



Diocese of Salisbury
Academy Trust

'Beyond expectations for all of God's children'

NURSERY DEBT MANAGEMENT PROCEDURES

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This procedure is to be used by all Trust schools that operate nurseries and supersedes all previous versions.

1. Introduction

The Diocese of Salisbury Academy Trust (DSAT) recognises that any monies owed to the school have an impact on its budget and may affect the resources that it can provide for all children. To this end, we expect parents and carers to make every effort to avoid incurring debts.

The school will take all reasonable measures to vigorously collect debts as part of its management of public funds. This debt management procedure will observe the relevant financial regulations and guidance and any other legal requirements. This procedure will be published on the school website.

2. Nursery Sessions

Nursery sessions should be agreed at least two weeks ahead of the start of the next term to allow adequate time to ensure the correct staff ratios are in place in line with legislation. These sessions should be booked using the school booking form and the early years funding form.

Parents and carers should book and make full payment in advance. The 30-hour funding code must be submitted before the start of each term.

If no payment is received when a child is brought to the nursery, the child may be allowed to continue on the understanding that the debt is settled within one week and includes debt outstanding for a connected family member. This will only be allowed on one occasion and an informal email and text message will be sent. Debt recovery procedures will be implemented if payment is not received. Due to nursery ratios, children not booked into the sessions will not be permitted to attend.

If there remains debt outstanding and if there are repeated instances of non-payment, then the Headteacher may withdraw the child's access to the nursery.

3. Cancellations and Charges

Four weeks' notice must be given to cancel a place in the nursery. If a child has a session booked, but does not attend, a charge will be made for the session/s without required notice given in writing by email to the school office.

Late cancellations must be informed by phone or email which is important for the safety and safeguarding of the child. A charge will still be made for the session.

4. Acceptable 'Credit Period'

It is deemed that 30 days is an acceptable 'credit settlement period' before the debt recovery procedures are applied. For parents paying using childcare voucher schemes, the debt is expected to be cleared monthly.

5. Reporting of Outstanding Debt Levels

The Finance Team, in conjunction with the Headteacher, will ensure that the level of outstanding debt is regularly monitored. Suitable records will be maintained to detail both individual and the total value of debt to the school so that management can determine whether this level is acceptable and action to recover debts is effective.

6. Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment within two weeks of receiving the first 'overdue payment' reminder. If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Headteacher. A record of all such agreements will be retained.

In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment. The settlement period should be the shortest that is judged reasonable. The Headteacher will decide whether any debtor who has been granted extended settlement terms will be required to pay in advance.

7. Debt Recovery Procedures

Where payment from the parent/carer has not been received in advance, or 'at the point of sale,' the following process should be applied:

- Initial 'overdue payment' reminder sent, via email and app message.
- An initial reminder may be informal and can be made either in person (when a parent/carer comes to collect/drop off the child), or by telephone. The date of the initial reminder should be recorded.

The school will make every effort to collaborate with parents to prevent debts building and at the discretion of the Trust, an official invoice may be issued for the full amount outstanding.

- **First formal 'overdue payment' reminder letter**

A formal reminder letter is issued two weeks after the informal reminder. If action is to proceed further, it is necessary to prove that all reasonable attempts have been made to recover the debt, and that these attempts have been made in a timely manner, i.e., at the time that the debt first became overdue.

The date of the initial reminder letter will be recorded.

- **Second formal 'overdue payment' reminder letter**

A second reminder letter will be issued two weeks after the First Reminder Letter. The date of the second reminder letter will be recorded.

8. Failure to respond to reminders or settle a debt

If there is no response to the second 'overdue payment' reminder letter the debtor will be invited to meet the Headteacher to discuss the way forward on how this the debt will be settled. Failure to respond to this letter and/or failure to attend this meeting could result in the school taking legal action to recover the monies.

If a mutual agreement cannot be reached or if any agreed repayment is missed, then the school could commence legal action to recover the monies.

9. Cost of Debt Recovery

Where the school incurs material additional costs in recovering a debt then the school will decide whether to seek to recover such costs from the debtor. The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt. This decision and its basis will be recorded and referred to the CFO and reported to the Resources Committee as required.

- **Bad Debts**

Write-off of any individual debt must be referred to the CFO and reported to the Trust in accordance with the financial scheme of delegation included in the Finance Manual.

A record of the write-off, the reason for it, and the approval for it, will be retained for 6 years.

10. Trust Discretion

DSAT, in discussion with its Headteachers, may vary the school procedures as is deemed necessary.