



Inspiring All to Excellence



Our Pride, Our Joy Ltd

Debt Policy

Document and Version Control

| | |
|------------------------|-----------------------------------|
| Document Title | Debt Policy |
| Effective Date | Summer 2023 |
| Policy Owner | Chief Finance & Operating Officer |
| Policy Approver | OPOJ Directors |

| Version | Date | Amended by | Comments |
|---------|-------------|------------|----------|
| V1 | Summer 2023 | | Issued |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| Section | Changes Made |
|---------|--------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

1. Introduction

- 1.1 Our Pride, Our Joy (OPOJ) has a strict no debt policy relating to the provision of before and after school clubs, holiday clubs and paid nursery sessions (“Paid Sessions”).
- 1.2 Parents and guardians are therefore expected to ensure that payment has been made ahead of a child attending a paid session.
- 1.3 When a debt is incurred, the OPOJ must make payment from its delegated funds. This is money that would otherwise be spent on furthering a child’s education.
- 1.4 This Policy has therefore been implemented to assist OPOJ in adopting an consistent approach to debt with a view to complete elimination.
- 1.5 Parents and guardians should be aware that, where there is an outstanding debt, access to Paid Sessions will not be permitted until that debt is cleared.
- 1.6 OPOJ will take all reasonable measures to collect debts as part of its management of its funds and will make all parents and guardians aware of this Policy as part of the new entrant’s information. This Policy will be published on OPOJ website.

2. Lunches

- 2.1 Parents can book and pay for a lunch for their child by using Parent Pay. Payment and meal choices should be made by 8am on the day that the lunch is required although parents can choose to book and pay for lunches up to a term in advance.
- 2.2 The cost of lunches will be published on OPOJ website at regular intervals and documented in the Charging and Remissions policy.
- 2.3 If a lunch for a pupil has not been booked by the parent or a packed lunch provided, OPOJ staff will contact the parent to get authorisation to add the cost of a lunch to the parent pay account. The payment of the lunch will need to be made at the end of the day in which it was consumed.
- 2.4 If payment is not made within 10 working days, then the child will no longer have the option of a school lunch and will be expected to bring a packed lunch.

3. Nursery Sessions

- 3.1 As per the agreement and offer letter signed by the parent/carer payment should be made in accordance with the payments schedule (Appendix A).
- 3.2 Payment is required for all paid sessions booked even if the child does not attend, the exceptions being when school is closed.
- 3.3 Should the child no longer require a Nursery place the parent/carer is to advise the Manager of the setting to give four weeks’ notice, otherwise the parent/carer is still liable for charges.

- 3.4 Should the parent/carer fall into arrears and fail to make an immediate payment, the Nursery place will be suspended until the arrears is paid.
- 3.5 If the balance is not cleared in accordance with the payment schedule (Appendix A) then this place may be withdrawn.

4. Breakfast and After-School Clubs

- 4.1 As per the agreement and offer letter signed by the parent/carer payment should be made in accordance with the payments schedule (Appendix A).
- 4.2 Payment is required for all sessions booked even if the child does not attend, the exceptions being when school is closed.
- 4.3 Should the child no longer require a before or after school club place the parent/carer is to advise the Manager of the setting to give four weeks' notice, otherwise the parent/carer is still liable for charges.
- 4.4 Should the parent/carer fall into arrears and fail to make an immediate payment, the club place will be suspended until the arrears is paid.
- 4.5 If the balance is not cleared in in accordance with the payments schedule (Appendix A), then this place may be withdrawn.

5. Holiday Clubs

- 5.1 As per the agreement and offer letter signed by the parent/carer payment should be made prior to the child attending the holiday club session.
- 5.2 Payment is required for all sessions booked even if the child does not attend, the exceptions being when school is closed.
- 5.3 Should payment not be received prior to the child attending then the child will not be able to attend the holiday club and the place will be cancelled.

6. Debt Reporting

- 6.1 The Finance Assistant will produce a debt report monthly for the CFOO and Regional Manager to review. The report will include debts on Parent Pay, Parenta and Xero.
- 6.2 Suitable records will be maintained to detail individual debts and the total value of debt in each setting in order that it can be determined at any time and reported to OPOJ Directors. The Directors will review the level of outstanding debts every term to determine whether action to recover debts is effective.
- 6.3 Details of all debt recovery action will be documented and retained for 7 years.

7. Recovery process

- 7.1 **Stage 1** – Copy invoices are to be sent electronically to parents or guardians in line with the invoicing schedule set out in Appendix A.
- 7.2 **Stage 2** – In the event of there being an outstanding debt on the date detailed in Appendix A, a further reminder letter will be sent electronically to parents or guardians setting out that sessions will be cancelled, and that the debt recovery process will commence.
- 7.3 **Stage 3** - In the event of there being an outstanding debt on the date detailed in Appendix A the paid sessions will be stopped.

8. Negotiation of repayment terms

- 8.1 Parents and guardians are expected to settle the amount owed by a single payment as soon as possible after receiving the reminder letter notification, or by the date due as set out in Appendix A. Failure to meet any repayment terms will result in the Trust reverting to the Debt Recovery Process.
- 8.2 The Trust reserves its rights to review, reduce, or cancel debts at their discretion where exceptional circumstances apply. The Trust will maintain a sensitive approach to debt recovery, taking the following factors into account.
- a) Hardship: where paying the debt would cause financial hardship.
 - b) Ill health: where our recovery action might cause further ill health.
 - c) 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.
 - d) Cost: where the value of the debt is less than the cost of recovering it.
 - e) Multiple debts: where someone owes more than one debt to the Trust. In this situation an attempt to agree one repayment plan to include all debts will be established.
- 8.3. If a debtor requests for 'repayment terms' these may be negotiated at the Trust's discretion.
- 8.4. A record of all such agreements will be retained. In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment.
- 8.5. Whether an extension is granted will be entirely at OPOJ's discretion, and OPOJ reserves its rights to cancel any such arrangement where it feels it is necessary.

9. Costs of debt recovery

- 9.1 Where there is an additional cost in recovering a debt then OPOJ Directors will decide whether to seek to recover such costs from the parent or guardian.
- 9.2 The parent or guardian will be formally advised in writing that they will be required to pay the additional costs incurred by OPOJ in recovering the debt.

9.3 This decision and its basis will be recorded and reported to OPOJ Directors.

10. Write off of bad debt

11.1 Bad debts will be written off in accordance with the Financial Scheme of Delegation as detailed below. The write off of bad debts will be considered each month by the CFOO following the debt recovery process being carried out and documented.

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

| Individual Debt amount | Approval to write off |
|------------------------|---|
| Up to £250 | CFOO (Decision reported to OPOJ Directors) |
| £250 to £2,500 | Finance Committee (Decision reported to OPOJ Directors) |
| Over £2,500 | Trust Board |

12 No recourse to public funds

12.1 Families are encouraged to make contact as soon as possible if they are unable to pay their invoice or are experiencing financial hardship.

12.2 Families with no recourse to public funds despite their financial circumstances can apply for discretionary funding to support their payment of Lunches only.

12.3 This support is capped and will not be offered for Before, After or Holiday clubs or additional nursery sessions that are not funded.

Appendix A

2023-2024 Invoicing schedule – Before & After School Club and Additional Nursery Sessions.

| | | Stage 1 | | Stage 2 | Stage 3 |
|---------------|----------------------------|--------------------------------------|----------------------------|---|---|
| Invoice Month | Invoice sent | Reminder invoice sent electronically | Payment due | Reminder letter & invoice handed to parents | Sessions cancelled & Recovery process commences |
| October 2023 | 15 th September | 29 th September | 30 th September | 4 th October | 9 th October |
| November 2023 | 16 th October | 23 rd October | 31 st October | 6 th November | 13 th November |
| December 2023 | 15 th November | 22 nd November | 30 th November | 1 st December | 4 th December |
| January 2024 | 15 th December | 22 nd December | 31 st December | 9 th January | 15 th January |
| February 2024 | 15 th January | 22 nd January | 31 st January | 2 nd February | 5 th February |
| March 2024 | 19 th February | 23 rd February | 28 th February | 1 st March | 4 th March |
| April 2024 | 15 th March | 22 nd March | 31 st March | 8 th April | 15 th April |
| May 2024 | 15 th April | 22 nd April | 30 th April | 1 st May | 6 th May |
| June 2024 | 15 th May | 20 th May | 31 st May | 3 rd June | 10 th June |
| July 2024 | 14 th June | 21 st June | 30 th June | 1 st July | 8 th July |