



Debt Management Policy

Non Statutory Policy

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For internal use

Link to other policies:

- Charging and Remissions Policy



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1. Rationale

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

This policy sets out procedures for debt recovery in respect of any requests for payment via the means of invoice or request for payment and for the write-off of any debt which is deemed to be irrecoverable

2. Policy

Payment should be obtained as and when goods and services are provided wherever possible; in particular where the value of the goods and service are relatively small.

Where payment is not received at the time when the goods or services are delivered an invoice or request for payment must be raised as soon as possible but normally within 10 days after a debt becomes due.

Invoices should require payment within 30 days from the date of issue.

Where a request for payment is made (see charging policy) payment must be made prior to any activity or trip).

In the first instance, the Academy will reserve the right to suspend any other activities for which payment is required where the activity or debt relates to an optional or extra-curricular event.

Final reminders should be issued if no payment is received within 35 days. The final reminder should make it clear that legal action may be taken if payment is not received within a further 14 days.

At the Spring Term Governing Board/Business & Resources Committee meeting, the Finance Manager is required to inform the governors of any debt which is still outstanding 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.

Outstanding debt of up to £150 may be written-off by the Finance Manager and debts up to £1500 by the Principal and 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 Business & Resources Committee for information at their Spring Term Meeting.

Write-off of outstanding debt in excess of £1500 must be approved by the Business & Resources Committee following submission of details of the debt by the Principal together with reasons for no further action being taken.