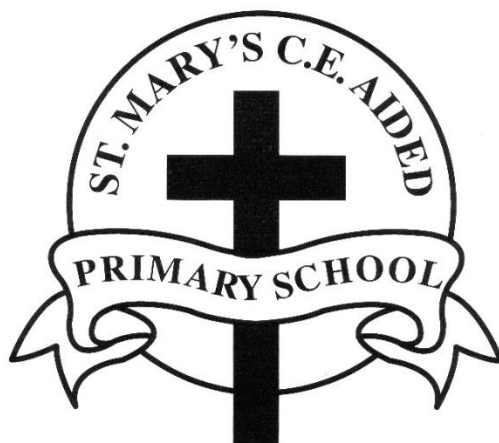




Policy:	Bad Debt Policy
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Author:	Amanda McGarrigle
Date:	March 2026
Last Version:	May 2025

Key changes/notes:
This is a KCC model based policy. There are no material changes from the previous version from 2023

Statutory Requirement:	Yes – Department of Education
Proposed Renewal Cycle:	Annually
Proposed annual review authority:	Head Teacher
Policy Section:	Governance

Let the children come to me and do not hinder them, for the kingdom of God belongs to such as these.” (Luke 18:16) This policy is based upon our Christian values of thankfulness, respect, honesty, love and resilience.
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The Governing Body are responsible for ensuring that there is proper management of the financial matters of the school. They undertake routine scrutiny of the school's finances alongside the Local Authority and the school's leadership team.

This policy relates to the elements of financial control concerning income control from debtors.

Guidelines followed by the school:

- The school must seek to ensure that payment for all goods and services supplied by the school is collected in advance, or 'at the point of sale'.
- There will be clear responsibilities in respect of staff responsibilities for collection of debts.
- That the school must take all reasonable steps to secure the collection of debt.

The debt recovery policy at St Mary's CE Primary School observes the relevant school's financial regulations, the main stipulation being:

"The Governing Body will ensure that there is a system in place for the monitoring all outstanding debts to the school."

For debts over the stipulated level of £5000.00, the school must refer details of cases to the Chief Financial Officer (as per the Financing for Schools Scheme).

Acceptable Credit Settlement Period

The Governing Body considers 30 days to be an acceptable credit settlement period, before the debt recovery procedures apply. Staff will endeavour to recover funds for services during the given payment period. It is the intension of the staff and Governors of St Mary's not to allow debt to be accrued, particularly for families at the school who may suffer financial instability as a result.

SCHOOL TRIPS

NURSERY/CHILDCARE FEES

Steps to reduce debt built up for Nursery/childcare

Parents will be informed of our fees and debt policy on entry to Nursery. A number of options will be provided to pay for fees, including bank transfer, payment to school directly (for which you will receive a receipt), and through Childcare Choices (tax free childcare) – which the school is registered with. Parents will be reminded that it is their responsibility to claim for free childcare through the links on the school website.

The school policies will also be advertised on the school website, to ensure parents have easy access to this information.

A reminder will be sent out to parents who have omitted to pay, before debt procedures are initiated.

Where parents are clearly struggling to pay, and build up debt, the Headteacher has the option of reducing hours to ensure families are supported (for example reducing hours from 30 to 15 universal hours).

Invoices will be sent out to parents for the following two months. Dates for payment will be clearly indicated on the invoice.

SCHOOL LUNCHES

School lunches are to be paid in advance, and the school will only become involved in this contract between Caterlink and parents/carers, should the debt be increased to beyond £20 – at which point the debt will be passed to school.

At this point it is procedure with our catering company to stop lunches until the debt is cleared. To pay this amount, parents are able to use the lunch portal with Caterlink, or through the school payment system.

OTHER DEBT

The school maintains the right to withhold/withdraw services, training or support, should the debt remain unpaid.

Reporting of Outstanding Debt

The School Business Manager will ensure that the level of outstanding debt is monitored.

Records will be kept 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 Governing Body.

The Governing Body will be informed at least once a year of a summary of debts.

Debt Recovery

Where payment from a parent/carer has not been received at the 'point of sale', the following process will be applied. 'Point of sale' items include lunch money, late fees, Nursery fees, one off sessions and lunches (to include services such as lunches where an invoice is not provided):

- An invoice will be issued for the full amount to set up the debt.

- Where invoices are raised they will state the date by which the payment is due.
- The maximum period the school will allow for payment will be clear.
- Where the debt is not paid, the school will pass the debt to the KCC legal department to chase payment, this could involve further legal action.

Verbal and Written Reminders

Details of all reminders will be kept for the purposes to bad debt and further action Where a letter is written the copy will remain on fiile. The Headteacher or School Business Manager will contact the debtor to ask about payment, and in some circumstances secure a payment plan.

If action is to proceed further, it is necessary to prove that the school has made all reasonable attempts to recover the debt, and that these attempts have been timely. A reminder letter will be sent in the first instance.

In some circumstances it may be necessary to send email reminders of the debt (for example if pupils are off school for an extended period).

If the debt is significant, a decision will be made to persue the debt formally, and a letter will be issued to let the debtor know that formal legal advice is now being taken.

At the discretion of the Headteacher, the debtor may be advised that they will be required to pay in full for all future services/supplies, or that services/supplies will no longer be available to them.

Negotiation of a Payment Plan

Debtors are expected to settle in a single payment the amount owed, as soon as possible after receiving the reminder.

If you are unable to pay, the school reserves the right to come to an agreement/plan for the debt to be recovered and cleared. If an agreement is reached, and the debtor does not hold to the plan for debt clearance, the full amount will be expected or services will be withdrawn.

A sensitive approach will be taken if:

- A family is suffering financial hardship
- Ill health – where our recovery could cause further ill health
- Time – where the debt is larger than the income of the family

If a debtor request a payment plan, a record of this request will be kept for the purpose of recording attempts to recover the debt should the matter be taken further.

Costs of Debt Recovery

All incurred costs will be added to the debt being recovered, and the final amount will be reported to the Governing Body by the School Business Manager. The debtor will be informed in writing of how much they owe in addition to the final amount.

In Summary

1. Parents/Suppliers will be invoiced in advance for services, informing them of the payment date.
2. Once the payment date is exceeded the school will send out a reminder, which starts the process should further action be necessary.
3. Should no payment be received a formal warning letter will be sent explaining the process, and that the school is moving the debt into the formal stage of recovery.
4. Services are withdrawn.
5. The school will use the KCC legal team to recover costs plus the debt.