



## Debt Management Policy Payment of fees procedure 'Bad Debt' policy

What is the purpose of this policy?

*This policy sets out how we ask parents and carers to pay fees for certain activities and services and how the HBSF Schools will avoid, manage and respond to debts accrued.*

Who approved this policy? *The Governing Body*

Is this policy statutory? *No*

When was this policy written / reviewed? *November 2022*

When will this policy be reviewed next? *November 2023*

## **Introduction**

The effective management of debt is important to the success of any school. The Governors and Senior Leadership team of HBSF have a duty to ensure effective use of the school budget to raise standards and maximise the achievement of pupils.

This policy sets out our approach to parent / carer debt and as such does not include lettings or staff debt etc.

The School Governors always encourage Parents / Carers to contact the Executive Headteacher, School Business Manager or one of our administrators if they are experiencing any difficulty in meeting their financial commitments to school.

In most cases a mutually acceptable agreement can be reached, thus avoiding the need to implement the debt management process.

Whenever possible this would be our preferred course of action.

We need to ensure that there is a balance between the competing needs to maximise monetary collection and ensuring that Parents / Carers who may at some time become our debtors are treated in a fair and equitable manner.

In order to ensure that the required balance is applied in the control and recovery of money, the Governing Body has developed a Debt Management Policy.

## **Aims**

The aims of the policy are:

- To help our School Governors adopt a consistent approach to debt with a view to eliminating 'bad debts' completely.
- To provide clarity and consistency in managing debt and also to help Parents and Carers clearly understand what is expected of them when they make a financial commitment.
- To effectively pursue all debts owed to the school ensuring that those with the means to pay do so.
- To reduce the risk of Parents incurring large debts that they will struggle to pay off.
- To ensure that the entire school budget is used to provide educational services to all of our children and not be impacted negatively by bad debts.
- To reduce the considerable amount of work of our colleagues in the school offices in chasing up all debts, which has a direct impact on the school budget and resources and ultimately the teaching of our pupils.

## **Scope**

This policy relates to all chargeable activities/events and examples of some of the main ones are:

- School Meals
- Music Tuition
- Chargeable Extra Curricular activities

- School Trips out of school hours
- Nursery Fees (see p5)
- Before School and After School Club provision (see p5)

This policy also relates to external organisations who purchase from our external School Meals Service or who rent out our community spaces.

## **Rationale**

**Other schools and external organisations using our services and facilities are expected to adhere to our payment terms. This requires those letting our community space to settle payment 7 days in advance of use and for schools using our Schools Meals service to settle all amounts within 30 days of the date of the invoice.**

The services provided by school are no different to those provided by any other business; the meals for pupils and other services must be paid for.

However, a minority of Parents do not pay on time for services offered by the school and despite regular reminders and access to a range of payment methods, continually fail to pay for services taken. This puts the schools in the position of potentially subsidising a few families with funding that is intended by law for all children, as well as causing considerable extra work for office staff and therefore cost to the school budget.

## **Principles**

- To consider fully the debtor's circumstances and ability to pay and so distinguish between the debtor who won't pay and the debtor who genuinely can't pay.
- To ensure that debts are managed in accordance with legislative provisions, transparency, and best practice.
- To treat the individual consistently and fairly, regardless of age, sex, gender, disability and sexual orientation and to ensure that the individuals' right under GDPR and Human Rights legislation are protected.

## **Roles and Responsibilities**

The HBSF Schools will ensure that a copy of the debt policy is available on each of the schools' websites and a paper copy is available from the School Offices upon request.

## **Practices and Procedures**

### **Curriculum based class trips**

In accordance with the school's charging policy, Parents / carers will be asked to make a voluntary contribution towards the cost of the visit. The federation Governors understand that contributions for school trips and class activities can place a severe burden on some families. On most occasions, the trip/event is subsidised by school funds. Parents / Carers will be given the opportunity to pay in instalments. Pupils will not be prevented from participation because of a Parent's / Carer's inability to pay or to make a contribution.

Parents / Carers must however be reminded that on some occasions, the trip/event could be cancelled if we do not receive enough contributions.

## **School Meals**

Parents / Carers who do not want their child to have a school lunch, should provide a healthy packed lunch.

If you think your child may be entitled to free school meals, parents should contact the Calderdale Council Benefits Team directly to establish whether they are eligible. The Benefits Team will then inform us.

If in doubt, please ask the staff in the School Office.

- At Riverside, Parents / Carers are encouraged to pay online using the secure SchoolMoney system. This ensures that pupil's accounts are updated as quickly as possible and reduces the risks associated with handling manual payments. It not only allows payments to be made securely but also enables Parents to keep track of their balance to ensure that large arrears do not occur.
- At Central Street and Stubbings, Parents / Carers currently have the choice of paying for school meals by bank transfer or cash or cheque.

Where arrears exist, the parent / carer will be reminded by text or email on a weekly basis that they have an outstanding balance and to check their school account.

School office will inform the Executive Headteacher when arrears reach £100.

## **Debt management**

Should debt arise, the Parent / Carer will initially be reminded by text and / or email and asked to settle the account.

Where the debt remains outstanding for extended period, the Parent / Carer will receive a letter requesting immediate settlement. We would then refer the debt to the Governors for an official letter if the debt is substantial.

If no settlement or Parental / Carer contact with an offer to settle has been received, after several reminders, this will be referred to the Executive Headteacher who will usually attempt to contact the family herself.

Any offer to settle by instalments will be referred to the Headteacher for approval.

Should a cheque be returned to school by the bank as "unpaid" then this will be treated as a debt. The Parent / Carer will be asked to settle this immediately and the action outlined above will be followed.

In reviewing the action(s) to be followed, the Executive Headteacher may reduce or write off a debt on their individual merits in certain exceptional circumstances. 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.
- Loss of contact – in cases where an individual has left the school and there is loss of contact.

## **Means-tested free school meals**

If Parents / carers in receipt of certain benefits believe that they are entitled to Free School Meals, please contact the office for a free school meals form.

## **Payment of Fees for paid Nursery places and After School Provision – Valley Crew (Stubbings) and Fun Club (Central Street) including ‘bad debts’**

1. Invoices for fees are normally issued termly, in advance, within the first two weeks of each half term.
2. Where a child starts at some point during the term or their sessions are increased, an invoice will be issued within two weeks of the start date.
3. If a child is off sick, fees are still payable. This is to retain the child's place.
4. If the child has a long hospitalisation or illness, the parent/carer can ask the administrator / SBM to review the situation.
5. If the parent/carer wishes to remove the child or reduce the number of After School sessions, four weeks' notice must be given in writing or four weeks fees paid.
6. Where monies are owed to the parent / carer due to a reduction in sessions or the termination of a place, they will be paid within one week of the receipt of notice.
7. Where fees are paid by the parent / carer, payment is expected within one week of the date that the invoice is received.
8. If payment at this time is not possible then the parent / carer should approach the administrator to discuss a mutually agreeable payment schedule.
9. Parents may opt to pay fees on a weekly basis by prior arrangement.
10. Late fees will be charged if a child is not collected promptly by the end of the session. £15 charge will be made plus £5 for each 5 minutes thereafter.
11. If payment has not been made within one week of the expected payment date the parent/carer will be given a verbal reminder by the administrator.
12. If payment has not been made within 2 weeks of the expected payment date a written reminder will be issued to the parent / carer. A copy of this procedure should be enclosed. A breakdown of what is owed should also be included.
13. If payment has not been made within 4 weeks of the expected payment date a formal letter will be issued to the parent/carer requesting payment of fees and informing them that they are putting their child's Nursery or After School Club place at risk. A breakdown of what is owed should also be included.
14. If payment has not been made within 6 weeks of the expected payment date a formal letter will be issued to the parent/carer giving them one week to arrange for payment of fees. They should also be notified that their child's place at Nursery or After School Club will be terminated a week hence (indicating this date), if this is not forthcoming and that the debt will be pursued through the small claims court. A breakdown of what is owed should also be included.
15. If payment has not been made within 7 weeks of the expected payment date a formal letter will be issued to the parent/carer informing them that their child's Nursery or

After School Club place has been terminated (indicating this date) and that the debt is being pursued through the small claims court. A breakdown of what is owed should also be included.

16. A claim should then be submitted to the small claims court.
17. Once a payment schedule has been negotiated by the administrator to bring payment of fees up to date, should the payments again fall behind by at least two weeks, this policy will be re-instated at the point at which it was left off. No further negotiation will be entered into, and only full payment of the debt will ensure the security of the child's place at the Club.
18. Although the Executive Headteacher and governors should be kept abreast of any situation involving non-payment of fees this should be done discreetly and without the identification of the individual(s) involved. This information should be held by Club staff, the Executive Headteacher and administrator only.
19. It is the responsibility of the Administrators to ensure that this policy is implemented.

### **Policy Communication**

The school will continue to make Parents aware of this policy in the following ways:

- The policy will be available on each of the school's websites
- The policy will be available on request from any of the school offices.
- It will also be shared at the beginning of the academic year with parents / carers using After School Provision