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DEBT MANAGEMENT POLICY

Debt Management	
Version History	
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Section 1: Introduction

The Governors have a duty to ensure that Shorefields School receives all the funds to which it is entitled. This policy has been created to ensure the appropriate procedures are in place to deal with debts and the recovery of assets.

It encompasses all debts owed to Shorefields School including, but not limited to, payments for goods, services, and school trips and dinners.

Parents and carers should be made aware of and given access to this policy and the schools' procedures. It will be included on the schools' website and made available to view at the school office on request.

Section 2: The Principles

- The school will not write off any debt which exceeds £5.00 except in exceptional circumstances.
- The school will not write off any debts owed by the local authority.
- A full record will be kept of debts owed to the school for 7 years. This will include all letters requesting money, reminders and invoices.
- Following legal advice, the school may initiate legal action to recover debts.

Section 3: Roles and Responsibilities

The Governors:

- Will prescribe and regularly review the arrangements for debt recovery.
- Must approve any legal action taken.
- When action is approved it will be recorded in the minutes of the relevant meeting.
- Will adhere to the privacy arrangements.
- May delegate its responsibilities under this policy to the Head Teacher.

The Head Teacher will ensure that:

- Letters requesting money are accurately recorded and those records maintained.
- Evidence of the steps taken by the school in pursuance of debt is recorded including dates and times of both letters and phone calls.
- A final reminder is sent by recorded delivery to the debtor.
- Family cases will be judged fairly and according to the circumstances of the family involved. The privacy of the family involved will be respected and only made known to those who need to know.
- The level of outstanding debt can be determined at any time.
- Elements of its responsibilities under this policy may be actioned by the School Business Manager.

Section 4: The Process for Pursuing Debts *(except dinner money)*

Step 1: Informal reminder The debtor will be informally reminded in person or by telephone/text that they owe money to the School.

Step 2: First reminder letter If the debt is not paid two weeks after an informal reminder, a formal letter will be sent to the debtor.

Step 3: Second reminder letter If the debt is not paid two weeks after a first formal reminder, a second formal letter will be sent to the debtor.

(These letters allow the debtor every opportunity to settle their debt and ensure the school can prove all reasonable steps have been taken to recover the debt should the issue proceed further.)

Step 4: Final reminder letter If no response is received following the second reminder, the school will send a letter to the debtor after a further week advising them that they will be referring the matter to their legal team to consider legal action. This letter will be sent by recorded delivery to ensure the debtor has had every chance to respond. At this point the debtor may be advised, at the discretion of the Governors, that they will have to pay in advance for certain services in the future.

Step 5: Possible legal action After all reminder letters have been sent, the appropriate body will decide whether to take legal action against the debtor.

At every opportunity the school will try to work with the debtor to find an acceptable resolution for all parties.

This may include agreeing to a payment plan to assist the debtor in repaying their debt. If a payment plan is suggested, then the terms and duration must be reviewed and approved by the Governors. If approved, this will be confirmed in writing to both parties.

Section 5: Dinner Money Debts

Informal reminder	Once a week, the parents/carers will be informally reminded in person or by telephone/text that they owe dinner money to the school.
First reminder Letter	If, after one week the debt remains unpaid, further contact by text or telephone will be made and followed up with a letter requesting payment.
Second reminder Letter	If, after one additional week, no response is received, the parents/carers will be informed that the child/ren must be provided with a packed lunch if they owe two weeks' dinner money until the debt is repaid in full. The school will not allow the debt to build up for the parent/carer and so school dinners will not be provided until a resolution has been reached.
Final reminder Letter	If no response is received, the parents/carers will be invited to a meeting with the Head Teacher to discuss the outstanding debt.

The Governors may decide to refer the matter to the local authority to consider legal action if a substantial debt accrues.

At every opportunity the school will try to work with the parent/carer to find an acceptable resolution for all parties.

This may include agreeing to a payment plan to assist the parent/carer in repaying their debt. If a payment plan is suggested, then the terms and duration must be reviewed and approved by the Head Teacher. If approved, this will be confirmed in writing to both parties.

Section 6: Waiving of Debts (Bad Debts)

The waiving of debts is at the discretion of the Head Teacher or Governors as outlined in the Financial Regulations of the organisation. A debt may be waived when it is believed the debtor is experiencing serious financial hardship or if all reasonable avenues to recover the debt have been exhausted and it is believed it would not be cost effective to pursue the debt through legal action.

Write off of Bad Debts (From Finance Regulations September 2025)

Value	Delegated Authority	Additional Guidance
Up to £10	School Business Manager	
Up to £50	Headteacher	
Up to £500	Finance Committee	
Over £500	Full Governing Body	Notify Local Authority