



Debt Management Policy

January 2026

1. Introduction

This policy is a statement of the aims, principles and strategies for the management of debts owed to the school.

2. Rationale, objectives and principles

As a school, we have a responsibility to ensure that parents and carers do not build up debts that they cannot pay back to school. Any money owed to school has an impact on the budget and may affect the resources we can provide to all children. We hope that parents understand this and will make every effort to avoid owing money to the school.

The school will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off or passed on to small claims court after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The school's debt recovery policy will observe the relevant financial regulations and any other legal requirements.

3. Approaches

3.1 Payment collection and reminders

Income due will be collected before or at the time the relevant service is provided.

Approaches may differ between the type of debts we are chasing – we chase both School Dinners, Nursery and Out of School Club debts. There is a considerable difference between the sums of money we chase between these debts, therefore we treat each debt slightly differently.

School Dinner debts will be recorded and non-payment will be followed up by issuing reminders, to the best of our ability, as outlined below:

- Automatic reminder for anyone over £5.50 (or £6.60 for staff).
- A reminder is sent on Thursdays for debts that increase above £13.75.
- This is then repeated a week later on Thursday as debt is now £27.50 or more.
- Once the debt is above £27.50 (the equivalent of two week unpaid dinners) a text is sent asking for the full balance to be paid or to bring a packed lunch the following day.
- If the next day a packed lunch is not brought and balance remains unpaid, we will contact the debtor by phone to request payment.
- If this action does not result in payment the day after and the child still doesn't bring a packed lunch, the child will have bread, fruit and milk for lunch.
- Should a debt remain unpaid and a child has transferred to a packed lunch, an invoice will be raised to send to the parent(s) to officially chase the debt.



Out of School Club (Contracted) debts will be recorded and non-payment will be followed up by issuing reminders as outlined below (see Appendix 1 for table):

- Contracted sessions are set up using the School Gateway at least a month in advance of the sessions taking place.
- All balances should be paid by the 1st of the month for the month in question e.g. September should be paid by the 1st September.
- If full payment is not received by the 30th of the month, we reserve the right to withdraw the OOSC sessions and contract immediately.
- If payments are not received by the 15th of the month, we will send a text message reminding the parents of their responsibility to clear the balance at the start of each month as per the policy.
- On the 30th of the month the service is provided, if the balance is still outstanding, communication will be made to the parent(s) stating that the Out of School Club debt is now overdue. At this point, unless payments are made, or a suitable payment plan is agreed in order to settle the debt, the provision of the service will cease.
- Any debts carried into the Summer holidays must be paid before provision can be confirmed for September.

Out of School Club (Ad Hoc) debts will be recorded and non-payment will be followed up by issuing reminders as outlined below:

- Parents who do not pay using childcare vouchers will be required to book any sessions directly using the School Gateway App, thus avoiding any debts to accumulate.
- Should a parent state they wish to pay via childcare vouchers, balances will be assessed using the same process as above (contracted sessions).
- If payments are not received by the 15th of the month, we will send a text message reminding the parents of their responsibility to clear the balance at the start of each month as per the policy.
- On the 30th of the month, should a balance be above £30, communication will be made to the parent(s) stating that the Out of School Club debt is now overdue. At this point, unless payments are made, or a suitable payment plan is agreed in order to settle the debt, the provision of the service will cease.
- Any debts carried into the Summer holidays must be paid before provision can be offered for September.

Nursery Provision debts will be recorded and non-payment will be followed up by issuing reminders as outlined below (see Appendix 2 for table):

- Contracted sessions for the next half term are set up using the School Gateway two weeks prior to the end of the current half term.
- Should these contracted sessions involve a new starter, the parent(s) will be invoiced prior to the child starting and payment should be made via bank transfer in order to confirm the place.
- We will send a text message reminding the parent(s) of their responsibility to clear the balance at the end of the half term, prior to the sessions starting.
- If full payment is not received by the start of the first week, a strongly worded text message will be sent, stating that if debts are not cleared by the end of that week, their child's place is at risk of being cancelled.



- If the balance remains outstanding at the start of the second week, a phone call will be made to the parent(s) stating that the Nursery provision will cease at the end of the second week until the debt is paid and the account is up to date. All future bookings will be cancelled.

3.2 Debt Chasing

After all reminders, where a debt is still outstanding, the debt will be referred to the Headteacher, who will advise the SBM who will then speak to the parent(s) to arrange a plan to be put together to try and recover the outstanding amounts. Legal action will be considered and the debtor will be informed of this in writing. The debt may be referred to the Small Claims Court where appropriate.

Debts may be presented at Governors if the Headteacher feels everything has been done to recover the debts and the outstanding amounts require writing off. The VAT element of any debt must not be written off as this contravenes HM Customs and Excise statutory requirements.

3.3 Negotiation of repayment terms

If people are unable to pay, the School may reduce or cancel a debt in certain circumstances. If the last child associated to the parent with the debt has left the school, the governing body has given the headteacher permission to write off debts up to the amount of £30. All debts above £30 where the last child in the family has left the school need to be referred to the Governing Body for decisions about whether to write off or take to small claims court.

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder. If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher.

A record of all such agreements entered into will be retained. In all cases, communication will be sent to the debtor confirming the agreed terms for repayment. The settlement period should be the shortest that is judged reasonable. The Headteacher will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance. If a parent or carer does not adhere to the payment schedule, the case may be referred to the governing body.

4. Monitoring and Evaluation

The policy will be monitored through the financial management of the School Business Manager and through external audit.

5. Review

The policy will be formally reviewed in January 2027 if not deemed necessary before.



Appendix 1 - OOSC Contracted Payment Guidelines				
Timeline	Session Creation	Payment Date	First Reminder	Second Reminder – Payment Plan/Cancellation
Date	1st (month prior)	1st (month in question)	15th	30th
Action	Session setup on Schoolcomms	Balance should now be paid	Text message reminding the parent(s) of their responsibility to clear the balance at the start of each month as per the policy and that if debts aren't cleared by the 30th, their child's place is at risk of being cancelled	Contact will be made to the parent(s) stating that the Out of School Club provision will cease unless a payment is made to clear, or satisfactory payment plan is arranged to clear the outstanding debt.
Detail	Includes payment date of 1st of month	Check Schoolcomms/Bank	Check Schoolcomms/Bank	Cancel service and contract - begin debt recovery procedures and offer the place to any parents on the waiting list
Risk	None		Service being provided without payment - maximum 4 weeks + any outstanding additional from previous month.	
Timescale	Calendar month to pay outstanding bills		Two weeks with two reminders to pay before cancellation	



Appendix 2 - Nursery Provision Payment Guidelines					
	Session Creation	First Reminder	Payment Date	Second Reminder	Cancellation
Timeline					
Date	Two Weeks prior to end of half term	End of the half term prior to session starting	Start of the half term of sessions in question	First week of half term	Second week of half term
Action	Session setup on Schoolcomms (if new starter - create and send invoice)	Text message reminding the parent(s) of their responsibility to clear the balance at the end of the half term, prior to the sessions starting	Balance should now be paid	Strongly worded text message will be sent, stating that if debts aren't cleared by the end of that week, their child's place is at risk of being cancelled	Phone call will be made to the parent(s) stating that the Nursery provision will cease at the end of the second week until the debt is paid and the account is up to date
Detail	Includes payment date of the start of the next term.	Check Schoolcomms/Bank Only include non-payers in reminders		Check Schoolcomms/Bank	Cancel service and contract - begin debt recovery procedures and offer the place to any parents on the waiting list
Risk	None			Service being provided without payment - maximum 2 weeks	
Timescale	At least three weeks to pay outstanding balance			Two weeks with two reminders to pay before cancellation	