



THE LATYMER SCHOOL
Founded 1624

DEBT MANAGEMENT POLICY

STATUTORY

Policy review by	Finance Committee, January 2023
Policy agreed	Full Governors' Meeting, March 2023
Review policy	January 2024

DEBT MANAGEMENT POLICY

Adopted by The Latymer School 1 INTRODUCTION

1.1 The Governing Body is responsible for ensuring that procedures are in place for the recovery of any outstanding debt.

1.2 This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

2 POLICY

2.1 Payment should be obtained as and when goods/services/facilities are provided wherever possible; in particular where the value of goods and services is relatively small, i.e. less than £100.

2.2 Where payment is not received at the time when the goods/services/facilities are delivered an invoice must be raised as soon as possible, but normally within 7 days of the goods/services/facilities being provided.

2.3 Invoices should state that the bill is due and payable at the invoice date.

2.4 If no payment is received within 21 days from date of issue of the invoice a final reminder should be issued to the debtor. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

2.5 Where only part of the debt has been settled a final reminder for the balance outstanding should be issued 21 days from the issue of the invoice. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

2.6 Where a debtor requests permission to settle the debt by instalments and extend the normal terms and conditions of supply they must submit an application in writing explaining the reasons for their inability to meet the original contract terms. The Headteacher and Director of Finance and Operations will agree the revised terms, which must not exceed 49 days from the date of issue of the invoice. If the debt is not settled within the terms set by the Headteacher and Director of Finance and Operations, then a final reminder should be issued to the debtor. The final reminder should clearly state that legal action will be taken if the debt is not settled in full within a further 14 days of the date of the reminder.

2.7 At each meeting of the Finance Committee, the Director of Finance and Operations is required to inform the Governors of any debt which is still outstanding after the 14 day period following the final reminder, together with any proposed action: This may be a referral to solicitors for legal action, a debt collection agency or to write-off the debt if there is no realistic prospect of debt recovery being successful, or if further action is not cost-effective.

2.8 Outstanding debt of up to £100 may be written-off by the Headteacher provided that the appropriate follow-up actioned outlined above has been taken and the details of the debtor, amount written-off and the reason for no further action being taken is reported to the Finance Committee for information at their next meeting.

2.9 Write-off of outstanding debt in excess of £100 must be approved by the Finance Committee following submission of details of the debt by the Headteacher together with reasons for no further action being taken.

2.10 A write-off must not be communicated to the debtor. It is not an acknowledgement that the debt does not exist but is an internal transaction in the accounts of the school, which removes the debt from the records.

2.11 Individuals or organisations that have previously defaulted on payments to the school are not allowed credit facilities.

2.12 Where a debtor's payments are regularly or consistently paid outside the terms of supply the Headteacher must consider withdrawal of credit facilities and request the individual/organisation to pay for goods/services/facilities in advance of service being provided.