



THE MAYFLOWER PRIMARY SCHOOL

# Debt Management Policy & Process

OCTOBER 2025

*As part of our commitment to meet the Public Sector Equality Duty (PSED), under the Equality Act 2010 we have a duty not to discriminate against people on the basis of their age, disability, gender, gender identity, pregnancy or maternity, race, religion or belief and sexual orientation.*

*The policy has been equality impact assessed and we believe that it is in line with the Equality Act 2010 as it is fair, it does not prioritise or disadvantage any pupil and it helps to promote equality at this school.*

## **Section 1: Introduction**

The Governors have a duty to ensure that the school receives all the funds to which it is entitled. This policy has been created to ensure the appropriate procedures are in place to deal with debts and the recovery of assets.

It encompasses all debts owed to the school including, but not limited to, payments for goods, services, school trips and dinners, breakfast club & kids club.

Parents and carers should be made aware of and given access to this policy and the school's procedures. It will be included on the school's website and made available to view at the school on request.

## **Section 2: The Principles**

- The school will not write off any debt which exceeds £25 except in exceptional circumstances.
- The school will not write off any debts owed by the local authority.
- A full record will be kept of debts owed to the school for 7 years. This will include all letters requesting money, reminders and invoices.
- Following legal advice, the school may initiate legal action to recover debts.

## **Section 3: Roles and Responsibilities**

The Governors:

- Will prescribe and regularly review the arrangements for debt recovery.
- Must approve any legal action taken.
- When action is approved it will be recorded in the minutes of the relevant meeting.
- Will adhere to the privacy arrangements.
- May delegate its responsibilities under this policy to the Headteacher.

The Headteacher will ensure that:

- Letters requesting money are accurately recorded and those records maintained.
- Evidence of the steps taken by the school in pursuance of debt is recorded including dates and times of both letters and phone calls.
- A final reminder is sent by recorded delivery to the debtor.
- Family cases will be judged fairly and according to the circumstances of the family involved. The privacy of the family involved will be respected and only made known to those who need to know.
- The level of outstanding debt can be determined at any time.

## **Section 4: The Process for Pursuing Debts** *(except dinner money, breakfast & kids club)*

- Step 1: Informal reminder** The debtor will be informally reminded in person or by telephone/text that they owe money to the school.
- Step 2: First reminder letter** If the debt is not paid two weeks after an informal reminder, a formal letter will be sent to the debtor.
- Step 3: Second reminder letter** If the debt is not paid two weeks after a first formal reminder, a second formal letter will be sent to the debtor.
- (These letters allow the debtor every opportunity to settle their debt and ensure the school can prove all reasonable steps have been taken to recover the debt should the issue proceed further.)*
- Step 4: Final reminder letter** If no response is received following the second reminder, the school will send a letter to the debtor after a further week advising them that they will be referring the matter to their legal team to consider legal action. This letter will be sent by recorded delivery to ensure the debtor has had every chance to respond. At this point the debtor may be advised, at the discretion of the Governors, that they will have to pay in advance for certain services in the future.
- Step 5: Possible legal action** After all reminder letters have been sent, the appropriate body will decide whether to take legal action against the debtor.

## **Section 5: Dinner Money, Breakfast & Kids Club Debts**

- Informal reminder** Emails to the parents/carers will be sent automatically via MCAS that they owe dinner money to the school and need to top up their balance. Parents are unable to book dinners, breakfast & kids club via MCAS if their account has an outstanding balance.
- First telephone reminder** If the debt remains unpaid, further contact by telephone will be made requesting payment & informing the parent/carer that the child/ren must be provided with a packed lunch and cannot attend breakfast or kids club, until the debt is repaid in full. The school will not allow the debt to build up for the parent/carer and so school dinners, breakfast & kids club will not be provided until a resolution has been reached.
- First reminder letter** If no response is received, the parent/carers will be sent a letter informing them that no dinners, breakfast or kids club will be provided until the debt is repaid.
- Final reminder Letter** if no response is received, the parents/carers will be invited to a meeting with the Headteacher to discuss the outstanding debt.

The Governors may decide to refer the matter to the local authority to consider legal action if a substantial debt accrues.

At every opportunity the school will try to work with the parent/carer to find an acceptable resolution for all parties. This may include agreeing to a payment plan to assist the parent/carer in repaying their debt.

### **Section 6: Writing-off Debts (Bad Debts)**

Writing-off debts is at the discretion of the governors as outlined in the Financial Regulations.

In all circumstances, the school should always pursue the recovery of amounts owed to it, including overpayments, or erroneous payments. In practice, however, there will be practical and legal limits to how cases should be handled (e.g. it is believed the debtor is experiencing serious financial hardship or if all reasonable avenues to recover the debt have been exhausted and it is believed it would not be cost effective to pursue the debt through legal action).

The school should only consider writing-off losses after careful appraisal, including whether all reasonable recovery action has been taken with the debtor or the school's insurers and should be satisfied there is no feasible alternative.