

ATLAS Multi Academy Trust

	ATLAS Multi Academy Trust
DEBT RECOVERY POLICY	
Trust Sub-committee: Resources Committee	
Co-ordinator: Phil O'Neill	
Last Reviewed: Spring 2020	Next Reviewed: Spring 2022
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
	<p>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.</p>
2.	AIMS
	<p>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. In particular:</p>
2.1	<p>The Resource committee will approve and write off bad debts accruing to the school over £500.</p>
2.2	<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 had 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
2.3	<p>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).</p>
2.4	<p>The trust will initiate appropriate legal action to recover debts.</p>

	2.5	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 payment is due.</p> <p>In the case of school trips, 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 Trust Finance Manager 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 the account becomes overdue and 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 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 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 outstanding 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>

	<p>3.8 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'.</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>
	<p>3.9 Costs of debt recovery 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>
	<p>3.10 Reporting of outstanding debt levels The Trust Finance Manager will ensure that the level of outstanding debt is known /can be determined at any time.</p> <p>The Trust Finance Manager, with the COO, will review the level of outstanding debts every month to determine whether this level is acceptable and whether action to recover debts is effective.</p>
	<p>3.11 Bad debts The Head Teacher/Principal can write off bad debts accruing to the school up to a value of £500.</p> <p>The Resource committee will approve and write off bad debts accruing to the Trust over £500.</p> <p>Debts above 1% of annual income or £45,000 individually; or 2.5% or 5% of annual income cumulatively ESFA for approval 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 AND EVALUATION
	This policy will be reviewed every two years by the Board of Directors Resource Committee.

Date

Mr Name

Address

Address

Address

Post Code

Re: Overdue amount ref: Invoice No. XXXXX

Dear *Mr Name*

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

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 9225, or email finance@stags.herts.sch.uk

Yours sincerely

Mrs J Hart
Trust Finance Manager

Date

Mr 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 9225, or email finance@stags.herts.sch.uk

Yours sincerely

Mrs J Hart
Trust Finance Manager

Date

Mr Name

Address

Address

Address

Post Code

Re: Outstanding Invoice No. XXXXXXXXXX

Dear *Mr Name*

I am writing to you in connection with the outstanding invoice XXXXXXXXXX - 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 £XXXXXXXX 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.



Equality Impact Analysis

When reviewing all schools’ policies, the following Equality Impact Analysis (EIA) should be undertaken to ensure fairness of the new proposals/policy and to identify any action needed to redress any potential discrimination, positively promoting equal opportunities, improved access and participation for all.

Title of Policy:	Debt Recovery Policy
Date:	Spring 2020
EIA carried out by:	Mr P O’Neill
EIA reviewed by:	Resource Committee

1. Identify the aims and objectives of the policy, what will be the proposed change and how will it be implemented	
<ul style="list-style-type: none"> Policy contains information about: Overall aims and objectives? What is the proposed change? Who is intended to benefit from the proposal and in what way? Outcomes of the policy? How will it be put into practice and who is responsible for this? 	<p>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.</p> <p>This 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.</p>

2. Assessment of Impact? To include impact of policy, any plans needed to mitigate any negative impact, equality issues to be addressed		
Characteristic	Group	Effect/Impact
<ul style="list-style-type: none"> Age Disability Gender reassignment Marriage/civil partnership Pregnancy/Maternity Race Religion or Belief Sex Sexual orientation 		Equal access for all

3. Consultation	
<ul style="list-style-type: none"> New policy contains information about: Policy audience, expected actions and outcomes. Consultation and communication process Accessibility for all Fair access to the consultation process Lessons learnt from previous consultation, if appropriate 	Revised policy recognises the altered legal status of the school now that it is an academy.

4. Decision	
<ul style="list-style-type: none"> Should the new proposal/policy be agreed and any impacts identified following consultations? What reasonable adjustments are required? 	No issues or adjustments required
5. Action Planning	
<ul style="list-style-type: none"> Any actions identified to address inequality for different groups? Any actions identified to promote equality and diversity? Where are these actions recorded and who is responsible for them? 	None
6. Monitoring and Review	
<ul style="list-style-type: none"> When will the impact assessment be reviewed? Who is responsible? 	<p>Every 2 years</p> <p>Resources Committee</p>
7. Publication of the results of the impact assessment	
<ul style="list-style-type: none"> Results of EIA are published – where and when? The results are kept as a public record of the EIA – where and when? 	With policy