



## LOSTOCK HALL PRIMARY

### Debt Policy

#### 1. Purpose

This policy sets out the procedures for preventing, managing, and recovering unpaid fees owed to the school. It ensures financial stability, fairness, and consistency while supporting families who may be experiencing temporary financial difficulty.

#### 2. Scope

This policy applies to all charges issued by the school, including but not limited to:

- School meals
- After-school clubs
- Breakfast clubs
- Educational trips/visits/Residentials (subject to True Learning Partnership Charging & Remissions Policy)
- Wraparound care
- Nursery/early years fees (if applicable)

#### 3. Principles

- The school will act **fairly, consistently, and sensitively**.
- The school will seek to **avoid debt escalation** by communicating clearly and early.
- Families experiencing hardship will be encouraged to contact the school for **support or payment plans**.
- Significant arrears will be escalated using a transparent, step-by-step process.

#### 4. Prevention of Debt

The school will:

- Provide parents/carers with clear information about charges and payment deadlines.
- Use an online payment system wherever possible.
- Remind families regularly of outstanding balances.
- Require **payment in advance** for services such as school meals.

#### 5. Debt Monitoring

- Administrative staff will check outstanding balances **weekly**.
- Any debt over **£10** will trigger the reminder process.
- Senior leadership will receive a termly report of all debts.

## **6. Debt Recovery Procedure**

### **Stage 1 – Initial Reminder (Informal)**

- A polite text, email, or message alerting the parent/carer of the outstanding amount.
- Sent within **7 days** of the missed payment.

### **Stage 2 – Second Reminder (Formal)**

- A written letter/email outlining:
  - Amount owed
  - Date it became due
  - Payment options
  - Contact details for discussing financial difficulties
- Gives **7 additional days** for payment.

### **Stage 3 – Final Notice**

If no payment or contact is received:

- A formal letter from the School Business Manager or Headteacher stating:
  - Immediate payment is required
  - Imminent withdrawal of services (e.g., clubs, wraparound/ preschool care)
  - Notice that continued non-payment may be escalated

### **Stage 4 – Withdrawal of Services**

- Non-statutory services may be withdrawn until the debt is cleared, such as:
  - School meals (parents must provide a packed lunch)
  - Clubs
  - Chargeable activities
  - Withdrawal of services (e.g., clubs, wraparound/ preschool care)
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*Note:* Statutory education cannot be withdrawn.

### **Stage 5 – Escalation**

If debt remains unpaid after 30 days:

- Matter may be passed to the True Learning Partnership **or**
- Referred to a debt recovery service (as appropriate)
- Persistent large debts may be reported to the Governing Board.

## **7. Financial Hardship Support**

The school will:

- Encourage parents to contact the office early if they are struggling.
- Offer payment plans where appropriate.
- Provide information on available financial support (e.g., Free School Meals eligibility).

## **8. Write-Off of Bad Debt**

Bad debt may be written off only when:

- All reasonable recovery steps have been taken

- Legal or collection costs would exceed the debt value
- The debt is deemed irrecoverable due to family circumstances

*Write-offs must be approved by the Headteacher and Chair of Governors (or in accordance with the True Learning Partnership's financial delegation framework).*

### **9. Review of Policy**

This policy will be reviewed **annually** by the Governing Board or Finance Committee.

**Dated:**

**Review date:**