M. Policy 53

Bad Debt Policy

March 2026

1. Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. Where this is not possible, an invoice will be raised for immediate payment.

2. All debts will be recorded and non-payment will be followed up by issuing reminders as outlined below. Where a service is being provided this will cease immediately and the debtor will be informed of this in writing. The service will not be reinstated until the debt is cleared and payment for future services is made in advance.
   - 3 weeks from date of invoice – 1st reminder
   - 6 weeks from date of invoice – 2nd reminder
   - a meeting will be requested to discuss a payment plan
   - 9 weeks from date of invoice – 3rd reminder

   The final reminder will be sent by recorded delivery and threatened legal action if the account is not settled within 14 days.

3. After 14 days, where debt is still outstanding, legal action will be considered and the debtor will be informed of this in writing. The debt may be referred to the County Legal Services, where appropriate and interest will be charged.

4. Legal action will not be taken for debts under £100.

5. If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad debt (irrecoverable) debts may be written off in accordance with the following procedures:
   - Those up to the value of £100 to be approved by the headteacher and reported to the next meeting of the governing body
   - Those exceeding £100 and up to the value of £500 to be referred to the governing body for approval, either directly or after consideration by the finance committee.
   - Those exceeding £500 to be referred to the Head of Children's Services (Finance & ICT) (as per the Norfolk Scheme for Financing Schools)

6. The VAT element of any debt must not be written off as this contravenes HM Customs and Excise statutory requirements.

Date agreed by Governors: March 2026

Date of next review March 2027

Signed…….. P Kossowicz…….. Head
Signed……. K Jackson……. Chair