policy, a meeting with the school Business Manager will be made to organise a payment plan, with authorisation from the Headteacher/Finance Committee.*

Level 3

Indicator: The parent does not comply with any of these options

Check 1 Has the parent made any part-payment to help clear the outstanding arrears?

Check 2 Has a payment plan been agreed with the school Business Manager?

Action 3: The Headteacher will issue a final reminder letter.

The final reminder will clearly state that legal action will be taken if the debt is not settled in full within a further 14 school days of the date of the reminder.

Level 4

Indicator: The parent consistently does not comply with any of these options

Action 4 Any debt that the school is unable to collect will be referred to the Leicestershire Council's Legal Services Section to take legal or other action to recover the debt on the school's behalf. This will be issued on the 15th school day after final reminder letter has been issued.

School Food Support will be contacted in the case of non-payment of school lunches.

- *Please note: where the school incurs material additional costs in recovering a debt then the Finance Committee will decide to seek or 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 will be recorded and reported to the Finance committee.*
- Where a debtor's payments are regularly or consistently paid outside the terms of this policy, the Headteacher must consider withdrawal of credit facilities and request the individual to pay for goods/services/facilities at the time they are taken.
- Where a debtor's payment is in relation to the Cygnets Pre-School – failure to pay outstanding debt in required time scales / instalments as set out in this policy may result in their child's offer of place being withdrawn.

Reporting Procedures

- At each meeting of the Governing Board, the Headteacher/Business Manager is required to inform the committee of any debt which is still outstanding after the 14 school day period following the final reminder, together with any proposed action: This may be a referral to solicitors for legal action, a debt collection agency or to write-off the debt if there is no realistic prospect of debt recovery being successful, or if further action is not cost-effective.
 - Outstanding debt of up to £50 may be written-off by the Headteacher with Chair of Governors authority, provided that the appropriate follow-up has been taken and the details of the debtor, amount written-off and the reason for no further action being taken is reported to the Governing Board for information at their next meeting.
 - Write-off of outstanding debt in excess of £50 must be approved by the Governing Board following submission of details of the debt by the Headteacher/Business Manager together with reasons for no further action being taken.
 - A write-off must not be communicated to the debtor unless the circumstances dictate otherwise (*e.g. the debt is being written off due to the ill-health of the debtor*). It is not an acknowledgement that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.
 - Individuals that have previously defaulted on payments to the school are not allowed credit facilities.
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- *Parents must be provided with a copy of this debt management policy when their child joins the school.*
 - *This policy will be reviewed annually.*