



Debt Recovery Policy

Last reviewed	November 2024
Reviewed by	CFO
Approved by	CEO
Date of approval	November 2024
Policy owner	CFO
Location	Trust Website

Purpose

Any money owed to the SUAT academies has an impact on the budget and may affect the resources we can provide for the pupils. We hope parents/guardians understand this and will make every effort to avoid owing the SUAT money.

As part of its The SUAT Debt Recovery Policy will observe the relevant financial regulations and guidance set out in the Academies Financial Handbook and any other legal requirements.

The Trust Resources and Audit Committees has determined acceptable credit settlement periods before the debt recovery procedures are applied. The SUAT 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 Principal of each academy with the SUAT welcomes anyone to discuss any financial concerns and/or difficulties. The SUAT will also ensure that before any action is taken the safety and wellbeing of the pupil is carefully considered.

For debt recovery relating to the provision of meals and refreshments please refer to the separate Debt Recovery Policy (Provision of meals and refreshments).

It is the Chief Finance Officer's responsibility to ensure that the bad debt financial practices are consistent with this policy.

1. Credit Settlement Periods

After-school clubs

Payment is required at the time of booking via ParentPay for anyone wishing to attend an after-school club. In the event a parent/guardian experiences difficulty booking direct via ParentPay and there are still places available, a place may be allocated manually by the Academy, subject to receipt of payment within 7 days.

Should a parent want to enrol their child in an after school club, but are prevented from doing so for financial reasons, a confidential meeting with the Principal of the academy can be arranged to discuss further.

School trips

Payment is required in advance within agreed timescales via ParentPay.

Music lessons

Payment is required termly in advance via ParentPay.

Other Income

Invoices are raised for other purposes, such as lettings and sale of surplus items. The acceptable credit settlement period is 14 days.

2. Management and Monitoring of outstanding debt levels

On a monthly basis an aged debt report will be produced by the SUAT Finance Team to identify debts that require action to recover the debt. The debt recovery procedures will be applied where any invoice becomes overdue by more than 14 days.

School trips

A list detailing any outstanding payments will be handed to the SUAT Finance Team for monitoring purposes. Should no payment be forthcoming within the agreed timescales the debt will be reported to the Principal of the academy to which it relates and dealt with on their individual merit and will not subject to the debt recovery procedures set out in Section 3.

Music lessons

Music lessons constitute a financial commitment for the parent/guardian throughout the academic year. A list detailing any overdue payments will be handed to the SUAT Finance Team. Thereafter, the debt recovery procedures will be applied.

Other Income

On a monthly basis an aged debt report will be produced by the Finance Team to identify debts that require action to recover the debt. The debt recovery procedures will be applied where any invoice becomes overdue for payment.

3. Debt Recovery Procedures

It will be necessary to prove all reasonable attempts have been made to recover the debt if action is to proceed further and, therefore, detailed records will be kept of measures taken (see Appendix A). It should be noted that payments made via Parentpay may take a few days to be received into the SUAT bank account and this will be taken into consideration when commencing debt recovery procedures.

For overdue debts under £25 reminders will be sent by way of either e-message or by telephone. In the event of non-payment, the debtor will be contacted by telephone and invited to meet with the Chief Finance Officer to discuss repayment proposals and consider the viability of recovery of the debt.

For overdue debts of £25 or over the following procedures will be applied.

Initial overdue payment reminder

An initial reminder will be sent by way of e-message or compliment slip message with a reminder invoice. A copy of the message will be retained for the records. In the case of 'other income' payments, debt recovery procedures will commence with the first overdue payment letter.

First overdue payment letter

If there is no response to the initial reminder, a formal letter (Appendix B) will be issued 21 days after the initial reminder. This letter will be signed by the Finance Manager and a copy will be retained for the records.

In the case of Music tuition fees, this formal letter will state that if payment is not received by the end of the current term they will not be permitted to continue with the tuition. The letter will be signed by the Teacher in Charge of Music.

Second overdue payment letter

If there is no response to the first overdue payment letter, an additional formal letter (Appendix B) will be issued 21 days later. The debtor will also be advised that any future supply of paid Academy services will no longer be available to them unless payment is received in advance or the debt settled in full, where appropriate. This letter will be signed by the Chief Finance Officer. A copy of the letter will be retained for the records.

Failure to respond and/or settle a debt

If there is no response and the debt remains outstanding, the debtor will be invited to meet the Chief Finance Officer to discuss repayment proposals. The possibility of negotiating repayment in

instalments, where appropriate, will be considered. A letter confirming the agreed terms for repayment will be issued to the debtor and will be retained in the records. In the event the debtor does not adhere to the agreement then repayment in full will be requested.

Legal action

Consideration to take legal action will be at the discretion of the Trust Resources Committee.

4. Reporting of outstanding debt levels

On a monthly basis the SUAT Finance Team will produce outstanding debt reports for the Chief Finance Officer. This will detail the total debt levels across all services provided and will highlight any large debts and any debts that are cause for concern.

Total outstanding debt levels will be brought to the attention of the Resources Committee. The Chief Finance Officer will determine whether any individual debts should be reported to the Resources Committee. The Resources Committee will determine whether the level of debt is acceptable and whether action to recover debts is effective.

5. In the event the debtor is unable to repay

The SUAT may reduce or write off a debt after careful appraisal of the facts and on their individual merits. A sensitive approach to debt recovery will be carried out, taking the following into account:

- Hardship – where repayment of the debt would cause financial hardship
- Ill health – where recovery action may cause further ill health
- Cost – where recovery of the debt would cost more than the debt itself
- Loss of contact – in cases where an individual has left an academy and there is loss of contact
- Whether all reasonable action has been taken to effect recovery from the debtor, the Trust's insurers

The Trust should be satisfied that there is no feasible alternative.

6. Write off of bad debts

The write-off of any debt up to £10 can be agreed by a member of the Finance Manager. The write-off of any debt up to £200 can be agreed by the Principal. The write-off of any debt above this figure up to £500 can be agreed by the Chief Executive Officer. The write-off of any debt above this figure will require the written approval of the Resources Committee.

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

Write-off Limits

The Trust **must** obtain EFA's prior approval to write-off individual debts with a value:

- in excess of 1% of total annual income or £45,000 (whichever is smaller) per single transaction
- cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any academy Trust that has not submitted timely, unqualified audited accounts for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of audited accounts; and
- cumulatively, 5% of total annual income in any one financial year per category of transaction for any Academy Trust that have submitted timely, unqualified audited accounts for the previous two financial years

Debt Recovery Record

To be completed in conjunction with the Debt Recovery Policy

Debtor (Name & Address)

.....

Nature of debt..... Amount £.....

Date debt incurred..... Pupil/Commercial (please delete)

How did the debt arise?

.....

.....

Actions taken to date

Date	Action	Outcome

The write-off of any debt up to £2000 can be agreed by a member of the Finance Team. The write-off of any debt above this figure up to £15,000 can be agreed by the Chief Executive Officer. The write-off of any debt above this figure will require the written approval of the Resources Committee.

Copy of this form to be sent to the Trust Chief Finance Officer for approval by Resources Committee.

Authorised approval to write off the above debt:- Signed

Print name Designation Date

Company Name
Address

Date

Dear Sir/Madam

Customer Account No.
Total Balance

Please note the invoices detailed below remain outstanding. I would therefore be grateful if you would forward your remittance as soon as possible.

Invoice number	Date of invoice	Due date	Amount Outstanding
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If you have recently sent a payment or have made a promise to pay in the last few days please disregard this letter.

If you are not in a position to make a full payment or have any queries regarding the invoices please contact us immediately to discuss alternative arrangements.

Please make cheques payable to Staffordshire University Academies Trust.

BACS payment to
Lloyds TSB Sort code: 30-64-44 Account number: 33311068

Yours faithfully

Mrs L Allen
CFO & Deputy CEO

Company Name
Address

Date

Dear Sir/Madam

Customer Account No.
Total Balance

Despite previous reminders the invoices detailed below still remain outstanding. To avoid further action we therefore request payment within the next 7days.

Invoice number	Date of invoice	Due date	Amount Outstanding
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If you have recently sent a payment or have made a promise to pay in the last few days please disregard this letter.

If you are not in a position to make a full payment or have any queries regarding the invoices please contact us immediately to discuss alternative arrangements.

Academy services will no longer be available to you unless payment is received in advance or the debt settled in full, where appropriate.

Please make cheques payable to Staffordshire University Academy
BACS payment to

Lloyds TSB Sort code: 30-64-44 Account number: 33311068

Yours faithfully

Mrs L Allen
CFO & Deputy CEO