

OUR LADY IMMACULATE CATHOLIC PRIMARY SCHOOL DEBT RECOVERY POLICY

Introduction

As part of its management of public funds, Our Lady Immaculate Catholic Primary School will take all reasonable steps to ensure that all debts owed to it are collected.

Objectives and targets

The purpose of this policy is to guide the headteacher, business manager and administration staff in recovering debts and ensuring that outstanding debts do not become bad debts.

Action plan

To ensure the collection of debts, Our Lady Immaculate Catholic Primary School will keep a record of all services supplied, their value, the date and the name of the debtor, and ensure that any invoices raised state the date by which payment is due. It is expected that all invoices will be paid on time and in full. If this is not possible, debtors should contact the headteacher or bursar/finance officer to make alternative arrangements for payment.

Our Lady Immaculate Catholic Primary School will actively pursue debtors for the collection of income owed to it. If a payment is overdue, the following actions will be taken:

- **Initial reminder [optional]** – An informal telephone reminder will be made when a payment is two weeks late.
- **First reminder letter** – This formal letter will be sent when a payment is 30 days overdue.
- **Second reminder letter** – To be sent two weeks after the first reminder letter if no payment is received.
- **Failure to respond after two reminders have been sent** – If no payment is received a letter will be sent to the debtor advising them that the matter may be placed in the hands of the school's solicitors.
- **Failure to respond after three reminders have been sent** – If no payment is received the school will consider placing the matter in the hands of its solicitors.

It is anticipated that debts will be settled promptly and in a single payment after the first reminder letter has been received. The debtor may be required to pay any additional costs incurred by the school as a result of collecting this debt.

The headteacher and school business manager are responsible for ensuring that the total value of outstanding debt is known at all times.

Bad debts

Bad debts are only written off when the school has followed all possible procedures to ensure their recovery. If a debt remains unrecoverable after one year, or, if during the year, it becomes clear that

the debt will remain unpaid, the headteacher may write off the debt. If the debt is greater than £500, the headteacher will submit a report to the governing body for approval to write off the debt. Amounts in excess of the amount stipulated by the local authority (LA) in their Scheme of Control will not be written off without their written authority.

Records of debts that have been written off will be retained for six years plus the current year.

Any debtors that fail to settle a debt will be informed that in future they will be required to pay for any services in advance.

Monitoring and evaluation

Responsibility for ensuring that this policy is adhered to lies with the headteacher and bursar/finance manager, who will evaluate its effectiveness annually.

Reviewing

This policy will be reviewed every two years as part of the governors' rolling programme of reviews.