



SIMON BALLE ALL-THROUGH SCHOOL DEBT RECOVERY POLICY

First Issue: October 2010

Last Review: March 2023

Next Review: March 2025

Committee Responsible: Finance, Assets and Resources

General requirements

Simon Balle Academy Trust (the Trust) views its relationship with both creditors and debtors as important. Just as SBAT aims to pay creditors in a timely manner, it is anticipated that debtors pay within the stated terms on invoice or statement. The consequences for failure to meet these terms and conditions should be clearly stated in all correspondence.

The 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 Academy Trust Handbook and any other legal requirements. In particular:

- the Trust aims not to write-off any debt belonging to the school which exceeds £500. For any such sums above this amount, the Trust reserves the right to instruct solicitors to act in recovering the debt. (If any debtor has a number of debts which together exceed £500 then these will be treated as an aggregate).
- a formal record of any debts written off will be maintained and this will be retained for seven years

School staff are expected to follow the following procedures to secure the collection of all debts:

[Debtor and Creditor Control Procedures](#)

Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment within the timescale set out in the reminder letters.

If a debtor asks for 'repayment terms' these may be negotiated at the discretion of the Director of Business. A record of all such agreements will be kept.

A letter will be issued to the debtor confirming the agreed terms (unless this is not judged necessary). The settlement period should be the shortest that is judged reasonable.

The Director of Business will decide whether any debtor who has been granted extended settlement terms will not be offered any further 'credit' and will be required to pay in advance in future.

Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Director of Business will decide whether to seek to recover such costs from the debtor. This decision and its basis will be recorded.

The debtor will be formally advised that they will be required to pay the additional costs incurred by the school in recovering the debt.

Reporting of outstanding debt levels

The Director of Business will ensure that the level of outstanding debt is known/can be determined at any time.

The Director of Business will review the level of outstanding debts every month 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.

Bad debts

Write-off of any debt greater than £500 requires the written approval of the Finance Committee.

Approval from the Education Secretary through the EFA will be required if the write off exceeds 1% of the Academy's total income or £45,000, whichever is smaller per single transaction.

A record of the write-off will be retained for seven years.

[Record of debts written off](#)

