DEBT MANAGEMENT POLICY

Approved by: Finance & Premises Committee on 9th November 2026

Together, we learn, love and grow with Jesus

1.1 INTRODUCTION

The Governing Body is 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 which is deemed to be irrecoverable.

1.2 GENERAL POLICY

a. Payment should be obtained in advance of goods/services/facilities being provided wherever possible. For regular, on-going provisions, such as wraparound care, it is St Jude's policy that charges should be invoiced one month in advance to enable payment to be made before provision is used and to minimise the risk of bad debts.

b. Where payment is not received in advance or at the time when the goods/services/facilities are delivered an invoice must be raised as soon as possible, but normally within 7 days of the goods/services/facilities being provided.

c. Invoices should state that the bill is due and payable within 14 days of the invoice date.

The following sets out the procedure for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

d. If the invoice has not been settled, or has only partly been settled, after 14 days then a phone call will be made or a text message will be sent 'reminding' the debtor that payment is overdue and advising them that payment must be made within 5 days.

e. After 5 days, if the invoice has still not been settled, or has only partly been settled, then a 'reminder' letter (***Appendix 1***) should be issued to the debtor for the amount outstanding. This should allow the debtor a further 5 days to make payment in full.

f. If payment is not settled within 5 days of the reminder letter being issued then a 'final reminder' letter (***Appendix 2***) should be issued to the debtor requesting payment within 7 days. The debtor should be advised that failure to pay will result in an admin fee (currently £25) and interest of 8% being added to the debt. The debtor should also be advised that all services and/or provisions will cease on the seventh day should the invoice not be paid in full.

g. Should payment still not be received then a final demand letter (***Appendix 3***) will be issued to the debtor. The debtor will also be informed that any related services or provisions have ceased. The final demand will include an admin fee and 8% interest and should allow the debtor 7 days to pay. The admin fee and interest can be waived at the headteacher's discretion and only if the debt is paid in full.

h. Where a debtor requests permission to settle the debt by instalments and extend the normal terms and conditions of supply they must submit an application in writing explaining the reasons for their inability to meet the original contract terms.

i. Any debts which remain outstanding after the final demand letter will be referred to the County Court Money Claims Centre to collect the debt on behalf of school. The Headteacher will review the debt prior to the claim being made.

j. At each meeting of Full Governors, the Headteacher is required to inform the Governors of any debt which is still outstanding after the 7th day following a final reminder, together with details of any further action taken.

k. Outstanding debt of up to £100 may be written-off by the Headteacher provided that the appropriate follow-up action outlined above has been taken.

l. Write-off of outstanding debt in excess of £100 must be approved by Finance & Premises Committee following submission of details of the debt by the Headteacher together with process that has been followed.

m. A write-off must not be communicated to the debtor. It is not an acknowledgement that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.

n. Individuals or organisations that have previously defaulted on payments to the school are not allowed credit facilities.

1.3 DINNER MONEY

a. School dinners must be ordered and paid in advance online via 'My Evolve Hub'.

b. If a child arrives at school and has not had a meal ordered and does not have a packed lunch then parents will be called to bring in a packed lunch. If a packed lunch isn't brought into school for the child then a meal will be provided by the kitchen. This meal may not necessarily be what the child or parent would choose – the kitchen cooks to order so may only be able to provide a sandwich. When the parent next orders their child's meal then the cost of this emergency lunch will automatically be charged.

c. Each week the School Administrator will check the 'payments & statements report' on mcgcgt (Evolve). If a child has more than £5 of unpaid debt then a phone call must be made to the parent requesting that they log on to 'My Evolve Hub' and pay off the debt immediately. The parent must then be informed that no further school meals will be provided until the debt is repaid.

d. Should the level of debt exceed £20 then the general debt collection policy (1.2) should be followed, and the school's Child Protection Officer should be notified.

e. Where the parent/carer requests permission to settle by instalments or because of exceptional circumstances extend the normal pay period, the Headteacher will agree the revised terms. If the amount outstanding is not paid within the

terms agreed, then a final reminder of the full amount owed will be issued and the general debt management policy (1.2) followed.

1.4 MUSIC TUITION AND TRIPS

a. An invoice for music tuition will be produced for each half term, in advance of the start of the half term. The procedure of the General Policy (1.2) will then be followed.

b. Trips must be paid in advance of the trip on Evolve or at the school office. Non-payment of a non-curricular related trip will result in the child not taking part in the trip.

1.5 EXTRA-CURRICULAR CLUBS (EXCLUDING WRAPAROUND CARE)

a. Children will only be added to the register of a payable club once the cost has been paid in full.

b. In exceptional circumstances, parents and carers may request that the fee is waived at the discretion of the Headteacher.

1.5 SECTION 27 ACTIVITIES

a. The following provisions fall under the control of St Jude's Section 27 facility:
    a. Wraparound Care (S27 Breakfast Club and S27 After School Club)
    b. Pre-school sessions

b. For on-going booked provisions, an invoice will be issued to the parent/carer on a monthly basis, one month in advance.

c. Sessions which are booked as 'one-offs', when places are available, are payable immediately. Should payment not be made for these sessions then the Section 27 debt recovery process will be followed.

d. The Governing Body is responsible for ensuring that procedures are in place for the recovery of any outstanding money.

e. At the start of each month St Jude's Section 27 will provide an invoice to the parent / carer which will detail the charges for the next month (i.e charges for the entire month of October will be invoiced on 1st September). The invoice should state that the bill is due and payable within 14 days of the invoice date.

The following sets out the procedure for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

f. If the invoice has not been settled, or has only partly been settled, after 14 days then a phone call will be made, or text message will be sent, 'reminding' the debtor that payment is overdue and requesting them to make payment within 5 days.

g. If the invoice has not been settled within these 5 days then a 'reminder' letter (***Appendix 1***) should be issued to the debtor for the full amount outstanding, giving them a further 7 days to make payment.

h. If payment is not settled within 7 days of the reminder letter being issued then a 'final notice' letter (***Appendix 2***) should be issued to the debtor requesting payment within 7 days. The debtor should be advised that if payment is not made within 7 days then the child's place will be cancelled. If the amount outstanding is a debt for services that have already been used then the debtor should be advised that failure to pay will result in an admin fee (currently £25) and interest of 8% being added to the debt.

i. If no debt has accumulated (ie if the child's place is cancelled before any provision has been taken) then no further action will be taken.

j. If a debt is for provision already used then, should payment still not be received, a 'final demand' letter (***Appendix 3***) will be issued to the debtor. The debtor will also be informed that their child's Section 27 provision has been cancelled and no further provision will be provided until the debt is settled in full. The final demand will include an admin fee and 8% interest and should allow the debtor 7 days to pay.

k. The admin fee and interest can be waived at the Headteacher's discretion and only if the debt is paid in full.

l. Where a debtor requests permission to settle the debt by instalments and extend the normal terms and conditions of supply they must submit an application in writing explaining the reasons for their inability to meet the original contract terms.

m. The Headteacher may choose to refer any debts which remain outstanding after the final demand letter to the County Court Money Claims Centre to collect the debt on behalf of school.

n. At each meeting of the Full Governing Body, the Headteacher is required to inform the Governors of any debt which is still outstanding after the 7 day period following the final reminder, together with any further action taken.

o. Outstanding debt of up to £100 may be written-off by the Headteacher provided that the appropriate follow-up action outlined above has been taken.

p. Write-off of outstanding debt in excess of £100 must be approved by the Full Governing Body following submission of details of the debt by the Headteacher together with process that has been followed.

o. A write-off must not be communicated to the debtor. It is not an acknowledgement that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.

p. Any written-off debt can continue to be chased and the debtor shall remain on a 'black list' until the debt is settled in full. Any requests of further services or provision by this debtor will be refused.

q. Individuals or organisations that have previously defaulted on payments to the school are not allowed credit facilities.

r. Where a debtor's payments are regularly or consistently paid outside the terms of supply the Headteacher must consider withdrawal of credit facilities and request the individual/organisation to pay for goods/services/facilities at the time they are consumed.

Policy Approved by Finance & Premises Committee

At meeting on: 9th November 2026

Policy to be reviewed: Autumn2 2027

Appendix 1

[Date]

Payment reference: **XXXXX**

Dear XXX,

REMINDER

Outstanding Account Value: £ **XXX**

Further to the invoice dated xxx, and our reminder text/phone call on xxx, as at today's date we have yet to receive payment of the outstanding amount. The amount is now overdue.

Can you please arrange payment within 5 days of the date of this letter. Alternatively, should you be experiencing financial difficulties, please contact us as soon as possible to discuss this.

We look forward to receiving payment by return. If you feel that you are unable to repay this debt then please contact school immediately on (01942) 204091.

Yours sincerely

XXXX
Headteacher

Appendix 2

[Date]

Payment Reference: **XXXX**

Dear xxx

FINAL NOTICE
Outstanding Account Value: £ **xxx**

Following on from our reminder letter sent to you on xxx, we have yet to receive payment of the outstanding amount, which is now considerably overdue.

Can I please ask you to arrange to make payment in full within the next 7 days. [**Delete the following if not S27 related]** I regret to inform you that, should payment not be received in full by xxx, your child's place at Breakfast Club / After School Club / Pre-school will be cancelled with immediate effect.

[Delete if the debts are for services not yet taken and not historic debts] As yet, we have not levied any late payment or interest charges. However, should payment in full not be received within the next ten days then interest amounting to 8% will be added to your debt plus an administration fee of £25.

We trust this will not be necessary and look forward to receiving payment by return. Alternatively, if you wish to cancel your child's place please advise school immediately so that your invoiced charges can be reviewed.

Yours sincerely

XXX
Headteacher

Appendix 3

[Date]

Payment reference: **XXX**

Dear XXX

FINAL DEMAND
Late Outstanding Account Amount: £**XXX**
Late Payment Costs: £**25.00**
Late Payment Interest at 8%: £**XXX**

Total Late Outstanding Amount £ XXX

Despite previous reminders we are disappointed to note that the above account remains outstanding.

As this amount is now in breach of our agreed payment terms we have reluctantly added an administration charge of £25 and interest at a rate of 8%. It is now imperative that this amount is settled in full, including late payment costs and interest charges **within the next 7 days**. Failure to settle this now extremely overdue account in a timely manner will leave school with no alternative but to take further and formal action to recover this debt. It is entirely likely that this action will result in additional charges being payable by you to cover legal costs.

Should we have to take further and formal action, this could include some or all of the following:

- Referring your debt for legal action
- A CCJ being registered against you
- The attachment of your wages/salary
- Freezing of your bank/building society funds or other assets
- The removal and sale of your possessions by Enforcement Agents

We would therefore respectfully suggest that you treat this matter with the urgency it deserves and remit the full balance due as soon as possible.

As per my previous letter I wish to reiterate that your child's provision at [Delete as appropriate] Breakfast Club / After School Club / Pre-school has been cancelled. Until this outstanding debt is repaid in full you cannot book your child into any of St Jude's Section 27 provisions.

We look forward to receiving payment by return. If you feel that you are unable to repay this debt or would like to discuss paying in instalments, then please contact school immediately on (01942) 204091.

Yours sincerely
Headteacher