



Spon Gate Primary School

Debtors Policy

Date last reviewed: 15th May 2019

Date signed off by Headteacher and Governing body: 15th May 2019

INTRODUCTION

The policy of the Governors is to ensure that all viable steps are taken to recover money due to the school.

The Governors aim to minimise the number of instances that credit is given and to take prompt and appropriate recovery action in respect of unpaid debts.

PROCEDURE

Invoicing

Relevant paperwork will be completed for the goods or services being provided, e.g. lettings application form.

Wherever possible and if appropriate, payment will be obtained in advance of the goods or services being provided. For economic reasons we will not issue invoices for sums below £20.

If an invoice is to be sent, it will be issued as soon as possible.

Monitoring debt

Balances are expected to be paid by 21 calendar days from the date of the invoice being issued. This includes weekends and holiday periods. Outstanding debts will regularly be monitored using Aged Debtor reports.

Reminders and collection

After 21 days, a first reminder letter will be sent (see Appendix 1 for specimen).

After a further 14 days, a final reminder will be issued (see Appendix 2 for specimen).

After a further 7 days, the school will embargo further services to the bad debtor and will refer to Legal Services. A notification to other schools will be sent to prevent the debtor defaulting on debts across the city.

The school will only source an outside debt collection company where the value of the debt is worth pursuing and will only use a company which is either recommended by the Local Authority and/or is known for professional and ethical collection practices.

Write offs

If a debt cannot be reclaimed and remains unpaid, the debt will only then be considered for write off. Write offs can be authorised as follows:

Amount	Authorised by
Up to £500	Head teacher
£500 and above	Board of Governors

Appendix 1

Specimen First Reminder

Dear Sir

Invoice no 123 £100.00 31st January xxxx Lettings

According to our records, the above invoice has not been paid.

We are not aware of any query or dispute concerning the services provided and shall therefore be grateful if you will pay the amount due within 14 days.

Yours faithfully

Appendix 2

Specimen Final Reminder

Dear Sir

Invoice no 123 £100.00 31st January xxxx Lettings

Our records show that despite a reminder having been sent, the above invoice has still not been paid.

Please pay the amount due within 7 days or inform us of your reason for withholding payment, otherwise legal action may be commenced against you without further notice being given.

Yours faithfully