



DEBT RECOVERY POLICY
FOR
THE FIRST FEDERATION TRUST

Adopted:	23 April 2026
Review cycle:	3 years
Next review due by:	April 2029

Debt Recovery Policy

General requirements

All schools within The First Federation Trust will take all reasonable measures to vigorously collect debts as part of its management of public funds. A debt will be written off only after all reasonable measures (commensurate with the size and nature of the debt) have been taken to recover it.

The Trust's debt recovery policy will observe the relevant financial regulations and guidance set out in the Academies Financial Handbook and any other legal requirements. In particular:

- Any sums above £500 will be referred to the Trust's Strategic and Finance Committee
- Guidance per the Academy Trust Handbook will be sought to determine if further permission from the DfE is required
- Any sums up to £500 will be referred to the Director of Finance for write-off
- (If any debtor has a number of debts which together exceed the write-off limit then these will be treated as a total amount).
- a formal record of any debts written off will be maintained and this will be retained for 7 years (the form of this record is specified below).
- In general payment for all goods and services supplied by the School should be collected in advance or 'at the point of sale'.
- The procedures to secure the collection of all debts are outlined in this policy and should be followed by all School staff.

Reporting of outstanding debt levels

The School Administrator / Finance Officer will ensure that the level of outstanding debt is regularly monitored.

Suitable records will be maintained to detail individual debts and the total value of debt to the school in order that it can be determined at any time and reported to the Finance Officer.

The Finance Officer will review the level of outstanding debts every term to determine whether this level is acceptable and whether action to recover debts is effective.

(Monitoring of outstanding debts may be differentiated by type, e.g. if school meal debts prove more of a problem than those for lettings of premises then the frequency and degree of monitoring should reflect this).

Debt recovery procedure

Verbal and Written Reminders

Details of all reminders, whether verbal or in writing, should be maintained. Where a letter is issued, a copy must be retained on file.

Should a debt need to be taken beyond two reminder letters, formal written evidence may have to be produced.

It is therefore important that at least one, but preferably two, written reminders are sent.

STAGE 1

1. Setting up the debt

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

- (a) An invoice should be issued for the full amount in order to officially set up the debt;

Where invoices are raised they should state the date by which payment is due date/month/year.

- (b) In all other cases, such as;

- correspondence with parents, etc. the maximum period that the school regards as reasonable before payment is overdue should be clearly stated, for example contributions for a school trip should be received by date/month/year.
- payment for items purchased should be sent to the school office by date/month/year.
- If payment is not forthcoming the process detailed in this policy must be applied.

- (c) A record of all goods and services will be maintained detailing:
- type of good/services supplied;
 - value;
 - date(s) good/services supplied; and;
 - the identity of the 'debtor', e.g. child, parent, hirer, etc.

STAGE 2

2. Initial 'overdue payment' reminder

An initial reminder may be informal and can be made either in person (when a parent/guardian comes to collect/drop off the child), or by telephone. This reminder should be as soon as possible but no more than 5 days after the due date on the invoice.

In general, the School Administrator / Other school staff will notify the parent/guardian after having built up a good relationship with the parents.

The date of the initial reminder should be recorded on [Appendix 3 – Debt Escalation Form](#).

STAGE 3

3 First 'overdue payment' reminder letter

A formal reminder letter should be issued 2 weeks after the first informal reminder. A template letter is provided in [Appendix 4](#).

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 reminder letter should be recorded on [Appendix 3 – Debt Escalation Form](#) and the Finance Officer should be advised

At the discretion of the Head of School/Finance Officer the debtor may be advised that they will be required to pay in advance for all future supplies or the supply will no longer be available to them.

STAGE 4

4 Second 'overdue payment' reminder letter

A second reminder letter will be issued 2 weeks after the First Reminder Letter. A template letter is provided in [Appendix 5](#).

The date of the second reminder letter should be recorded on [appendix 3 – Debt Escalation Form](#) and the Finance Officer should be advised

STAGE 5

5. *Failure to respond to reminders / settle a debt*

If after 2 reminder letters, a response or payment is not received within 7 days, a final reminder letter will be sent to the debtor advising them that legal action will be taken if the debt is not settled in full within a further 14 days. A template letter is provided in [Appendix 6](#).

The date of the final reminder letter should be recorded on [appendix 3 – Debt Escalation Form](#) and the Finance Officer should be advised.

STAGE 6

6. *Failure to settle a debt within 14 days of Stage 5 letter*

If after 14 days of the Stage 5 letter, payment has not been received, the Finance Officer will escalate to the Director of Finance.

Debt up to £500

- The Director of Finance will make the decision to either pursue with legal actions or to write-off the debt. Any debts written off should be formally recorded in appendix 1 and reported to the Strategic and Finance Committee.

Debt exceeding £500

- The Director of Finance will make the decision to either pursue with legal actions or seek approval from the Strategic and Finance Committee to write-off the debt. Any debts written off should be formally recorded in appendix 1.

Where the decision is made to pursue the debt, the Director of Finance will advise the Senior Finance Officer to instruct the legal team to support with issuing legal letters.

Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

However, if people are unable to pay;

The Trust may reduce or cancel a debt in certain circumstances. A sensitive approach to debt recovery will be carried out, taking the following factors into account.

- **Hardship:** where paying the debt would cause financial hardship.
- **Ill health:** where our recovery action might cause further ill health.
- **Time:** where the debt is so large compared to the person's income that it would take an unreasonable length of time to pay it all off.
- **Cost:** where the value of the debt is less than the cost of recovering it.

- **Multiple debt:** where someone owes more than one debt to the School or schools within the Trust. In this situation an attempt to agree one repayment plan to include all debts will be established.

Repayment Agreements

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the first 'overdue payment' reminder.

If a debtor requests for 'repayment terms' these may be negotiated at the discretion of the Head of School / Finance Officer.

A record of all such agreements entered into will be retained.

In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment. A template letter is provided in Appendix 7.

The settlement period should be the shortest that is judged reasonable.

The Head of School / Finance Officer will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will, in future, be required to pay in advance.

If a payment is not made as per the terms of the agreement, the agreement is broken and the debt process should be reverted back to Stage 4.

Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Strategic and Finance Committee 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 reported to the Strategic and Finance Committee

Bad debts

Write-off of any debt requires the written approval of the Director of Finance up to a maximum of £500.

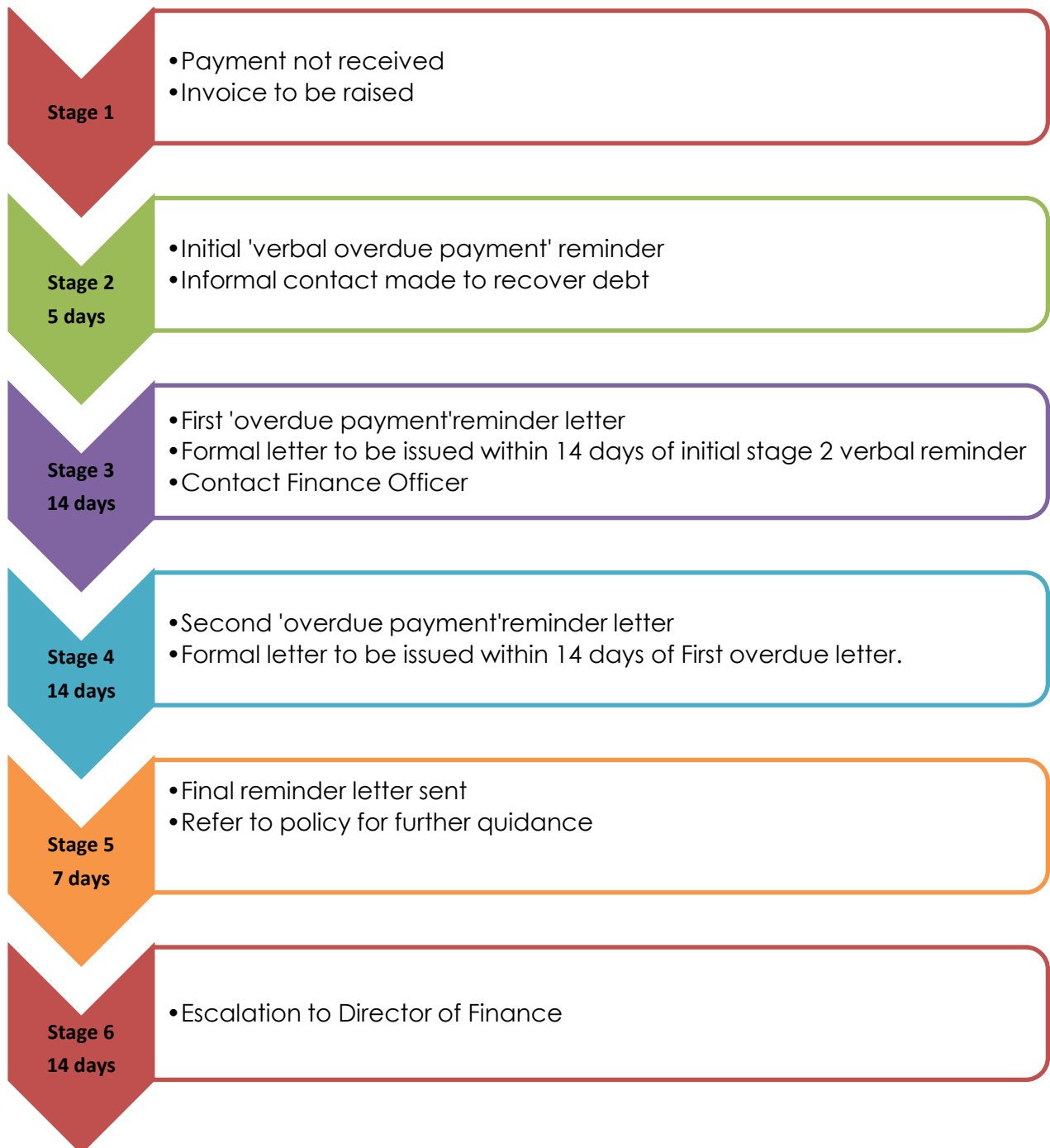
A record of the write-off, the reason for it, and the approval for it, will be retained for 7 years.

Policy Review

This policy will be reviewed at least every three years and was last approved on 23 April 2026.

Appendix 2

Debt recovery procedure steps



Appendix 3

DEBT ESCALATION FORM

School Name	
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Details

Child's Name		Parent/Guardian's Telephone	
Parent/Guardian's Name			
Parent/Guardian's Email			
Parent/Guardian's Address			
Invoice Issue Date		Invoice Due Date	
Invoice Amount		Amount Due	
Debt Type e.g. Nursery/ OSC/Trip/Lunches			

Please detail below any information that may be relevant e.g. any reasons given for late payment.

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Appendix 3

If any payments have received in relation to this invoice please record below:

Date		Amount Paid		Balance Outstanding	
Date		Amount Paid		Balance Outstanding	
Date		Amount Paid		Balance Outstanding	
Date		Amount Paid		Balance Outstanding	

	Action	Document Issue Date	Payment Due Date
Stage 1	Invoice Raised		
Stage 2	Verbal Reminder		
Stage 3	Written Reminder 1		
Stage 4	Written Reminder 2		
Stage 5	Final Letter prior to legal action		

If escalating to Stage 6:

Please sign to confirm that the Debt Recovery Policy has been followed:

Signed		Date	
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Central use only:

	Action	Date	Outcome
Stage 6	Finance Officer escalate to Director of Finance		

Debt Recovery Policy followed and debt referred to SFC, written off or recovered:

Director of Finance signature:

Signed		Date	
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Appendix 4

Stage 3 – First Overdue Payment Reminder

[School Name]
[School Address]
[Postcode]
[Telephone | Email]
[Date]

Dear [Parent/Carer Name],

Re: Friendly Reminder – Payment for [Child's Name], [Class]

I hope you are well. I'm writing with a gentle reminder that we haven't yet received payment for:

- Item/Service: [item]
- Amount outstanding: £[amount]
- Due date: [date]

We understand that things can easily be overlooked, and this letter is simply to give a nudge in case it has slipped your mind.

If you could make the payment within the next 14 days (by [new due date]), we would be very grateful. If you are finding it difficult or would like to talk through any concerns, please feel free to contact us — we're here to help.

Warm regards,
[Name]
School Administrator

Appendix 5

Stage 4 – Second Overdue Payment Reminder

[School Name]
[School Address]
[Postcode]
[Telephone | Email]
[Date]

Dear [Parent/Carer Name],

Re: Second Reminder – Payment for [Child's Name], [Class]

I hope you are doing well. We recently wrote to you on [date of Stage 3 letter] about an outstanding payment for:

- Item/Service: [item]
- Amount outstanding: £[amount]
- Original due date: [date]

As we haven't heard back yet, this is just a follow-up to check in. Please could payment be made within the next 7 days by [new due date]

If you're experiencing any difficulties or would like to discuss options, please let us know.

Kind regards,
[Name]
School Administrator

Appendix 6

Stage 5 – Final Reminder

[School Name]
[School Address]
[Postcode]
[Telephone | Email]
[Date]

Dear [Parent/Carer Name],

Re: Final Reminder – Outstanding Balance for [Child's Name], [Class]

This letter serves as a final reminder regarding the outstanding payment for:

- Item/Service: [item]
- Amount outstanding: £[amount]
- Original due date: [date]

Despite previous reminders, the balance remains unpaid. Please be aware that this matter now requires immediate action.

Payment must be made within 14 days, by [final deadline date]. If we do not receive payment by this date, the debt will be escalated to the Trust's Central Finance Team, and the case may proceed to formal debt recovery.

We strongly encourage you to contact us without delay if you wish to discuss the amount owed or require support. However, failure to respond will result in escalation.

Kind regards,
[Name]
School Administrator

Appendix 7

PAYMENT PLAN AGREEMENT

[School Name]

[School Address]

[Postcode]

[Telephone | Email]

This agreement is made between:

Parent/Carer Name	
Child's/Children's Name	
Class and Year Group	
Address	

Description of Debt

Item/Service	
Original Amount Owed	£
Original Due Date	

Agreed Payment Plan

Total Balance to be Repaid	£		
Number of payments			
Amount per payment	£		
Payment Frequency	Weekly	Fortnightly	Monthly
First Payment Due			
Final Payment Due			

Terms of the Agreement

1. Payments must be made on or before the agreed dates via the online payment system.

Appendix 7

2. If a payment is missed, the agreement may be reviewed or cancelled, and the debt process may resume.
3. Parent/carer must inform the school immediately if circumstances change.
4. No further credit will be offered while the plan is active unless agreed by the school.
5. The school will confirm in writing once the balance is cleared.

Parent/Carer Declaration

I agree to the terms of this payment plan.

Parent/Carer Signature: _____

Print Name: _____

Date: ____ / ____ / ____

School Confirmation

Name: _____

Role: Head of School

Signature: _____

Date: ____ / ____ / ____