




Brilliance, through Bosland Best

Bad Debts/Write Off Policy

Author/Person Responsible	SBM
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Related Policies	Charging and Remissions Financial Procedures
Chair of Governors Signature	



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Bad Debts/Write Off Policy

Rationale

Schools may experience bad debts and therefore controls need to be put in place to ensure that monies are recovered as soon as possible. Schools should decide the course of action they will take to recover a debt and ensure that staff involved in the debt recovery process are aware of the procedures. Therefore it may be helpful to record the procedures in the form of a policy that staff can use for reference.

Guidelines

The Governing Body should decide the level of debt acceptable for school meals upon receiving advice from the traded support service that provides school meals and actions to be taken when the set level is exceeded by parents. Parents should also be advised that the possibility of free school meals is available for parents on low income.

Collect income before or at the time of relevant sale or service is provided.

Where income was not collected and a debt occurs reminders will be issued as follows:

School Dinners – Weekly reminders will be sent. If the debt remains unpaid after 30 days the Administrator/SBM will telephone the parent to obtain the reason for non-payment and where possible negotiate a repayment plan. If the debt remains unpaid after 60 days, or a repayment plan has been ignored, then a final letter will be sent by recorded delivery threatening legal action if the account is not settled in 14 days.

All other debts –

- 1st reminder will be sent 7 days after debt incurs
- 2nd reminder will be sent 30 days after debt incurs
- Final reminder will be sent 60 days after debt incurs
- The final reminder will be sent by recorded delivery threatening legal action if the account is not settled in 14 days.

If after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off as follows:

- Those up to the value of £100 to be approved by the Headteacher
- Those between £100 and £200 to be approved by the Headteacher but reported to the Governors at the Finance Committee
- Those between £200 and £1000 to be referred to the Governing Body for approval
- Those between £1000 and £5000 are the responsibility of the County Treasurer in consultation with the Chief Executive
- Those over £5000 are the responsibility of the Executive Member in consultation with the relevant Chief Officer

Monitoring

All debts should be reported to the SBM for action as detailed above. All debts to be reported to the Resources Committee for their information and for advice and guidance. Records must be kept for inspection and auditing purposes.