

# Applecroft School



## Debt Recovery Policy

<b>Person Responsible:</b>	<b>Finance &amp; Business Manager</b>
<b>Review Cycle:</b>	<b>Annually</b>
<b>Date of Review:</b>	<b>November 2025</b>
<b>Next Review Date:</b>	<b>November 2026</b>

# Debt Recovery Policy

## 1) Introduction:

### **School Vision:**

'To be a positive and inspiring community that nurtures each individual and empowers leaders for life.'

### **School Mission Statement:**

'Nurturing Potential, Inspiring Minds, Changing Lives'

### **School Values:**

- Ambition and Leadership
- Kindness and Supportiveness
- Respect and Honesty
- Determination and Resilience

In accordance with the Schools Funding Agreement, Applecroft School is required to apply financial and other controls that conform to the requirements of both propriety and good financial management.

To this end the Board of Trustees are responsible for ensuring that procedures are in place for the recovery of any outstanding debt. This policy sets out the procedures for debt recovery and for the write-off of any debt that is deemed irrecoverable.

The school's debt recovery policy will observe the relevant financial regulations and guidance set out in the Academy Trust Handbook and any other legal requirements.

### **Objectives and targets**

The purpose of this policy is to guide the Headteacher and Business Manager in recovering debts and ensuring that outstanding debts do not become bad debts.

### **Action plan**

To ensure the collection of debts, Applecroft 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 or before the due date stated on the invoice and in full. If this is not possible, debtors should contact the Headteacher or Business Manager to make alternative arrangements for payment.

The Headteacher and Business Manager are responsible for ensuring that the total value of outstanding debt is known at all times.

Applecroft School will actively pursue debtors for the collection of income owed to it. Appendix A details the Schools debt collection procedure and Appendix B offers a representation of the wording used in our chaser letters.

If, after 10 weeks from the date of account, the account has still not been settled, legal action will be considered by the Headteacher and Business Manager. In determining whether to pursue legal action to recover the debt the following will be considered: hardship, ill health, the financial impact on the school and on the debtor, and the potential impact of any precedent set.

If considered appropriate and legal action is to be pursued, the debtor will be informed in writing. The debtor shall be informed that they may be liable for costs and that the debt may be subject to statutory interest from the day it became due.

### **Bad debts**

Bad debts are only written off when the school has followed all possible procedures to ensure their recovery.

The write-off of any debt over the value of £150 requires the written approval of the Finance & Premises Committee. Debts over the value of £500 will be referred to the Board of Trustees.

Records of debts that have been written off will be retained for 7 years.

**Debt collection Procedure**

Send 1<sup>st</sup> chaser letter 30 days from the date of the invoice

Send 2<sup>nd</sup> chaser letter 40 days after the date of the invoice

1st phone call 45 days from the date of the invoice

Send 3<sup>rd</sup> chaser letter 50 days after the date of the invoice

Pass details to Business Manager if no response 55 days after the date of the Invoice

If no response after 70 days, as per policy, legal action to be considered.

## Chaser Letter 1

Dear <Insert Name>

### RE: REMINDER OUTSTANDING ACCOUNT

As at the date of this letter the following invoice(s) invoice no: <Insert Number(S)> remain(s) outstanding to the value of £<Insert Amount> - Enclosed is a statement of account for your reference.

Please arrange payment of this account as soon as possible or, if you cannot make full payment at this time; please contact us to make a payment arrangement that is mutually acceptable.

Your prompt attention to this matter would be greatly appreciated. If you have any queries regarding this account, please contact the school office or the Business Manager as soon as possible.

If payment has recently been made, please accept our thanks and ignore this reminder.

Please note that a copy of this letter has also been forwarded to you via Schoolcomms.

Regards,

Dear <Insert Name>

**RE: SECOND REMINDER - OUTSTANDING ACCOUNT**

We wrote to you recently reminding you of the outstanding amount of £<Insert Amount> for <Insert Number(S)> (copy enclosed), but it appears to remain unpaid. If you have any queries regarding payment or if we can help you in any way please call.

If not, please organise for settlement of this account immediately.

If payment has recently been made, please accept our thanks and ignore this reminder.

Please note that a copy of this letter has also been forwarded to you via Schoolcomms.

Regards,

Dear <Insert Name>

**RE: THIRD REMINDER - OUTSTANDING ACCOUNT**

We have recently contacted you on a number of occasions to remind you that the balance of £<Insert amount> is overdue.

We ask again that if you have any queries or are not able to make full payment immediately to please contact us.

If neither of the above applies to your situation please organise for the settlement of the remaining balance immediately.

Please note that a copy of this letter has also been forwarded to you via Schoolcomms.

Regards,