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# Lanesend Primary School

## Debt Policy Governor Policy

Signed: ..... Date:  
(Headteacher)

Signed: ..... Date:  
(Chair of Governors)

**Review Date:** March 2020 (Every 3 Years)

**Reviewed By:** Money Group and Full Governing Body

# Lanesend Primary Debt Policy

- Lanesend Primary will pursue the collection of monies owed to it.
- The school will ensure confidentiality and anonymity of the families involved will be preserved at all times.

## **Why?**

- If debts are incurred, then the school budget has to pay for them. This may mean that money that should be spent on children's education is used to pay for debts incurred by families. We hope that you will agree this is unacceptable and we therefore request that families give this policy their full support.
- As a publicly funded body we need to ensure our finances are responsibly managed.
- Lanesend Primary will take all reasonable measures to collect debts as part of its management of public funds. Certain costs that are covered by families require us to have a fair and equitable accountability for all families.
- A debt will only be written off after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

## **The school is required to ensure that:**

All monies outstanding are accurately recorded and maintained, including the date by which the monies must be paid. We use School Money for families and staff to make payments.

There is documentary evidence of all the steps undertaken by the school to recover the debt. This includes recording the dates that correspondence is made via email and/or phone calls, text messages and letters that have been sent to debtors.

In all other cases correspondence with families should indicate the maximum period that the school regards as reasonable before payment is overdue, e.g. contributions for a school trip should be received by, payment for items purchased should be sent to school office by, etc.

## **How payments can be made:**

Families must pay for trips, school meals, The Squirrel's Den and uniform using School Money, cash or a cheque made payable to Lanesend Primary School. Cash and cheque payments should be in a sealed, named envelope and handed to the school office. Please ask at the school office if you need further assistance.

## **Uniform**

Uniform is available to purchase at the school office, we run this like a shop and if in stock items are to be paid for upon collection of the goods. If items are not in stock we

will order the required items and again goods are required to be paid for upon collection.

## **School Trips**

As a school we do our best to advise families as far in advance as possible to give families time to pay before the trip takes place. We send letters home with the cost and give options for one payment or a payment plan for most trips. We will issue receipts for payments made to the school via email on School Money. If payments are not made in full for trips it starts to make them unviable, therefore payments are extremely important.

## **Trip Debts**

If, following non-curriculum trips that have been attended by their children, and the family have outstanding trip debts, then the Finance Team will contact the families for the debt to be paid or arrange for a meeting with the Headteacher. However, if, subsequent trips are offered and there are still outstanding debts for previous trips, their children will not be included in these trips until the debt has been cleared or a payment plan is in place, with regular payments being made for at least four weeks prior to the trip.

## **The Squirrel's Den**

Families can either pay at each session or within the week they have used the service. Payments can be made by School Money, vouchers, cash or cheque. Receipts will be issued for all cash and cheque payments. The Squirrel's Den has to be a self-sufficient entity and cannot be propped up by the main school budget, therefore payments are crucial to ensure it can remain open. If debts are accrued over a three month period, without payment or if a significant amount of money (in excess of £500) is owed, access to the Squirrel's Den will be withdrawn until all Squirrel's Den debts are cleared.

## **School Meals**

The Governing Body of Lanesend Primary has adopted a low debt policy relating to the provision of school meals. This means that all money for school meals should be either paid in advance, on the day, or at the end of the week the meals were taken.

If families believe their children may be entitled to free school meals please contact the school office for further information and help. The allowance for a free school meal is a statutory entitlement and it is important that you use it if you qualify. In order to qualify you will be required to provide evidence of entitlement. Free school meal entitlement will only apply from the date the evidence is received at the school office; entitlement cannot be backdated. We will help you all we can with your application. Further information is also available on [www.iwight.com](http://www.iwight.com) (search for 'free school meals').

If a parent genuinely forgets to pay, the school may grant a debt allowance of one week. However, this debt must be paid by end of the week the meals were taken. Should families incur further school meal debt the Headteacher reserves the right to request that families provide their child with a packed lunch until the outstanding debt is paid.

We hope that by implementing this debt policy we are able to help families manage school lunch money better and at the same time ensure that all money available for children's learning is spent on precisely that.

### **Lettings and hire of facilities**

Lettings and hire of facilities must be agreed by the School Development Manager and the relevant booking form completed and returned to the office. Invoices will be raised monthly for regular bookings and the day after any one off bookings. Payment terms are 30 days from receipt of invoice. Lanesend Primary School reserve the right to terminate any bookings due to failure of keeping to the payment terms. Payments can be made via cash, cheque or online banking.

### **Initial Reminders**

Initial reminders may be informal and made either in person (when a parent comes to collect/drop off a child) or by telephone. Text or email on School Money. This can also include invoices for items such as lettings.

### **First Reminder Letter**

A formal reminder letter should be issued four weeks after any informal reminder / 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.

### **Second Reminder Letter**

A second reminder letter will be issued four weeks after the first reminder letter. Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be kept on file.

### **Failure to Respond to Reminders / Settle a Debt**

If no response is received from the reminders issued, a letter will be sent to the debtor inviting them to a meeting with Headteacher. At this meeting it is at the discretion of the Headteacher to allow a payment plan to be set up. Personal circumstances will be taken into account. If the payment plan is not adhered to or if the debtor does not attend the meeting, a letter will be sent to the debtor advising them that the matter will be referred to the small claims court or a collection agency. Once the matter is referred to the collection agency, no further arrangements can be made with the school and will be handled by the collection agency.

## **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 reminder'. If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the Headteacher. A record of all such agreements will be kept. A letter will be issued to the debtor confirming the agreed terms. The settlement period should be the shortest that is judged reasonable.

The Headteacher will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will be required to pay in advance in future. If the debtor does not adhere to the repayment plan then referral to a collection agency will be deemed a last resort action.

## **Costs of Debt Recovery**

Where the school incurs additional material costs in recovering a debt then the Governors will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded. The debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

## **The Governing Body has agreed:**

- The arrangements for debt recovery
- That 4 weeks is the desired maximum level of school meal debt which any family would be able to incur, however each case involving a family will be judged on the family's individual circumstances and the amount outstanding.
- To consider the school undertaking legal action
- To include in the minutes of the Governing Body their approval to pursue any outstanding debt
- That one month of fees is the maximum for The Squirrel's Den, however each case involving a family will be judged on the family's individual circumstances and the amount outstanding.

## **The school should:**

- Give the debtor appropriate notification and time to pay the outstanding debt
- Send the debtor as a minimum a final statement, which states that this is the final notice and that further action will be taken
- Notify the Governing Body of any outstanding debts
- Pass on to the debtor any costs incurred on the recovery of the outstanding debt
- Refer families to debt support agencies for advice

## Waiving of Debt

- A recommendation to write off a debt can be made once all reasonable avenues to recover the debt have been exhausted, and where it is not cost effective to pursue the debt through legal action.
- The Headteacher can waive or reduce the debt, where it is believed the debtor is experiencing financial hardship, up to a figure agreed annually by the Governing Body. Debts of an amount greater than this may only be written-off with the written approval of the Money Group.
- Any action relating to an outstanding debt or the waiving/reducing of a debt should be dealt with confidentially and between the debtor and the Headteacher.
- A record of the write-off, the reason for it and the approval for it, will be retained for 7 years.