

Liverpool College

Debt Recovery Policy



Mission Statement

Liverpool College values the dignity of each individual and promotes the development of character and learning through a commitment to high standards within a caring community.

Core Values

We recognise that all pupils have different talents and strive to ensure that every pupil has an equal opportunity to find and develop the talents they do possess


We believe that the development of character, creativity intellect and spirituality, are the primary aims of education.

We work together to create a happy and caring school community which is engaged in our local community and the wider world

We pursue high standards in every area of school life

This is a whole college policy and applies to the Primary and Secondary Phase, Boarding, Breakfast Club and after school activities.



Approved Date	27 th March 2023
Review Date	27 th March 2025
Principal	 Mr H vM Broekman

Liverpool College Debt recovery Policy

I. RATIONALE

Any money owed to Liverpool College has an impact on the budget and may affect the resources we can provide to our pupils.

The College will take all reasonable measures to vigorously collect debts as part of its management of public funds control framework.

A debt will be passed onto an external debt collection agency only after all reasonable measures, commensurate with the size and nature of the debt, have been taken to recover it. The College's debt recovery policy will observe the relevant financial regulations and guidance set out in the Academy Trust Handbook and any other legal requirements.

2. AIMS

The aims of this policy are to:

- Ensure all reasonable measures are taken by the College to collect debts as part of its management of public funds
- Ensure that a debt will only be written off after all reasonable measures (dependent on the size and nature of the debt) have been taken to recover it
- Ensure that the College has due regard to propriety and regularity, and ensures value for money, in the use of public funds
- Ensure that the College's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academy Trust Handbook

3. LIMITS FOR WRITING OFF DEBTS

The following approval limits apply for debt write offs:

Amount of individual debt	Approval required
£0 - £500	Finance Director or Principal
£500 - £1000	Operations Committee
£1000 and over	Full Governing Body

ESFA approval is required if the amount is 1% of total income or £45k (whichever is smaller) per single transaction.

4. ACCEPTABLE CREDIT PERIOD

The College understands that the acceptable credit period may vary between different income generating activities.

4.1. Invoices

Payment for all goods and services supplied by the College should be collected in advance or at least within 30 days upon receipt of the invoice.

4.2. Lettings invoices

Lettings invoices should be paid in advance of the agreed let where possible or at least within 30 days upon receipt of the invoice.

4.3. Breakfast and after-school clubs

Payment should be made via ParentPay or through childcare vouchers in advance of each session. Where this is not possible, payment should be made within 14 days. Should the parent/carer fall into debt and fail to pay any balances after the formal reminder letter is sent, a letter will be sent advising that the pupil cannot attend the clubs/sessions until the outstanding balance is settled.

4.4. School lunches

Payment for school lunches must be made in advance and a positive balance should be maintained on ParentPay at all times.

Pupils with a negative balance of £10 or more will not be permitted to purchase items from the dining hall at lunch time and must bring a packed lunch.

Pupils will be unable to purchase any item at breaktime if they have a negative ParentPay balance.

4.5. Educational/residential visits

The payment arrangements for each visit will be communicated to parents/carers via letter but should be paid before the scheduled date of the visit or the date specified on the letter.

5. DEBT RECOVERY PROCEDURES

5.1. Chasing outstanding debt balances is time-consuming and the school reserves the right to add administration charges to the debt for particular interventions. An admin charge of £25 will be applied at stage 3 and stage 4. If the debt reaches Stage 4 and the balance is referred to a debt collection agency, the cost of referral will be added to the outstanding balance.

5.2. Any balances outstanding from a previous non-payment may mean that the pupil is excluded from future non-curriculum-based activities where there is a cost involved. In addition, the debtor may have to pay in advance for future supplies or the supply may not be available.

5.3. The College will make every effort to work with parents to prevent debts mounting and the following stages will be followed:

Stage 1 - Informal reminders

Weekly reminder letters and messages will be sent via ParentPay and Bromcom.

Stage 2 - Formal overdue payment reminder

A formal reminder letter (appendix 1) will be issued if the balance remains outstanding. If action is to proceed further, it will be necessary to prove that all reasonable attempts have been made to recover debt, and that these attempts have been made in a timely manner.

The date of the reminder letter will be recorded on the College's debt management records.

Stage 3 - Second formal overdue payment reminder

A second formal reminder letter (appendix 2) will be issued.

At this stage, debtors will be advised that:

- their child must bring a packed lunch and will no longer be able to purchase meals/snacks in the canteen
- places in before and after school clubs have been revoked and the pupil cannot attend until the outstanding balance has been cleared
- their child is not eligible to attend any chargeable non-curriculum or residential trips

The date of the reminder letter will be recorded on the College's debt management records.

An admin fee of £25 is added to the outstanding balance.

Stage 4 – Failure to respond to reminders / settle a debt

If there is no response to the reminder letters and/or the outstanding balance has not been settled, a final letter (appendix 3) will be sent confirming that the matter will be referred to an external debt collection agency.

The debtor will be advised that they will be required to pay in advance for all future supplies and services or the supply will no longer be available to them. In addition, repayment terms must be in place for the repayment of the existing debt. If there is a default on the repayment terms, then the debtor will lose the right to access future optional (paid for) supplies and services.

An admin fee of £25 is added to the outstanding balance.

6. NEGOTIATION OF REPAYMENT TERMS

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

Arrangements for part payments may be considered by the Finance Director but any such agreement must be strictly adhered too. Failure to meet any repayment terms will result in the debt being passed to an external debt collection agency.

The debtor will be advised that they will be required to pay in advance for all future supplies and services or the supply will no longer be available to them. In addition, repayment terms must be in place for the repayment of the existing debt.

7. COSTS OF DEBT RECOVERY

Where the school incurs material additional costs in recovering a debt then the Finance Director will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded.

This is in addition to the admin fees and debt referral costs referred to in section 5.1.

If appropriate the debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

8. REPORTING OF OUTSTANDING DEBT

The Finance Director will ensure that the level of outstanding debt is known and can be determined at any time.

The Finance Director and Finance Team will review the level of outstanding debts regularly to determine whether this level is acceptable and whether action to recover debts is effective.

9. MONITORING AND EVALUATION

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

Related Policies

GB03 Charging and Remissions

TL15 Sixth Form Bursary

APPENDIX I – FIRST FORMAL REMINDER LETTER

Private and Confidential

NAME

ADDRESS

DATE

Dear NAME,

FORMAL REMINDER OF OUTSTANDING BALANCE

Despite previous correspondence, our records show that there is still an outstanding balance of £X on your account as at DATE. This balance is made up of:

Name	Form	Service	£

To avoid escalated action being taken and additional charges added to your account, please arrange immediate payment. Payment can be made via ParentPay or bank transfer into the following bank account details:-

Account name	Liverpool College Independent School Trust
Bank	Barclays
Account number	23923231
Sort code	20-51-43
Payment Reference	PUPIL NAME

You can check the account balance at anytime by logging into your ParentPay account at www.parentpay.com.

We look forward to receiving payment but please do not hesitate to contact me should you have difficulty in paying or wish to discuss your account. If the balance is not cleared within 7 days or no communication has been received to resolve the issue, it will not be possible to provide your child with [DELETE AS APPROPRIATE] **breakfast/after school club/lunch/trips/residential**.

If you have already paid the outstanding balance by the time you receive this reminder, please accept our apologies and disregard this letter.

Yours sincerely

FINANCE NAME

Finance Department

Tel – 0151 724 4000

NAME@liverpoolcollege.org.uk

APPENDIX 2 – SECOND FORMAL REMINDER LETTER

Private and Confidential

NAME

ADDRESS

DATE

Dear NAME,

SECOND FORMAL REMINDER OF OUTSTANDING BALANCE

Despite previous correspondence dated DATE OF LETTER 1, our records show that there is still an outstanding balance of £X on your account as at DATE. This balance is made up of:

Name	Form	Service	£

An admin fee of £25 has been added to your balance.

Please arrange immediate payment. Payment can be made via ParentPay or bank transfer into the following bank account details:-

Account name	Liverpool College Independent School Trust
Bank	Barclays
Account number	23923231
Sort code	20-51-43
Payment Reference	PUPIL NAME

You can check the account balance at anytime by logging into your ParentPay account at www.parentpay.com.

As stated in the letter of DATE until the outstanding balance is cleared in full, it will not be possible to provide your child with [DELETE AS APPROPRIATE] **breakfast/after school club/lunch/trips/residential. From DATE you will need to make your own arrangements for your child's lunch. You should make alternative before and after school arrangements for your child/children.**

I must advise you that failure to settle this outstanding balance will result in your debt being referred to an external debt collection agency.

If you have already paid the outstanding balance by the time you receive this reminder, please accept our apologies and disregard this letter.

Yours sincerely

FINANCE NAME

Finance Department

Tel – 0151 724 4000

NAME@liverpoolcollege.org.uk

APPENDIX 3 – FINAL LETTER (FAILURE TO RESPOND/SETTLE BALANCE)

Private and Confidential

NAME

ADDRESS

DATE

Dear NAME,

REFERRAL TO EXTERNAL DEBT COLLECTION AGENCY

Despite two previous letters of DATE and DATE (copies enclosed) it appears that the amount owing for [DELETE AS APPROPRIATE] **breakfast/afterschool club/dinner/trip/residential** for your child PUPIL NAME & FORM still remains outstanding.

An admin fee of £25 has been added to your balance.

As at DATE your account is showing a balance of £X.

As we have been unable to recover this debt it has now been referred to an external debt collection agency. The cost of this referral is £X and this will be added to your balance.

If you have already paid the outstanding balance by the time you receive this letter, please accept our apologies and disregard this letter.

Yours sincerely

FINANCE NAME

Finance Department

Tel – 0151 724 4000

NAME@liverpoolcollege.org.uk