

	ATLAS Multi Academy Trust
Debt Recovery Policy	
Trust Sub-Committee: Risk, Resources and Audit Committee	
Co-ordinator: Mr P O'Neill	
Last Reviewed: Spring 2024	Next Review: Spring 2026
St Albans Girls' School. Beech Hyde Primary School and Nursery. The Adeyfield Academy	
	
Signed by: Margaret Chapman <i>Executive Head Teacher</i>	Signed by: Rachael Kenningham <i>Chair of ATLAS Board of Directors</i>

1. RATIONALE	
1.1	Atlas MAT 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.
2. AIMS	
2.1	Atlas MAT's debt recovery policy will observe the relevant financial regulations and guidance set out in the Academies Financial Handbook, the annual funding letter and any other legal requirements.
2.2	The Resource, Audit and Risk committee will approve and write off bad debts accruing to the school over £500.
2.3	<p>The academy trust must obtain ESFA's prior approval for the following transactions beyond the delegated limits described below.</p> <p>The delegated limits, subject to a maximum of £250,000, are:</p> <ul style="list-style-type: none"> ● 1% of total annual income or £45,000 (whichever is smaller) per single transaction ● cumulatively, 2.5% of total annual income in any financial year per category of transaction for trusts that have not submitted timely, unqualified accounts for the previous two financial years. This category includes new trusts that have not has the opportunity to produce two years of audited accounts ● cumulatively, 5% of total annual income in any financial year per category of transaction for trusts that have submitted timely, unqualified accounts for the previous two financial years

2.4	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 and set out in Appendix E).
2.5	The trust will initiate appropriate legal action to recover debts.
2.6	The trust will NOT write-off any debt belonging to the Hertfordshire County Council or another party.
3. PROCEDURES	
3.1	<p>Recording of goods or services supplied where payment is not received in advance or ‘at the point of sale’.</p> <p>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.</p> <p>Invoices will be raised, for all amounts except school trips, and these will state the date by which a voluntary contribution is due.</p> <p>In the case of school trips which are to be funded by parents, correspondence with parents, etc will indicate the maximum period that the school regards as reasonable before payment is overdue.</p> <p>Any monies outstanding from a previous non-payment may mean that the student is excluded from future non-curriculum based activities where there is a cost involved. In addition, the debtor may have to pay in advance for future supplies or the supply may not be available.</p> <p>The Finance Director will determine what the reasonable ‘credit period’ is if this is not otherwise specified, e.g. the governors may stipulate the maximum settlement period for school lettings in a separate ‘lettings & community use policy’.</p>
3.2	<p>Initial Reminders</p> <p>Initial reminders will be in the form of a statement of account.</p>
3.3	<p>First Reminder</p> <p>If the invoice has not been paid after 14 days after the account becomes overdue a statement of account, which will be marked ‘OVERDUE’, will be issued by the finance office.</p>
3.4	<p>Second Reminder</p> <p>If the invoice has not been paid after 31 days of the date of the invoice becoming overdue an overdue reminder letter will be issued by the finance office and a copy kept on file. (Appendix A)</p>
3.5	<p>Third Reminder</p> <p>If the invoice has not been paid after 45 days of the date of the invoice becoming overdue a second overdue reminder letter will be issued by the finance office and a copy kept on file. (Appendix B).</p> <ul style="list-style-type: none"> ● In the case of overdue music fees, the Head of Music will be informed of the debt and discussions take place as to whether music lessons should be suspended until the debt is cleared. ● In the case of a hiring’s debt, the hirer may be informed in writing (also by recorded delivery) of the suspension of hired facilities until the debt is cleared.

3.6	<p>Fourth Reminder</p> <p>When debts reach 61 days a recorded delivery letter will be sent by the Executive Headteacher and a copy kept on file. (Appendix C).</p>
3.7	<p>Final Letter</p> <p>If no response is received from the reminders issued, a letter will be sent to the debtor by recorded delivery advising him/her that the matter will be referred to the trust's legal advisors. (Appendix D).</p> <p>At the discretion of the Executive Headteacher the debtor may be advised that he/she will be required to pay in advance for all future supplies or the supply will no longer be available to him/her. This decision and its basis will be recorded.</p>
3.8	<p>Negotiation of Repayment Terms</p> <p>Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue reminder'.</p> <p>If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the Chief Operations Officer (COO). A record of all such agreements will be kept. A letter will be issued to the debtor confirming the agreed terms. The settlement period will be the shortest that is judged reasonable.</p> <p>The Executive 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.</p>
3.9	<p>Costs of Debt Recovery</p> <p>Where the Trust incurs material additional costs in recovering a debt then the Executive Headteacher will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded.</p> <p>If appropriate the debtor will be formally advised that he/she will be required to pay the additional costs incurred by the Trust in recovering the debt.</p>
3.10	<p>Reporting of outstanding debt levels</p> <p>The Finance Director will ensure that the level of outstanding debt is known /can be determined at any time.</p> <p>The Finance Director will review the level of outstanding debts every month to determine whether this level is acceptable and whether action to recover debts is necessary.</p>
3.11	<p>Bad Debts</p> <p>The Head Teacher/Principal can write off bad debts accruing to the school up to a value of £500.</p> <p>The Resources committee will approve and write off bad debts accruing to the Trust over £500.</p> <p>Debts above £45,000 individually; or 5% of annual income cumulatively require ESFA' s prior approval for the amount to be to be written off.</p> <p>A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years. (Appendix E)</p>

4. MONITORING	
4.1	ATLAS Trust monitors and reviews its policies and procedures on a regular basis to ensure that there is compliance.

Date

Name

Address

Address

Address

Post Code

Re: Overdue amount ref: Invoice No. XXXXX

Dear Name

Further to my previous communications may I bring to your attention the outstanding amount of £0.00 which is in respect of XXXXXXXXXX.

I am sure this is a simple oversight, I would be grateful if payment could be made promptly to clear the outstanding amount.

It is the school's policy that no further debt may be incurred where one is already outstanding and therefore your child may be excluded from further non-curriculum based activities where there is a cost involved until the above mentioned debt has been cleared.

If you have already sent your payment please accept our apologies for sending this letter

If you have a query on the above invoice please contact me on 01727 853134 ext 437, or email finance@stags.herts.sch.uk

Yours sincerely

Levi Flynn
Finance Director

Date

Name

Address

Address

Address

Post Code

Re: Overdue Invoices

Dear Mr Name

Further to my previous communications may I bring to your attention the amount of £0.0 in respect of XXXXXXXXX.

I would be grateful if payment could be made promptly to clear the outstanding amount. If payment is not forthcoming I may be forced into the unfortunate situation of having to a) suspend your child's lessons/ b) suspend your hire of the XXXXXXXX.

It is the school's policy that no further debt may be incurred where one is already outstanding and therefore your child may be excluded from further non-curriculum based activities where there is a cost involved until the above mentioned debt has been cleared.

If you have a query on the above invoice please contact me on 01727 853134 ext 437, or email finance@stags.herts.sch.uk

Yours sincerely

Levi Flynn
Finance Director

Date

Name

Address

Address

Address

Post Code

Re: Outstanding Invoice No. XXXXXXXXX

Dear Mr Name

I am writing to you in connection with the outstanding invoice XXXXXXXXXXX . The Trust Finance Manager has already written to you and as yet has received no response.

The school unfortunately is not in receipt of funds to cover outstanding fees/(debts) and has already had to pay the teacher for those lessons.

If you are having financial difficulties then perhaps we can come to some arrangement either with regards to paying it over a period of time or perhaps paying a proportion of it.

It is the school's policy that no further debt may be incurred where one is already outstanding and therefore your child may be excluded from further non-curriculum based activities where there is a cost involved until the above mentioned debt has been cleared.

I would be happy to discuss these options with you if you would care to ring or write to me within the next few days.

Yours sincerely

Mrs M Chapman
Executive Headteacher

Date

Name

Address

Address

Address

Postcode

Re: Outstanding Invoice No. XXXXXXXXX

Dear Name

As you are aware from our previous communications, the amount of £XXXXXXX is still owed by you to Atlas MAT in respect of XXXXXX.

We can not afford to ignore such debts. Therefore we must advise you that unless this account is settled in full by (dated one week after the date of the letter), we will refer the matter to our legal advisors.

Yours sincerely

Mrs M Chapman
Executive Headteacher

RECORD OF DEBTS WRITTEN OFF

Debtor	Details of Debt	Amount (£)	School reference / Invoice reference and date (where applicable)	Reason for write-off (including brief details of measures taken to secure payment – as appropriate)	Authorisation of write off – name and signature of the authorising individual and date. Cross reference to entry in the accounts where applicable.