School Debt Management Policy

Eatock Primary School Debt Management Policy

The Governing Body is responsible for ensuring procedures are in place for recovering outstanding debt.
This policy sets out the procedures for the recovery of outstanding debt and for the write off of any debt which is deemed irrecoverable.

As the School is responsible for managing payments and arrears for school meals and other services, these are processed through the main school budget. Where debts are incurred, the school budget has to pay for them; this means that money that should be spent on children's education is used to pay for debts incurred by parents. Every parent will agree that this is unacceptable and we request that all parents give this policy their full support.

School do not accept any cash payments for trips, snacks and dinner monies.
All parents are advised to sign up to MCAS.

1. General Debt

Payment should be obtained as and when goods, services, facilities are provided. Parent/carers are required to sign up to MCAS (My Child At School), the school's online payment system.

Where payment is not received at the time when the goods/services/facilities are provided, an initial text message will be sent followed by an email to the debtor within seven days, if telephone contact cannot be made.
The email will state that the fee is overdue and needs to be paid in seven days from the date of the email.

If payment is still not received then a final letter will be sent to the debtor informing them that if payment is not received within seven days their debt will be sent to Bolton Council for pursuance of the debt.

2. Instalments

If a debtor requests to pay their debt in instalments then they must put in writing to the Headteacher the reasons for their inability to pay their debt. If the Headteacher is in agreement with the instalments then a payment plan will be agreed with the School Business Manager, which must not exceed 6 weeks from the date of the letter.

If the debt is still not settled within the terms of the agreement, then a final reminder will be issued requesting payment within fourteen days. If no payment is received the debt will be sent to Bolton Council for pursuance of the debt.

At each appropriate Governor's meeting the Headteacher is required to inform the Governors of all outstanding debt to school that exceeds £50 and what action is being taken.

3. Debt Write off

Debts referred to Bolton Council will be pursued and if not successful will be passed over to a debt collection agency. If still unsuccessful Bolton Council will inform school and seek permission to write off the debt or pursue further. Outstanding debt of under £50 can be written off by the Headteacher provided all the appropriate follow up action has been undertaken. The Governing Body will need to be informed the reason for the write off at the appropriate Governor meeting.

Debts of over £50 will need Governor approval following submission of details of the debt and the reason for the proposed write off.
The write off must not be communicated to the debtor. It is not an acknowledgement that the debt does not exist but is an internal transaction and remains on record.

4. Removal of Services within School

Whilst the debtor remains in debt they will be unable to access any services within school which require payments.
If a debtor regularly fails to make payment within agreed timescales then the Headteacher will need to consider removal of the service until the account is cleared.

5. Nursery Extended Hours

Parents/carers must pay in advance via standing order if they wish for their child to attend full-time nursery (if not entitled to the 30 hours free childcare).
Parents/Carers will sign a terms and conditions contract to agree payment in advance.

On the first day of non-payment, a member of school office staff will attempt to contact the parent/carer in person or by telephone to discuss the debt and requesting payment on the following day.

If parent/carer does not pay as required then the process as outlined in section 1 will be implemented. If payment is not forthcoming then the parent/carer will lose their child’s full-time place in Nursery and will only be offered a 15 hour nursery place until the debt has been cleared and payment for the following month has been made in advance, as stated in section 4.

6. Dinner Money

Payment for school meals should be made weekly in advance via MCAS. This would normally be the Monday of the week for which the meals are being paid for.

If parents/carers believe that their child may qualify for entitlement to free school meals, they should be advised to contact the Local Authority or school office. This allowance is a statutory right and it is important that families are encouraged to register for free school meals if they are entitled as this also enables the school to access **Pupil Premium** funding.

Any arrears of dinner money that arise must be pursued by the school on a weekly basis via text reminders and telephone contact.
On the first week of non-payment, a member of school staff will attempt to contact the parent/carer in person or by telephone to discuss the debt and requesting payment on the following day. If contact via telephone cannot be made then a reminder email should be issued to the parent/carer.

If dinner monies remain outstanding at the beginning of the second week, a warning letter must be issued. This letter will remind the parent/carer of the previous reminder letter and the current amount outstanding. The letter will also inform them that if the debt remains unpaid, the school will refuse to provide a school meal for the child and the parent/carer will need to provide the child with a healthy packed lunch and requests contact with the school to discuss any problems in making the outstanding payment.

If dinner monies remain outstanding at the beginning of the third week, a notification of withdrawal of school meals letter must be issued to the parent/carer. This letter will give them a final opportunity to clear the outstanding debt. The letter will inform them that if the debt is not cleared in full, the child will not be provided with a meal with effect from the following Monday. The parent/carer will be advised to make alternative arrangements for the child's lunch.

Arrangements can be made with the School Business Manager to clear any dinner money debt by instalments, however, the amount should be acceptable to both the school and the parent/carer.

Social services may also be informed that they the parent/carer isn't carrying out the 'responsibility of care' by failing to provide food for their child at lunchtime. It is not the responsibility of the school to provide lunch for pupils, it is the responsibility of the parent/carer to provide a meal, either a school lunch or packed lunch.

This Debt Management Policy in respect of dinner monies includes the refusal to provide a school meal when the parent/carer has not paid or made contact with the school and payment has been outstanding for three weeks. This policy is intended to keep debts to a minimum and thereby avoid the cost of a referral to solicitors for legal action or debt collection agency, or to write-off the debt if there is no realistic prospect of debt recovery being successful. This course of action would not be cost-effective with the amounts concerned.

At each Finance Governors committee meeting the Headteacher is required to inform the Governors of any outstanding dinner money debt.
Outstanding individual school meals debt of up to **£50** may be written-off by the Headteacher provided that the appropriate follow-up action outlined above has been taken and the details of the debtor, amount written-off and the reason for no further action being taken is reported to the finance committee for information at their next meeting.

Write-off of outstanding debt in excess of **£50** must be approved by the Governing Body following submission of details of the debt by the Headteacher together with reasons for no further action being taken.

A write-off must not be communicated to the parent/carer. It is not an acknowledgement that the debt does not exist, but is an internal transaction in the accounts of the school, which removes the debt from the records.

7. Conclusion

We hope that by implementing this Debt Management Policy, we are able to help parents/carers manage school dinner money and general debt effectively, reduce the administration time and costs involved chasing money and general debts and at the same time ensure that money which should be spent on the children's education is not used to pay for debts incurred by parents/carers and debtors.

Reviewed and adopted: October 2025

Presented to the Finance Governors Committee: October 2025

Review date: October 2027

This policy will be reviewed every two years by the Finance Governors Committee.