

FLITWICK LOWER SCHOOL

Policy

Bad Debt Procedures



These procedures should be followed when an amount of money owing to the school is not received on a timely basis. The timings for sending reminders and the amount of debt outstanding before this procedure starts depends on the nature of the debt as outlined below. This procedure is provided to complement and comply with the Financial Regulations for Schools and Scheme for Financing Schools produced by Central Bedfordshire Council ("Regulations"). In the event that there is a conflict between this procedure and the Regulations, the Regulations shall take precedence.

Payment for School Meals

School meals should be paid for in advance or at least on the same day as the meal is taken, using ParentPay or cash or cheque. The Free School Meal system is available for parents who are in receipt of certain state benefits. If a parent thinks they may qualify for FSM entitlement, they should contact the School Office for further details on how to apply for this.

If payment has not been made, the parents/carers or the member of staff will be sent a reminder text detailing how much is owed as well as a reminder from ParentPay. If no payment is received, a letter will be sent (Appendix 1). If payment is still not received a further letter will be sent detailing the consequences of non payment and a final date by which payment must be made (Appendix 2).

Office Procedural Guide for Bad Debts Policy

At each level of escalation the following checks must be made:

Check 1: If staff, were they on duty? If pupil, is the child FSM, are the dates correct?

Check 2: Is there a possibility that payments have not been credited?

Check 3: Has the person/parent made contact?

Level 1 Indicator: An account goes into debt by more than 2 days worth of dinners. Checks 1 – 3 will be made. Does this person/parent normally pay on time, is this just a one-off?

Action for Level 1: Text reminder sent with first letter from Head Teacher Appendix 1, to be sent electronically by School Ping and paper copy sent home with the child.

Level 2 Indicator: A lunch is requested again without the debt being paid or a packed lunch. Checks 1 – 3 will be made.

Action for Level 2: Personal contact

Someone will phone the parent/carer to ask them to either bring money or sandwiches to school before lunchtime.

Staff will be contacted to provide money by 10am or school lunch will not be provided.

Level 3 Indicator: Non-compliance with any of these options and the debt is outstanding. Checks 1 – 3 will be made.

Action for Level 3: Send a Second Letter, Appendix 2

The Head Teacher will send a final letter, to be sent electronically by School Ping and paper copy sent home with the child.

Level 4 Indicator: The parents/carers / staff member consistently do not comply with any of these options and no contact has been made by the parent/carer. Checks 1 – 3 to be made.

Action for Level 4: Matter To Be Referred to Legal Services for Debt Collection & Social Services where appropriate

Payment for Beehive Out of School Club:

Parents are asked to pay when submitting their booking form. If an extra day is added at short notice, this must be paid on collection of the child from Beehive Club. Payment must be made either by direct Bank Transfer to the School Bank Account or in cash or cheque, made payable to Flitwick Lower School.

FLITWICK LOWER SCHOOL

Policy

Bad Debt Procedures



If payment has not been made, the parents/carers will be spoken to by Beehive Staff. If no payment is received, a letter will be sent (Appendix 3). If payment is still not received a further letter will be sent detailing the consequences of non payment and a final date by which payment must be made (Appendix 4).

Office Procedural Guide for Bad Debts Policy

At each level of escalation the following checks must be made:

Check 1: Is the child entitled to a free place at Beehive?

Check 2: Is there a possibility that payments have not been credited?

Check 3: Has the person made contact?

Level 1 Indicator: An invoice is not paid within two weeks of issue and no child care voucher is in place.

Checks 1 – 3 will be made.

Does this person normally pay on time, is this just a one-off?

Action for Level 1: Text reminder sent with first letter from Head Teacher Appendix 3, to be sent electronically by School Ping and paper copy sent home with the child.

Level 2 Indicator:

Level 2 Indicator: A further place is requested at Beehive without the debt being paid or non-payment of Breakfast Club invoice or if not paid on the day of a short notice booking. Or the invoice remains unpaid for 4 weeks with no child care vouchers in place. Checks 1 – 3 will be made.

Action for Level 2: *Personal contact*

The Office staff will phone the parent/carer to ask them either to pay via Bank Transfer or bring money or a cheque to Beehive by the end of the day. No further bookings will be accepted until payment is received.

Level 3 Indicator: Non-compliance with any of these options and the debt is still outstanding at the end of the half term. Checks 1 – 3 will be made.

Action for Level 3: Send a Second Letter, Appendix 4

The head Teacher will send a final letter.

Level 4 Indicator: The parents/carers consistently do not comply with any of these options and no contact has been made by the parent/carer. Checks 1 – 3 to be made.

Action for Level 4: **Matter To Be Referred to Legal Services for Debt Collection & Social Services where appropriate**

Payment for Letting Invoices

Organisations hiring parts of the School Premises will be sent an invoice in arrears for the previous term.

Payment should be made within 30 days of the invoice being sent out either by direct Bank Transfer to the School Bank Account or in cash or cheque, made payable to Flitwick Lower School.

Level 1 Indicator: Standard payment terms for all invoices issued by the school are thirty days from date of invoice.

Action for Level 1: First Reminder Letter

If payment is not received within 45 days from date of invoice, a first reminder letter will be sent through the post. This reminder will be of a standard form as amended by the Head Teacher from time to time. (Appendix 5)

Level 2 Indicator: Payment has still not been received 60 days from date of invoice.

Action for Level 2: Second Reminder Letter

If, within 15 days of the first reminder letter, payment has not been received, the Head Teacher will be informed and a second reminder letter will be sent through the post, by recorded delivery. This reminder will be of a standard form as amended by the Head Teacher from time to time. (Appendix 6)

Level 3 Indicator: No Payment has been received after two reminders and a further 15 days.

Action for Level 3: Failure to Respond – Debt up to £100

If no payment is received after two reminders, the Head Teacher has authority to write off a debt up to £100 using their knowledge of the circumstances. If the Head Teacher decides that this course of action is not appropriate

FLITWICK LOWER SCHOOL

Policy

Bad Debt Procedures



then he/she will raise the matter with the Chairman of the Resources Committee for a decision on what further action should be taken.

Action for Level 3: Failure to Respond – Debt greater than £100

The Head Teacher will refer to Resources Committee of the Governing Body, who will decide in the light of any information at its disposal, whether to write off the debt or to refer the matter to the Local Authority's Legal Services Department. The Resources Committee may write off a debt up to £500

Action for Level 3: Failure to Respond – Debt greater than £500

The matter will be referred both to the Governing Body. The Governing Body will make a decision on the action to be taken and instigate a review and payment plan to recover any outstanding monies. The Governing Body are authorised to write of debts up to £5,000

Bad Debt Reporting

Any outstanding debtors that have reached Level 3 will be presented at each Resources Committee meeting. All write off of any bad debts shall be reported to the Resources Committee meeting on an annual cumulative basis with a final yearend report being submitted to the Resources Committee at the end of each financial year. This will be submitted to Full Governors via the Resources Committee.

Cumulative Bad debt

If the cumulative bad debt that the Head Teacher, Resources Committee and Governing Body writes off in any one financial year exceeds £5,000, the Assistant Director of Finance or his nominated officer must be informed.

Policy Agreed by Governors:	November 18
Last Review Date:	
Next Review date:	November 19
Signed:	