TMPF
DEBT RECOVERY POLICY 2022

Ratified: Autumn 2022

Review date: Autumn 2025

Introduction

The Trust Board has a duty to ensure the schools receive all the funds to which they are 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 each school (and the Trust) including, but not limited to, payments for goods, services, educational visits and school meal payments.

The Moorlands Primary Federation operates online cashless payment systems – Arbor, ParentPay and School Money.

Rationale

This policy has been compiled recognising the difficulties placed on each school (and the Trust's) leadership team in balancing the social welfare of pupils with the management of each school's (and the Trust's) budget. This policy is intended to be fair and just and sets out a clear procedure for families. By introducing a zero-tolerance debt policy, we aim to reduce the risk of parents/carers incurring large debts that they may struggle to pay and minimise the amount of time taken by staff seeking outstanding payments.

As The Moorlands Primary Federation is responsible for managing payments and arrears for school meals and other services, these are processed through each school's budget. Where debts are incurred, the school budget has to pay for them; this means that money that should be spent on the children's education is used to pay for debts incurred by parents/carers. We believe the majority of parents/carers will agree, that this is unacceptable and we request that all parents/carers give this policy their full support.

School Meals

The Moorlands Primary Federation is under a duty to provide free school meals to those who are eligible, but there is no obligation beyond this. If arrears exist, The Moorlands Primary Federation can ultimately refuse to provide meals.
Parents/carer do not have to pay for school lunches if they receive any of the following:

- Income Support
- Income Based Job Seekers Allowance
- Income Related Employment and Support Allowance
- eligible for Child Tax Credit **but not** Working Tax Credit and the household income (as used by HMRC to assess tax credits) is not more that £16,190. **Please note:** anyone eligible for Working Tax Credit, or if you have a partner and they receive it, regardless of Income, you will not qualify
- The Guarantee element of State Pension Credit (from 30th April 2005)
- Support under part VI of the Immigration and Asylum Act 1999
- In receipt of the 4 week run on of working tax credit (this is where someone becomes unemployed or reduces their hours and so is no longer entitled to working tax credit but will continue to receive it for a further 4 weeks and is entitled to free meals during that time)
- Universal credit (providing annual net earnings are no more than £7,400 as assessed by earnings from up to three most recent assessment periods).

Further information about applying for a free school meal is available at:

www.staffordshire.gov.uk/education

Parents, please note: it is parental responsibility to apply for free school meals.

Currently infant children (Reception or Early Years Foundation Stage, Year 1 and Year 2 pupils) are entitled to Universal Infant Free School Meals. This is not the same as income-based free school meals.

Other Services

The Moorlands Primary Federation provides a number of other services. These include nursery provision, before and after school care, music tuition and residential educational visits.
All payments for chargeable services should be made **in advance** via the direct payment method in our MIS system, Arbor, ParentPay or School Money. In exceptional circumstances payment can be made by cash or cheque through the individual school offices.

Debt Recovery

Where payment for services is not received in advance and arrears accumulate longer than one week, the following procedures apply:

Informal reminders – Parents/carers will be informally reminded in person, by text, email or a note home that monies are owed.

First formal reminder letter (L1)– If the debt rises to over £30 and remains unpaid despite informal reminders, a formal letter (L1) will be sent by the school reminding the parent/carer of previous communication and requesting immediate payment. In the case of difficulty, parents/carers are urged to contact the school office to set up a payment plan to bring the arrears up-to-date.

Payment Plan – if payments agreed in the Payment Plan (sufficient enough to cover the ongoing weekly costs and pay off past debts) are made on time, the service provision will continue. If regular payments are not made, the service will be withdrawn.

Second reminder letter (L2) – If no payment plan has been set up and debt is still outstanding two weeks after a first formal reminder (L1), the school will send a letter (L2) to the parent/carer requesting a packed lunch is provided. Also, the letter will again request the debt is cleared and failure to do so will result in the Trust's intention to initiate legal proceedings to recover the debt. Services will be reinstated once the arrears have been paid in full.

Possible legal action – Please note that The Moorlands Primary Federation reserves the right to take legal action to recover debts.

Waiving of Debts

The waiving of debts is at the discretion of the Executive Principal and the Trust Board. A debt may be waived when it is believed the debtor is experiencing serious financial hardship. Parents/carers should contact the individual school if they feel this applies.

School Support

We hope that by implementing this policy, we are able to help parents/carers, manage payments better and, at the same time, ensure that our available budget is used to facilitate children's learning. The checking of debts is also extremely time-consuming for our staff. Time spent checking debts and sending out letters takes our staff away from other duties at school that would benefit all children. We request that all parents and carers work with us to avoid unnecessary time spent seeking debts by making regular payments, in advance, for our services.

Trade Debtors

The School Secretaries/Office Managers/Trust Business Manager and Deputy Business Manager are responsible for raising invoices. Payment should be made within 30 days of the date of the invoice. If this is not received, debtors will be contacted to ascertain the reason for the delay. The Human Resources and Finance Committee will be informed of any debts not received within two months of the date of the invoice and further action will be considered on an individual basis.

L1

Date

Dear parents and carers,

Re: Owing school meals money

As per our previous communication you have an outstanding debt for school meals. You now owe £XXXXX school meals money.

School meals must be paid for in advance and we ask you to clear the outstanding balance before any further meals are taken.

If your child orders a school meal we will unfortunately have no choice but to telephone to ask you to provide a packed lunch. We do not like doing this as it causes embarrassment to us both and we would therefore ask that you clear the debt, within two weeks from the date of this letter, so that this can be avoided.

If you believe you may qualify for Free School Meals, please contact the office for more details. This allowance is a statutory right and it is important that you use it if you qualify. We will help you all we can with your application.

We look forward to receiving your payment, however if you have any concerns please do not hesitate to contact me.

Yours sincerely,

L2

Date

Dear Parents and carers,

Re: Non-payment school meals money

We have checked the balance on your child's school meals money account today and unfortunately this now amounts to - £xxxxxxxxxx

As stated in our previous letter (dated XXX) and The Moorlands Primary Federation Debt Recovery Policy 2022, all school meals must be paid for in advance. We ask you to clear the outstanding balance within the next **7 days** before any further meals are taken.

If your child orders a further meal we will unfortunately have no choice but to telephone to ask you to provide a packed lunch. We do not like doing this as it causes embarrassment to us both and we would therefore ask that you clear the account so that this can be avoided.

If payment is not received within **7 days** (of this letter), we will unfortunately initiate legal proceedings to recover the debt. We must implement this action as we have to ensure that the money given to the school for educational purposes and is spent in the correct way (see TMPF Debt Recovery Policy 2022).

If you believe you may qualify for Free School Meals, please contact the office for more details. This allowance is a statutory right and it is important that you use it if you qualify. We will help you all we can with your application.

We look forward to receiving your payment, however if you have any concerns please do not hesitate to contact me.

Yours sincerely,

Policy adopted: Jan 2018
Reviewed: Autumn 2022