



Debt Management Policy

The Debt Management Policy is based on the latest best practice advice from Lancashire County Council (LCC). Debt Management/Billing Arrangements August 2021 (Appendix A).

The implementation of this policy will be monitored Headteacher in consultation with the Leadership Team and the Governing Body/Finance Committee.

This policy will be reviewed as appropriate by The Senior Leadership Team

Policy Created		February 2017			
Presented to Governors for approval		February 2017			
Proposed Next Review Date:		May 25			
Policy Review Summary					
Date:	20.5.24	Date:	1/10/24	Date:	
Key Changes <ul style="list-style-type: none">Date only		Key Changes <ul style="list-style-type: none">Highlighted in yellow		Key Changes <ul style="list-style-type: none">	
Presented to Governors: Staffing, Finance, Buildings & H&S 20.5.24		Presented to Governors: Staffing, Finance, Buildings & H&S 14.10.24		Presented to Governors:	

DEBT MANAGEMENT POLICY

1.0 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 procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

2.0 POLICY

- 2.1 Payment should be obtained as and when goods and services are provided wherever possible; in particular, where the value of the goods and services is relatively small, ie less than £100.
- 2.2 Where payment is not received at the time when the goods or services are delivered a letter or invoice will be raised as soon as possible but normally within 14 days after a debt becomes due.
- 2.3 Invoices should require immediate payment.
- 2.4 A first reminder phone call will be made prior to being issued with a letter if no payment is received within 7 days. A further reminder will be issued 14 days after the initial reminder. A final reminder will be issued 14 days after the initial reminder stating that legal action will be considered if payment is not received within 14 days.
- 2.5 At each Governing Body/Finance Committee meeting, the headteacher 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 a debt collection agency, to solicitors for legal action 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.
- 2.6 Outstanding debt of up to £200 may be written-off by the headteacher provided that the appropriate follow-up action outlined above has been taken and the details of the debtor, amount of write-off and reason for no further action being taken is reported to the Finance Committee for information at their next meeting.
- 2.7 Write-off of outstanding debt in excess of £200 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.