



Carleton House

Preparatory School

Debt Management Policy

DATE OF POLICY:

January 2023

To be reviewed

January 2025



CARLETON HOUSE PREPARATORY SCHOOL **DEBT MANAGEMENT POLICY**

MISSION STATEMENT

“We live, love and learn with Jesus”

Aims:

This policy sets out the School’s procedures for debt management and recovery for all debts owed to the school, including school fees and afterschool club fees. The School will take all reasonable measures to vigorously collect debts as part of the responsible management of School funds.

The School has a responsibility to its parents, employees and as a part of a Charitable Trust, to act at all times with financial propriety and to ensure the long-term financial position of the School. The aim of this Policy is to ensure that potential debtors are aware of the School’s debt management policy and of the actions it will take and to provide the Head Teacher with direction and support when dealing with debtors.

Roles and Responsibilities:

The Governing Body is responsible for ensuring that procedures are in place for the recovery of any outstanding debt. The Head Teacher is responsible for the correct application of the policy and will ensure that the Chair of the Finance Committee and the Chair of the Governing Body are kept informed of potential doubtful debts, as appropriate. All debts will be monitored by the School Finance Manager, who reports directly to the Head Teacher. The Head Teacher will liaise with the Chair of Finance who will authorise and oversee the debt recovery procedure at all stages.

Payment of School Fees:

There are three options available for the payment of fees. No discount is offered for early settlements:

- 1) Annual payment in full in advance;
- 2) Termly payment in three equal instalments due at the beginning of each term; or
- 3) 10 equal monthly payments payable by direct debit which are collected on the 29th of each month, from August to May.

Variance of Terms and Conditions

Parents are encouraged at all stages to engage with the School to discuss any difficulties with payment of fees. In exceptional circumstances alternative payment terms may be agreed. This is at the discretion of the Chair of the Finance Committee. In all cases, a letter will be issued to the parent(s) confirming the agreed terms for repayment. If a variance of terms has been agreed, it will supersede the debt recovery process as outlined below. If the agreed variance of terms is not abided by, the school reserves the right to revert to the outlined Debt Recovery Procedure.

Late Fee Penalty:

If a payment has not been received by the agreed date then a late fee of £100 will automatically be added to the debt. The following Debt Recovery Procedure will then be followed. Copies of all correspondence will be kept on file and may be used to support a court application for enforced payment of fees. All payments received will first be applied against late payment fees and the oldest debt.

Debt Recovery Procedure

- 1) Initial informal contact is attempted by telephone or email requesting payment;
- 2) If payment has not been received within 4 days of the initial contact being attempted, a formal letter (Payment request 1) will be sent by post and e-mail requesting payment in full within 7 days of the date of the letter; and
- 3) A second letter, (Payment request 2) will be issued. This will be sent 1 week after the first formal letter (Payment request 1). This letter will inform parents that if payment is not received within a further 7

days then the child will be excluded from School. The letter will explicitly state the intended exclusion date should payments not be received.

4) In the event of no immediate response to the two previous letters being received, further contact attempts (via e-mail, text message and telephone call) will be made within the same 7 day period to give parents the opportunity to engage with the School and to avoid the exclusion of a child.

5) In the event of no payment being received, the child will be excluded from the School from the date specified in the second letter.

Once excluded for non-payment of fees, the pupil may only return to School once all overdue fees have been paid in full. From the point of exclusion, any place vacated may be filled at the discretion of the Head Teacher.

Debt Recovery Procedure for After School Club Fees

All After school club places are subject to availability and must be booked in advance via our online booking system by 2.30pm latest on the day of attendance. Fees are payable via card payment, childcare vouchers or Tax-Free Childcare vouchers at the point of booking. Sessions attended at short notice which are not booked in advance should only be in the case of an emergency. In such cases payment is due upon receipt of an invoice. Parents should note that availability of such sessions is at the discretion of the school and is dependent upon the number of places available in After School Club.

Debt Recovery Procedure for After School Club Fees

- 1) An invoice will be sent which is payable immediately.
- 2) If payment has not been received within 7 days of the date of the invoice, a £10 late payment charge will be added to the debt. A formal letter (payment request 1) will be sent by post and email requesting payment in full within 7 days of the date of the letter; and
- 3) A second letter, (Payment request 2) will be issued. This will be sent 1 week after the first formal letter (Payment request 1). This letter will inform parents that if payment is not received within a further 7 days then the child will be excluded from attending Afterschool Club. The letter will explicitly state the intended exclusion date should payments not be received.
- 4) In the event of no immediate response to the two previous letters being received, further contact attempts (via e-mail, text message and telephone call) will be made within the same 7 day period to give parents the opportunity to engage with the School and to avoid the exclusion of a child from after school club.
- 5) In the event of no payment being received, the child will be excluded from After School Club from the date specified in the second letter.

Once excluded from After School Club for non-payment of fees, the online booking system will be updated to disallow any further bookings until the debt is paid in full. The pupil may only return to After School Club once all overdue fees have been paid in full.

Continued late payment of fees

The governing body reserve the right to invoke clause 7.15 from our terms and conditions should the late payment of fees become an ongoing concern.

- 7.15** In the event of two consecutive late payments of instalments of school fees the school reserves the right to require payment in advance of one terms fees from parents. Failure to pay such fees within 14 days of such request being made in writing may result in the contract with you being terminated immediately and without notice.

Legal Action Procedure

If the debt recovery procedure as outlined above has been unsuccessful it is School policy to commence legal proceedings for all outstanding debts. A letter will be sent to the parents informing them that the School will seek to recover the outstanding debt through the courts without any further correspondence. All additional legal costs will be added to the outstanding debt.

Outstanding debts can include but are not limited to:

- Unpaid fees;
- Late payment charges;
- After school club fees; or
- Fees in lieu of notice.

Recording and Reporting of Outstanding Debt Levels

Meticulous record keeping is essential and, at each stage, copies of letters and emails are kept on a debtors file and notes recorded of any phone calls that may have occurred.

The Head Teacher will ensure that the level of outstanding debt is regularly monitored by the Finance Manager. Suitable records will be maintained to detail individual debts and the total value of debt to the School in order that it can be determined at any time and reported to the Finance Committee.

The Finance Committee will review outstanding debts at each meeting and this will be used to inform the effectiveness of this policy and procedure.

Hardship

The School does not have a hardship fund. In exceptional circumstances the Governing Body may choose to write off a debt. This requires the approval of the Finance Committee and must be ratified by the Governing Body. A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

Parents in Dispute with the School

This Debt Management Policy, including all timescales applies equally to parents in dispute with the School or who have raised a formal complaint. The Policy will be applied separately to the complaints policy. If the complaint is later upheld the Finance Committee may, at its discretion, write off the debt retrospectively and a refund may be issued if deemed appropriate to do so.