The HENRY BEAUFORT School

At The Henry Beaufort School, there are no limitations to success.

Debt Recovery Policy

Policy written by:	Alison Caplin	June 2026
Reviewed and Recommended by:	Resources Committee	June 2026
Approved by:	Governing Body	July 2026
To be Reviewed	Annually	June 2027

1. General Requirements

The Henry Beaufort 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 Financial Handbook for Schools and any other legal requirements. In particular:

- The Governing Body will not write-off any debt belonging to the school which exceeds £500. Any sums above this will be referred to the Local Authority. (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).

- A formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).

- The school will not initiate any legal action to recover debts, but will refer 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) to the Local Authority to consider taking legal or other action to recover the debt.

2. Finance staff are expected to follow the following procedures to secure the collection of all debts:

- Recording of goods or services supplied where payment is not received in advance or 'at the point of sale'.

- A record will be kept of all such supplies that details what was supplied, the value, the date(s) and the identity of the 'debtor', e.g. child, parent, hirer, etc.

- Where invoices are raised these should state the date by which payment is due.

- In all other cases correspondence with parents, etc. 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 6 weeks prior to the date of the trip, bus instalments must be paid monthly, in advance

- The Headteacher should determine what the reasonable 'credit period' is if this is not otherwise specified.

Initial reminders

Initial reminders will be sent by the finance office either by email or through Arbor Communications.

First reminder letter

A formal reminder letter should be issued after **2 weeks** from the initial 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 **2 weeks** after the First reminder letter.

Using reminder letters

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced. It is therefore important that two written reminders are sent. Details of all reminders, whether verbal or in writing, and any responses received -should be maintained on Arbor. Where a letter is issued, a copy must be retained on file.

3. 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 School Bursar, in discussion with 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 be refused further ‘credit’ in which case the debtor will be required to pay in advance in future.

4. Reporting of Outstanding Debt Levels

The School Bursar will ensure that the level of outstanding debt is known / can be determined at any time.

The Resources Committee will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

5. Bad Debts

If all reasonable steps have been taken to recover the debt and there is no reasonable prospect for cost effective recovery, the limits below can be written off (as per the Schedule of Financial Delegation):

- **Below £10** requires the approval of the School Bursar.

- **£10 to £50** requires written approval of the Headteacher using their knowledge of circumstances and previous record of payment.

- **£50 to £500** the Resources Committee can write off a maximum of £500. The Resources Committee will take into account previous history of payment and decide whether to write off the debt or refer the matter to the Local Authority

- Any debt above £500 will be referred to the Local Authority for consideration/action without delay, once the school has taken reasonable measures to collect the debt (i.e., has followed the reminder notification procedures set out above).

At the discretion of the Headteacher 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.

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

6. Procedure for overdue Bus and Music Debt

Parents are required to sign an Agreement giving consent to pay all fees in full. For music lessons, deposits are due by May of the previous academic year, with further payments paid via Arbor in September and January. For bus debts the full fee is charged at the start of each academic year, and parents can either pay in full at the beginning of the year, or pay monthly, in advance, across 10 equal instalments. Bus passes will be issued monthly once funds are received. Parents are encouraged to set up a Bank Standing Order to facilitate payment, or they can pay at the beginning of each month via Arbor.

- In the event of a late payment, students will be withdrawn from the music lesson until the debt is paid in full. For bus debts, the school will suspend access to the bus, by not renewing the monthly pass, until the debt has been paid.

- An additional charge of 10% of the overdue instalment will be charged for each month it remains overdue.

- If the debt still exists at the end of a term, the student will be advised they will no longer be able to attend the class until payments are up to date.
- The school reserves the right to withhold attendance at Year 11 leavers events if debt remains by the April of Year 11. Likewise, students will be refused access to enrichment activities if debt is accrued during each year.

Appendix 1

Date: xx xxxxx 202

Outstanding Debt - Reminder Letter.

Dear Parent/Guardian,

Re: Outstanding Fees for Child's Name.

According to our records it appears that there is an outstanding debt for your child for Music/Bus fees. All fees should be payable in advance, therefore we would be very grateful if you could settle this balance immediately.

The amount due for payment is £xx.xx, and a statement of your account is attached. Should your child continue to use this service this would be in addition to the balance shown.

In an effort to be more efficient, we are a 'cashless school' so no cash please.
Please make payments via Arbor.

If you have any query or difficulty with payment of this amount, please let us know immediately and we will endeavour to help.

Please visit our website for up to date information on music lesson and bus costs.

Thank you for your co-operation in this matter.
Yours Sincerely,

XXXXX

Appendix 2

Date:

<u>Outstanding Debt – Second Reminder Letter.</u>

Dear Parent/Guardian,

Re: Outstanding Fees for <u>Child's Name.</u>

According to our records, there is still an outstanding amount due on the above account. We sent a letter on…….but we have not received a payment or any communication to confirm when this will be paid.

The outstanding balance as of today is ……and we require this balance to be cleared immediately.

All fees should be paid in advance via Arbor or, in the case of bus debt, by standing order.

If you have any queries or difficulty with payment of this amount, please contact us immediately and we will endeavour to help.

Thank you for your co-operation in this matter.

Yours sincerely

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