



TEAM Multi-Academy Trust

Debt Recovery Policy

This Procedure was adopted by the TEAM Multi-Academy Trust
Board of Trustees on

Date: 17th May 2023

Signed (on behalf of the Board of Trustees): Paul Ginnings

Signed (CEO): Ian Thomas

Reviewed: March 2025

Review Date: Spring 2027

1 Introduction

Any money owed to the Trust has an impact on the 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 money.

The Trust will take all reasonable measures to collect debts as part of its management of public funds and will make all parents aware of this policy and the Trust's procedures by being sent a letter as shown in the Appendix. This policy and information will also be published on the Trust website and the individual academy websites.

2 Breakfast and After-School Clubs

We recommend that payment is made a minimum of one week in advance and a credit balance is maintained at all times. Should the parent/carer fall into arrears of **more than two week** and fail to make a payment within two weeks of receiving a reminder letter, a further letter will be sent advising the parent/carer that their child will no longer be entitled to a place at the club until the debt is cleared or a repayment plan established.

Payment is required for all days booked even if the child does not attend, the exceptions being when a school is closed. Should the child no longer require a place the parent/carer is to advise the school office at least one week in advance, otherwise the parent/carer is still liable for charges.

3 School lunch

We recommend that payment is made a minimum of one week in advance and a credit balance is maintained at all times. When a child has a school lunch it is registered on Arbor and creates an account balance. Should the parent/carer fall into arrears of more than two week and fail to make a payment within two weeks of receiving a reminder letter, a further letter will be sent advising the parent/carer that their child will no longer be entitled to a school lunch and that they should send their child to school with a packed lunch until the debt is cleared or a repayment plan established

4 Nursery Fees

Fees due will be invoiced to each parent/carer on a half termly basis with payment due in full within 2 weeks from date of invoice. Should the parent/carer fail to make a payment within four weeks of invoice a reminder letter will be issued, and the debt noted as being in arrears. Should payment not be received within two weeks of the reminder letter being issued a further letter will be sent advising the parent/carer that their child will no longer be entitled to attend the nursery for the paid session until the debt is cleared or a repayment plan established.

5 Reporting of outstanding debt levels

The Trust Business Manager will ensure that the level of outstanding debt is monitored on a half termly basis with each school. 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. 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. Details of all reminders will be maintained on each pupils individual Arbor record.

6 Debt Recovery Procedures

Where payment from the parent/guardian has not been received the following process should be applied.

First 'overdue payment' reminder letter

If payment is outstanding by two or more weeks, the 1st formal reminder letter will be sent home advising if full payment is not received within 2 weeks their child's Nursery/Breakfast club/After-school club/school lunch place **WILL** be suspended.

Second 'overdue payment' reminder letter

If full payment is not received within two weeks of the 1st letter the 2nd formal reminder letter will be sent home advising their child's Nursery/Breakfast club/After-school club/school lunch place **HAS** been suspended. Payment or a repayment plan must be made within 10 working days otherwise place will be cancelled. A follow up phone call will be made to the parent/carer as they will need to make other arrangements.

Third (FINAL) 'overdue payment' reminder letter

If after 10 working days no payment or response is made, the 3rd formal reminder letter will be sent home advising this is a **FINAL** reminder and payment must be received within 10 working days otherwise this will result in the school taking possibly legal action.

7 Staff Debt Recovery

Staff debts can accumulate from staff school lunches they have taken. A standard Arbor reminder will be set advising of the debt. By following two weeks the debt is still outstanding a school lunch will not be provided until the debt is paid in full.

8 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 payment' reminder. Failure to meet any repayment terms will result in the Trust taking possible legal action. **However, if people are unable to pay;**

The Trust may reduce or cancel a debt in certain circumstances. A sensitive approach to 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.
- Time – where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.
- Cost – where the value of the debt is less than the cost of recovering it.
- Multiple debts – 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.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Head of School / Trust Business Manager. 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 Head of School / Trust Business Manager will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and in future will be required to pay in advance.

9 Costs of debt recovery

Where the Trust incurs material additional costs in recovering a debt then the Finance Committee 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 Trust in recovering the debt. This decision and its basis will be recorded and reported to the Finance Committee.

10 Bad debts

Write-off of any debt between the values of £250 - £2,000 requires the written approval of the CEO, debts over the value of £2,000 will be referred to the Finance and Audit Committee and debts over £5,000 will be referred to the Full Board of Trustees.

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

11 No recourse to public funds

Families with no recourse to public funds, for example are ineligible for free school meals, despite their financial limitations can apply for discretionary funding to support their school meals only. This support is capped and not for extended day provision use.

Debt Recovery Process

If an account is in arrears of two or more weeks, a reminder is sent via Arbor for payment as soon as possible.

If, after two weeks, no payment has been made the 1st Formal Letter is sent advising their Nursery/Breakfast Club/ASC/school meal place has been suspended and payment must be made within 10 working days to reactive the place.

If after 10 working days no payment has been made the 3rd Formal Letter is sent home advising this is their final reminder and payment must be received within 10 working days otherwise the Trust will take possible legal action

Process to cease at payment stage

If a payment plan to recover a debt is required - please use the sample attached. Ensure the parent signs one copy in agreement and returns to the School Office and it is kept on file.

[Name of Parent/Carer]
[Address 1]
[Address 2]
[Post Code]

Date: [Date]

Dear [Name of Parent/Carer]

Re: [PUPIL NAME, CLASS]

Following our conversation regarding the outstanding debt for Nursery/Breakfast club/After-School club/School lunch payments, please find below repayment schedule in order to clear your account.

Balance outstanding £ xxx

Repayment week commencing XXXXXXXXXX – Amount £xxx

Repayment week commencing XXXXXXXXXX – Amount £xxx

Repayment week commencing XXXXXXXXXX – Amount £xxx

Repayment week commencing XXXXXXXXXX – Amount £xxx

Can you please sign and return one copy of this letter showing agreement to the proposed repayment schedule.

Repayments need to be made via Arbor.

Until the outstanding debt is cleared, your child will not be able to attend Nursery/Breakfast club/After-School club/have a school lunch.

If you need to discuss this matter further, please do not hesitate to contact me on the above number.

Yours sincerely

Briony Parsons
Trust Business Manager

1st 'overdue payment' reminder

<date/>

Dear Parent/Carer

Re: 1st 'overdue payment' reminder for <consumerforename/> <consumersurname/> Class: <class/>

I am writing to remind you that according to our records, you have arrears on your child's Nursery/Breakfast club/After school club/school meals account. In order for your child to continue with this provision it is important to keep your account in credit.

Our records show that for your child <consumerforename/> <consumersurname/> Class: <class/> at <date/> your debt is <balance/>

Please arrange for this to be paid within the next 10 working days. Failure to clear your account may result in your child's Nursery/Breakfast club/After-school club/school lunch place being **SUSPENDED**.

You can pay using Arbor, our secure online payment system, using the login previously provided. You can check your account balance at any time by logging into your Arbor account.

Non-payment affects the quality of service we are able to offer to the children therefore we need to ensure that all payments are up to date. Once the debt is cleared, please ensure the account is always in credit.

If you have any queries regarding these arrears, or if you have difficulty making payment, please contact the School Office to discuss this further.

Yours sincerely

Rose Polak
Finance Officer

2nd 'overdue payment' reminder

<date/>

Dear Parent/Carer

Re: 2nd 'overdue payment' reminder for <consumerforename/> <consumersurname/> Class: <class/>

Our records show that despite numerous reminders, you have still not made payments on Nursery/Breakfast club/After-school club/school lunch account for your child <consumerforename/> <consumersurname/> Class: <class/>

As a result their Nursery/Breakfast club/After-school club/school lunch place has now been **SUSPENDED**.

As at <date/> your account is showing a debt of <balance/>

Please arrange for this money to be paid immediately or contact the school to arrange a payment plan, otherwise non-compliance may result in Legal action.

Once the debt is cleared please ensure your child's Nursery/Breakfast club/After-school club/school lunch account is always in credit.

To make payment please use Arbor, our secure online payment system, using the login previously provided.

You can check your account balance at any time by logging into your Arbor account.

If you have any queries regarding these arrears, please contact the School Office to discuss.

Yours sincerely

Rose Polak
Finance Officer

3rd 'overdue reminder' reminder – FINAL REMINDER

<date/>

Dear Parent/Carer

Re: FINAL REMINDER letter for <consumerforename/> <consumersurname/> Class: <class/>

It has been brought to my attention that despite numerous reminders there is still an outstanding balance on your Nursery/Breakfast club/After-school club/school lunch account for name / class

As at <date/> your account is showing a debt of <balance/>

Please arrange for this money to be paid by (Monday and date) the **latest**. Your account will be checked on Monday morning and should the account be showing an outstanding balance or you have not contacted the school to arrange a payment plan; your place has been withdrawn and the school will take possible legal action.

Once the debt is cleared and should you wish your child to resume Nursery/Breakfast club/After-school club/school lunch, can you please contact the School Office to discuss registration and regular payments.

To make payment, please see below:

You can pay using Arbor, our secure online payment system, using the login previously provided.

You can check your account balance at any time by logging into your Arbor account.

If you have any queries regarding these arrears, please do not hesitate to

contact me.

Yours sincerely

Briony Parsons

Trust Business Manager