



St Peter's Anglican Methodist V.C Primary School

Debt Recovery Policy

School Address	Bank Road Pilning South Gloucestershire BS35 4JG
School Contact Number	01454 631137

1. General requirements

In general payment for all goods and services supplied by the School should be collected in advance or 'at the point of sale'.

The school will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Scheme for Financing Schools and Schedule of Delegated Financial Authority.

- a formal record of any debts written off will be maintained and this will be retained for 7 years.
- the school may initiate legal action to recover debts and will seek advice for any debts which it has not been able to collect (unless a decision to write-off the debt is demonstrably a reasonable course of action) from the Council's Chief Financial Officer.
- the school can only write off debts up to £2000 which are related to their own income generation e.g. lettings or after-school club income. In order to write off other debts, the school should seek the approval of the Chief Financial Officer.

The procedures to secure the collection of all debts are outlined in this policy should be followed by all School staff.

2. Acceptable 'credit period'

Although advance payment is requested in all cases, the Governing Body have agreed the length of time they deem as an acceptable 'credit settlement period' before the debt recovery procedures are applied. An 'acceptable' credit period may vary between different income generating activities:

Activity	Agreed Credit Period
School Lettings	7 days
Breakfast & After School Club	7 days
Trips and outings (where applicable)	Various, but prior to trip date.
School Meals	14 days

Debt recovery procedures should be applied in accordance with item 4 of this policy.

3. Reporting of outstanding debt levels

The Head teacher will ensure that the level of outstanding debt is regularly monitored.

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 Resources Committee (RC).

The Headteacher and RC will review the level of outstanding debts at every RC meeting to determine whether this level is acceptable and whether action to recover debts is effective.

4. Debt Recovery Procedures

4.1 Where payment from the parent/guardian has not been received in advance, or 'at the point of sale', the following process should be applied.

(a) An invoice should be issued for the full amount in order to officially set up the debt (except school meals where a debt reminder message from the Arbor system will be generated);

Where invoices are raised they should state the date by which payment is due; date/month/year.

(b) In all other cases, such as;

- correspondence with parents, etc. the maximum period that the school regards as reasonable before payment is overdue should be clearly stated, for example payment for breakfast club sessions should be received by date/month/year.
- payment for items purchased should be sent to the school office by date/month/year.
- If payment is not forthcoming the process detailed in 4.1(a) should be applied.

(c) A record of all goods and services will be maintained detailing:

- type of good/services supplied;
- value;
- date(s) good/services supplied; and;
- the identity of the 'debtor', e.g. child, parent, hirer, etc.

4.2 Verbal and Written Reminders

Details of all reminders, whether verbal, written or in-app/text, should be recorded on the log sheet in Debtors file, appendix A, held in school office. Where a letter is issued, a copy must be retained on file.

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced.

It is therefore important that at least one, but preferably two, written reminders are sent.

4.3 Initial 'overdue payment' reminder

An initial in-app/text message reminder may be informal and can be made either in person (when a parent/guardian comes to collect/drop off the child), text or by telephone and as soon as possible after the due date.

The date of the initial reminder should be recorded in the Debtors file.

4.4 First 'overdue payment' reminder letter

A formal reminder letter and accompanying in-app/text message should be issued 2 weeks after the informal reminder or the date of supply.

If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e. at the time that the debt first became overdue.

The date of the initial reminder should be recorded.

4.5 Second 'overdue payment' reminder letter

A second reminder letter and accompanying text will be issued 1 week after the first reminder letter/text.

The date of the initial reminder should be recorded in Debtors file.

4.6 Failure to respond to reminders / settle a debt

If after 2 reminders, a response or payment is not received after 1 week from second overdue reminder, the Headteacher will refer to the Chair of the RC. The Chair of Resources will issue a Letter of Action (Appendix C) to the debtor. If the debt remains outstanding following this letter, and after approval of the RC and Chair of Governors, it may be referred to the Small Claims Court.

At the discretion of the Headteacher or RC the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them.

This decision and its basis will be recorded and reported to the RC.

5. 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.

However, if people are unable to pay;

The School may reduce or cancel a debt in certain circumstances. The school has a Charging and Remission policy, which is available to all parents/carers. 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 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.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the RC.

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 Headteacher and RC will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance. This decision and its basis will be recorded by the RC.

6. Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the RC 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 school in recovering the debt.

This decision and its basis will be recorded by the RC.

7. Bad debts

This debt recovery policy should be cross-referenced to the Scheme for Financing Schools and Schedule of Delegated Financial Authority.

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

8. Policy Review

This policy will be reviewed and approved bi-annually by the Resources Committee and reported to the Full Governing Body.

Policy Agreed

By The Resources Committee on 5 February 2026
Review: February 2028



Appendix A

ST PETER'S ANGLICAN METHODIST PRIMARY SCHOOL

OUTSTANDING DEBT

Name:

Goods/Services:.....

Date Supplied:

Payment Due Date:

Value:

Reminder	Date	Method E = email, P = phonecall, T = text, V = verbal, W = written	Tick copy attached √
Initial informal reminder			
First reminder letter and in-app/text message (2 weeks after above)			
Second reminder letter and in-app/text message (1 week after above)			
Refer to Chair of Resources Committee (1 week after above)			

Refer to Resources Committee:

Date:

Decision:

Date Paid:

Date Written off (if applicable):

Appendix B

RECORDS OF DEBTS WRITTEN OFF

Debtor	Details of debt	Amount (£)	Invoice reference and date (where applicable).	Reason for write-off (including brief details of measures taken to secure payment - as appropriate).	Authorisation of write off – name and signature of the authorising individual and date. Cross reference to entry in the accounts where applicable.

Appendix C

Date

Addressee

Dear

Outstanding Debt –

Further to my letter dated, our records show that the sum of £00.00 remains outstanding on the above account, and that you have not contacted us about this arrears.

Please will you make payment of the sum due within the next **7 days**. If you are unable to pay the balance in full, please contact the school office or myself immediately to discuss a satisfactory instalment arrangement.

Should payment not be made, or if satisfactory arrangements cannot be agreed by the, we may pursue a claim against you in the County Court for the recovery of the above sum, together with interest and court costs, without further notice to yourself.

I would prefer to resolve this matter amicably but I can only do this if you contact me or the school

When making payment, please quote

Yours sincerely

Governor and Chair of Resources Committee