GRESHAM PRIMARY SCHOOL

BAD DEBT POLICY

June 2026

Reviewed: June 2026
Next review due: June 2028

RATIONALE:

This policy outlines the roles and responsibilities of all staff involved in the income collection and debt management process, and presents guidelines on good practice for the efficient and effective collection of income.

POLICY & PROCEDURES

Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. If this is not possible, a statement of account will be kept. The debtor will be informed of the debt as soon as possible and will be asked why they have not paid and when it will be possible for them to pay. A discussion with the Headteacher will be arranged to discuss any difficulties the debtor may be experiencing. Parents, who are debtors, may be offered the opportunity to repay the debt via a repayment schedule at the Headteacher's discretion. Whether the service will continue and a schedule for repayment will also be discussed. However, to ensure sound internal control, staff who raise the debtor's statement, such as the Finance Officer, should not also have the authority to write off debts. VAT must not be written off.

All debts will be recorded and non-payment will be followed up by issuing reminders at the following intervals: -

- The bad debtor will be informed of the failure to pay immediately by telephone and the call recorded in the "message book" – 1st reminder.
- 2 weeks from date of account statement a letter of notification will be issued and sent - 2nd reminder
- 4 weeks from date of account statement a second letter will be sent - 2nd reminder
- 6 weeks from date of account statement a final reminder will be issued and sent. *(See Appendices)*

The final reminder is sent by recorded delivery and states that the debt will be reported to the LA. The school will notify the LA and seek further advice from the relevant department. If, after every effort has been made to collect the debt and legal action, is considered impractical or, where the LA has advised it, has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures: -

1. Any debit under £100 can be written off by Headteacher.

2. All debits above £100 should be reported to the Governors before action is decided.

3. At the end of the financial year the Finance Officer will notify the LA of the number of cases and total value of debts written off (if any). If the total cumulative debts of more than £500 need to be written off in any one year then the Headteacher will consult with the LA.

Individual amounts written off which exceed £100 must be reported to the LA as soon as practicable for authorisation by the Executive Director of Education.

The VAT element of any debt must not be written off, as this contravenes HM Customs and Excise statutory requirements.

Confirmation the Bad Dept Policy in respect of Gresham Primary School has been discussed by the Governing Body:

Signed by:

Chair of Governors: Kim Durling Date: 10/06/2026

Headteacher: Karen Steele Date: 10/06/2026

Agreed at the Governing Body Meeting on: 10/06/2026

Next review June 2028

APPENDIX 1 – 1st letter of notification:

Date: _____

Dear _____

This is to inform you of your failure to pay £_____ for _____.

Please could you pay this amount as soon as possible. If you are experiencing difficulty in regard to paying this amount, please make an appointment to see me to discuss this. Arrangements can be made to spread the repayment of this amount over a period of time.

Please respond to this letter of notification as soon as possible.

Yours sincerely,

Ms Karen Steele
Headteacher

APPENDIX 2 – 2nd letter of notification:

Date: _____

Dear _____

This is to inform you of your failure to pay £_____ for _____ and that you have not responded to the letter sent to you regarding the payment of this amount on _____.

Please could you pay this amount as soon as possible. If you are experiencing difficulty in regard to paying this amount, please make an appointment to see me to discuss this. Arrangements can be made to spread the repayment of this amount over a period of time.

Please respond to this letter of notification as soon as possible.

Yours sincerely,

Ms Karen Steele
Headteacher

APPENDIX 3 – Final demand:

Date: _____

Dear _____

You have continued to fail to pay £_____ for _____ and that you have not responded to the letters sent to you regarding the payment of this amount on _____ and _____.

Please could you pay this amount as soon as possible. We are now seeking advice from the Local Authority as to how to proceed to recover this outstanding debt.

Please respond to this letter of notification as soon as possible.

Yours sincerely,

Ms Karen Steele
Headteacher