



Debt Management Policy

Responsible for policy:

Policy status:

Policy review:

Chair of Directors:

CC1: Finance, Audit, Resources and Premises

Non Statutory

Triennial

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Definitions

In this **Debt Management Policy**, unless the context otherwise requires, the following expressions shall have the following meanings:

- I. **'The Romero Catholic Academy' or 'MAC'** means the Company named at the beginning of this **Debt Management Policy** and has responsibility for the management of the MAC and for all purposes means the employer of staff at the MAC. It includes all sites upon which the Company is undertaking, from time to time, being carried out. The Romero Catholic Academy includes; **Corpus Christi, Good Shepherd, Sacred Heart, SS Peter and Paul, St Gregory, St John Fisher, St Patrick, Cardinal Wiseman, Shared Services Team.**
- II. **'Board'** means the Board of Directors of the Romero Catholic Academy.
- III. **'Chair'** means the Chair of the Board or the Chair of the Local Governing Body of the Academy appointed from time to time, as appropriate.
- IV. **'Governance Professional'** means the Governance Professional to the Board or the Governance Professional to the Local Governing Body of the Academy appointed from time to time, as appropriate.
- V. **'Chief Executive Officer or CEO'** means the person responsible for performance of all Academies and Staff within the Multi Academy Company and is accountable to the Board of Directors.
- VI. **'Diocesan Schools Commission'** means the education service provided by the diocese, which may also be known, or referred to, as the Birmingham Diocesan Education Service.
- VII. **'Local Governing Body'** means the governing body of the School.
- VIII. **'Governing Body Representatives'** means the governors appointed and elected to the Local Governing Body of the School, from time to time.
- IX. **'Principal'** means the substantive Principal, who is the person with overall responsibility for the day to day management of the school.
- X. **'School'** means the school or college within The Romero Catholic Academy and includes all sites upon which the school undertaking is, from time to time, being carried out.
- XI. **'Shared Services Team'** means the staff who work in the central team across the MAC (e.g. HR/ Finance)
- XII. **'Vice-Chair'** means the Vice-Chair of the Governing Body elected from time to time.
- XIII. **'FSM'** means free school meals.
- XIV. **'CFO'** means Chief Financial Officer.
- XV. **'Arbor'** means the Management Information System for Romero schools.

Introduction

The Romero Catholic Academy has a responsibility to have an agreed debt policy, which ensures that appropriate procedures are in place as any money owed has an impact on the budget and may affect the resources we can provide across The Romero Catholic Academy.

Debt Recovery - Catering Process

Primary School

1. **Initial reminder** Week 1 - is on Arbor no action required parent/carer can see debt.
2. **First Overdue reminder** Week 2 – School office will email via Arbor and telephone home to inform parent/carer of the outstanding debt and advise that they must bring in a packed lunch until the debt is cleared, this is not applicable for FSM.
3. **Second Overdue reminder** Week 3- If the debt remains (no payments or contact made to school office) email must be sent via Arbor attaching a **formal letter**.
4. **Failure to respond to reminders** Week 4 – If debt remains (no payments or contact made to school office) email via Arbor and telephone call requesting a meeting with the Office Manager / member of Senior Leadership to discuss the situation.
5. **Discretion to write off a debt** – if following all attempts above to obtain payment, the debt is still considered unrecoverable, the CFO has discretion to write off a debt on a case by case basis following discussion with the school.

Secondary School

1. **Initial reminder** Week 1- Once student's debt reaches £12.50, the School office will email via Arbor and telephone call to inform parent/carer of the outstanding debt and advise that they must bring in a packed lunch until the debt is cleared, this is not applicable for FSM.
2. **First Overdue reminder** Week 2 – School office will email via Arbor and telephone (no payments or contact made to school office).
3. **Second Overdue reminder** Week 3- If the debt remains (no payments or contact made to school office) email must be sent via Arbor attaching a **formal letter**.
4. **Failure to respond to reminders** Week 4 – If debt remains (no payments or contact made to school office) email via Arbor and telephone call requesting a meeting with the Operations Manager / member of Senior Leadership to discuss the situation.
5. **Discretion to write off a debt** – if following all attempts above to obtain payment, the debt is still considered unrecoverable, the CFO has discretion to write off a debt on a case by case basis following discussion with the school.

Debt Recovery - Wrap Around (Primary Schools)

There is an additional fee for wrap around (breakfast club/ afterschool club), times and fees vary across The Romero Catholic Academy primary schools.

If a debt is incurred and payment is not made for the fees outstanding within a reasonable timeframe the primary school reserves the right to refuse access to the facility until payment is made.

Debt Recovery - Nursery Fees (Primary Schools with a nursery facility)

Any fees owed to the school must be paid in full following receipt of invoice.

If a debt is incurred and payment is not made for the fees outstanding within a reasonable timeframe the primary school reserves the right to refuse the additional (chargeable) hours until payment is made.

Negotiation

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the initial reminder. Failure to meet any repayment terms may result in the student not being able to use the canteen / services we provide.

Debt Write Off/Bad Debts

The CFO (only) has the authority to write off any debt owed to the schools. (See TRAC Financial Scheme of Delegation).

A request can be sent to the CFO with an explanation as to why the debt is considered non-recoverable. Only in exceptional circumstances will a debt be written off.

Records of debt write-off and the reason for it, will be retained for 7 years.

Safeguarding

We have this policy in place to help families avoid debt spiralling. Our safeguarding team will be working alongside this policy within the schools to help families that may need the extra support.

Staff Debt

Staff are expected to pay for their catering at time of purchase and should not be asking for credit. Should credit be incurred the school office should regularly remind individual staff of any overdue amounts which should be cleared immediately. Upon a staff member leaving a check will be made to see if any debt is outstanding and this will be recovered through their final payslip as a net pay deduction