

FINHAM PARK MULTI ACADEMY TRUST



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DEBTORS POLICY



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Introduction

Finham Park Multi Academy Trust require that all reasonable and viable steps are taken to recover money due to the Trust with regard to supplies and services that have been provided by the Trust. The Trustees aim to minimise the number of instances that credit is given and to take prompt and appropriate action to recover unpaid debts.

The responsibility for recovering unpaid debts is delegated to the relevant Business Manager who will ensure that the procedures, as set out below, are adhered to.

Procedures

- Invoices relevant to any goods or services provided is completed on a regular basis, as appropriate, by the Finance Office e.g. monthly or termly
- Payments received should be banked regularly in line with Audit requirements
- Outstanding debts should be monitored regularly using the Aged Debtor reports on the Financial Management System.
- The Operations Manager/SBM should be informed immediately of Hiring of Premises debtors exceeding 30 days, in line with the Lettings Policy. If the debt remains unpaid after 30 days the hirer will be refused further access to trust facilities until their debt is settled in full.
- Parent Pay
Parent Pay is the online tool used within the Trust to collect payments from students and staff for catering supplies. It is primarily the responsibility of the students and staff to ensure they leave Finham Park MAT with a nil balance.
The catering department have procedures in place to ensure that students do not leave owing the Trust money. In exceptional circumstances where a balance is owed, Trust reserve the right to demand payment.
If there is a balance owed to student/staff the following applies:
 - Any balance up to £1 is retained by the Trust due to the cost of administering a refund/transfer
 - On request, any balance between £1.01 and £5.00 can be transferred to another student/member of staff within the Trust
 - On request, any balance above £5.01 can be refunded to the parent/student
- A report on outstanding debtors should be tabled at the MAT Finance and Resources Committee meetings. Trustees should:
 - i) Consider the arrangements for debt recovery
 - ii) Approve the trust undertaking legal action in any particular case
 - iii) Include in the minutes of their meeting their approval to pursue any outstanding debt
 - iv) Each case involving a family should be judged on the family's individual circumstances and the amount outstanding as to the length of time before legal action is started



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- v) Ensure that the identity of an individual or family involved is only disclosed to those who need to know under this policy
- The procedure for following up debts is:
 - i) After 30 days first reminder issued along with copy of invoice. The reminder letter should indicate that if the debt is not paid within 14 days a late payment charge of 20% of the invoice total may be levied.
 - ii) After a further 14 days second reminder issued along with copy of invoice
 - iii) After a further 14 days third reminder along with copy of invoice issued
 - iv) A final letter is then sent informing if debt is not settled within 10 days consideration will be given to placing with the trust's debt collectors for legal action to be taken.
 - v) After due consideration with the School Business Manager/Operations Manager if no contact has been made within the stipulated 10 days a letter should be sent informing the debtor that paperwork will be sent to the trust's debt collectors.
 - vi) Debt sent to trust's debt collectors.

Any phone calls or conversations held with the debtor should be recorded and retained with all of the paperwork concerning the debt.

- Outstanding debts will be written off only after all attempts at retrieval have been exhausted using the appropriate "Write Off" paperwork which will be retained for audit purposes for a period of 7 years.
- Authority to write off unpaid debts is as follows:
 - i) Up to £250 Headteacher/ Associate Headteacher
 - ii) £251 - £1,000 Executive Headteacher
 - iii) £1,001-DfE Limit Trustees
 - iv) DfE Limit plus DfE will be notified

The DfE limits can change but are currently:

- 1% of total annual income or £45,000 (whichever is smaller) per single transaction;
- cumulatively, 2.5% of total annual income in any one financial year per category of transaction for any academy trusts that have not submitted timely, unqualified audited accounts for the previous two financial years. This category includes new academies that have not had the opportunity to produce two years of audited accounts; and
- cumulatively, 5% of total annual income in any one financial year per category of transaction for any academy trusts that have submitted timely, unqualified audited accounts for the previous two financial years.



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Written	November 2006
Revised by M Gilmore	November 2018
Next review date	November 2021

Approved by Trustees:

Signed:

MARK BAILIE
Executive Headteacher

Date: 26.03.2019

Signed:

PETER BURNS MBE
Chair of Board of Trustees

Date: 26.03.2019