"Unlocking the Future"

TKAT Debt Recovery Policy

Policy Level and Description:	2	TKAT Statutory Policy Guidance SCHOOL POLICIES WILL INCLUDE CERTAIN CORE TEXT WITH SCHOOL-SPECIFIC ADDITIONS ALL Schools require a policy on this topic/area. All local governing bodies will follow and have due regard to this model when drafting their local policy.	
Reviewed by: ***(Trust Officer)***	Alison Lochhead CFO	**Reviewed by:** ***(School representative)***	P Sherwood Headteacher
Approved by: ***(Trust Committee/Trust Board)***	FAPPP	**Approved by:** ***(LGB/LGB Committee)***	LGB
Trust approval date: ***(dd/mm/yyyy)***	24/02/2026	**LGB/LGB Committee approval date:** ***(dd/mm/yyyy)***	7.5.2026
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Version	DATE	DESCRIPTION
1	February 2025	Revised policy
2	February 2026	Reviewed in line with The Key template policy

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We are a family of distinctive schools at the heart of the diverse communities we serve. In line with our Christian ethos, we aspire to excellent learning and pastoral care for pupils and staff and are committed to being open and welcoming to all.

NON-STATUTORY AND MANDATORY TRUST POLICY

All schools must adopt this policy. This policy is approved centrally and binding on the LGB's from the date of Board approval. The policy must be displayed on the school's website.

All schools should update the Appendix for their local circumstances.

1. Aims

The Keys Academy Trust (TKAT) generates income from:

- Lettings income from hirers of the school premises
- Income from extended services activities
- Other sundry income

Schools also collect school lunch money on behalf of the school's catering company.

TKAT 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 Academies Trust Handbook and any other legal requirements.

2. Acceptable credit period

Lettings Income

In general payment for all goods and services supplied by the School should be collected in advance or at least within 14 days upon receipt of an invoice.

School lunches

We recommend that payment is made for three weeks in line with the Caterlink menu cycle and a credit balance is maintained at all times.

Extended Services Income

We recommend that payment is made a minimum of one week in advance and a credit balance is maintained at all times. Payment is required for all days booked even if the child does not attend, the exceptions being when the club is not open due to unplanned closures. Should the child no longer require a place the parent/carer is to advise the school office in accordance with the schools wrap around care agreement, otherwise the parent/carer is still liable for charges. Should the parent/carer fall into arrears, the club will withdraw the child's place.

3. Reporting of outstanding debt levels

The Head of School / Executive Headteacher/Operations Manager will ensure that the level of outstanding debt is regularly monitored. Suitable records will be maintained to detail individual debts and the total value of debt to the school with the use of Arbor/Scopay.

Schools should report to the CFO the value of all debt at the end of every half term.
Any amounts remaining as outstanding after three months must be reported to the CFO.

4. Debt Recovery Procedures

4.1 Lettings/Sundry Income

When a lettings or other invoice has not been paid, the following steps should be attempted.

	Reminder	Note
Step One	Initial reminder	A reminder is sent out to the debtor, in the form of a statement, a copy of the original invoice by letter or email. This is sent out no more than one week after the due date.
Step Two	Final reminder	A final reminder is sent out four weeks after the due date.
Step Three	Letter from the Head of School / Executive Headteacher	If no response has been received from the reminders, then the Head of School/Executive Headteacher will write to the debtor. This letter will advise that should the school not hear from the debtor, the matter will be passed to the Trust/Trustees (for Trust central debt)
Step Four	Notice of Intention	If no response is received from the letter from the Head, a notice of intention will be issued advising the debtor that the matter is being handed to legal advisors for further action.
Step Five	Legal Action	If a debtor does not respond to any of the steps above, then the schools Finance and Premises Committee should consider each debt with a view to passing it to legal advisors for further action

4.2 School lunch debt recovery

Where payment from the parent/carer has not been received within the above acceptable credit period the following process should be applied.

- Every Friday, any child who has arrears on their Lunch Debt account will be sent a Debt Reminder text generated by Arbor/Scopay. This text informs the parent that their balance/s have fallen below £0.00 and that a payment is required over the weekend. See Appendix A
- By Wednesday of the following week, a further debt check is completed to ensure any outstanding monies have been received. A second reminder text is sent. See Appendix B.
- When the debt is greater than £10, then a text message should be sent to the parent/carer advising them that a packed lunch should be provided until the debt is cleared, see Appendix C.
- If payment is not received, a debt recovery letter should be sent to the parent/carer by the Operations Manager, see Appendix D
- If a parent requires a repayment plan, this will be agreed with parent and Operations Manager and the Repayment plan letter in Appendix E will be used.

4.3 Extended Services Debt Recovery

Where payment from the parent/carer has not been received within the above acceptable credit period the following process should be applied.

- Every Friday, any child who has arrears on Extended Services account will be sent a Debt Reminder text generated by Arbor. This text informs the parent that there is a balance on their account that is outstanding. See Appendix F
- By Wednesday of the following week, a further debt check is completed to ensure any outstanding monies have been received. Anyone with a debt exceeding £50.00 will be sent a Second Reminder text with a final warning to make payment. Failure to do so will result in loss of their child's place. See Appendix G.
- If payment is not received, a debt recovery letter should be sent to the parent/carer by the Operations Manager, see Appendix H.
- If a parent requires a repayment plan, this will be agreed with parent and Operations Manager and the Repayment plan letter in Appendix E will be used.

4.4 Staff Debt Recovery

Staff debts can accumulate from staff school lunches they have taken. The same debt recovery process is followed as per the above. A final letter is emailed to a member of staff before the end of their employment advising their debts will be deducted from their payroll.

5. Negotiation of repayment terms

Debtors are expected to settle the amount owed by a single payment as soon as possible after receiving the initial 'overdue payment' reminder. Arrangements for part payments may be considered by the Trust/school, but any agreement must be strictly adhered to. A record of all such agreements entered into will be retained. In all cases, a letter will be issued to the debtor confirming the agreed terms for repayment. The settlement period should be the shortest that is judged reasonable.

If there is a default on the repayment terms, the debtor may lose the right to access future supplies or services unless a payment is made in advance.

6. Writing off a debt

A sensitive approach to debt recovery will be carried out, taking the following factors into account:

- Hardship – where paying the debt would cause financial hardship.
- Ill health – where our recovery action might cause further ill health.
- 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.
- Cost – where the value of the debt is less than the cost of recovering it.
- Multiple debt – where someone owes more than one debt to the School. In this situation an attempt to agree one repayment plan to include all debts will be established.

7. Authority limits to writing off a debt

Amount	Authority
Up to £1,000	Head of School / Executive Headteacher
£1, 001 - £5,000	CEO
£5,001 - £25,000	TKAT Finance, and Audit, Pay, Personnel and Premises Committee (FAPPP)
1% of total income or £45k (whichever is smaller) per single transaction	ESFA

All debts written off should be recorded in a Schedule of Debts written off, see Appendix I.

No amount of debt may be written off without first referring to the CFO for sign off.

8. Costs of debt recovery

Where the school incurs material additional costs in recovering a debt then the Headteacher will decide whether to seek to recover such costs from the debtor. The debtor will be formally advised in writing that they will be required to pay the additional costs incurred by the school in recovering the debt. This decision and its basis will be recorded and reported to the Finance, and Audit, Pay, Personnel and Premises Committee (FAPPP).

Appendix A : Lunch Debt - First Reminder Text Template

Please top up your Arbor online account for #NAME. Your debt is currently: £X. Thank you

Appendix B: Lunch Debt - Second Reminder text message

Please top up your Arbor online account for #NAME today (date) as there is an outstanding balance of (£debt amount) which requires your urgent attention. Thank you

Appendix C – Lunch Debt – Final Reminder Text Message

Please top up #NAME's Arbor ASAP. We advise you provide a packed lunch until the debt is cleared.

Appendix D– Lunch Debt recovery letter from the Operations Manager

Dear Parent/Carer

Re: *Child' Name and class*

According to our records, it appears that there is a balance outstanding for dinner money. The amount due for payment is £ . We would be grateful if you would kindly clear this balance as soon as possible.

For your information, the last payment shown on our system was made on DD/MM/YYYY.

If you have any queries or difficulty with payment of this amount, please let us know and we will endeavour to help.

Kind regards
School Operations Manager

Appendix E – Repayment plan letter from the Operations Manager

If a payment plan to recover a debt is required - please use the sample attached. Ensure the parent signs one copy in agreement and returns to the School Office and it is kept on file.

Dear

Following our conversation regarding the outstanding debt for Extended Services Club/School lunch payments, please find below repayment schedule in order to clear your account. The balance outstanding is £XX

Repayment £X - week commencing DD/MM

Repayment £X - week commencing DD/MM

Repayment £X - week commencing DD/MM

Repayment £X - week commencing DD/MM

Can you please sign and return one copy of this letter showing agreement to the proposed repayment schedule. Repayments need to be made via Arbor. Until the outstanding debt is cleared, your child will not be able to attend Breakfast club/After School club/School lunch. If you need to discuss this matter further, please do not hesitate to contact me.

Yours sincerely

Appendix F : Extended Services Debt - First Reminder Text Template

Please top up your Schools Cash Office online account for #NAME. Your debt on the extended services club is currently: £(Debt amount). Thank you

Appendix G: Extended Services Debt - Second Reminder text message

Please top up your Schools Cash Office online account for #NAME today (date) as there is an outstanding balance of £(Debt amount) for the extended services club which requires your urgent attention. Failure to make payment will result in a loss of your child's place in the club. Thank you

Appendix H – Extended Services Debt recovery letter from the Operations Manager

Dear Parent/Carer

Re: Child' Name and class

According to our records, it appears that there is a balance outstanding for extended services. The amount due for payment is £ X . We would be grateful if you would kindly clear this balance as soon as possible.

For your information, the last payment shown on our system was made on DD/MM/YYYY.

If you have any query or difficulty with payment of this amount, please let us know and we will endeavour to help.

Kind regards
School Operations Manager

Appendix I: RECORDS OF DEBTS WRITTEN OFF

School:

Year:

	Name of debtor	Invoice Number	Invoice Date	Amount £	Reason for write off *(including brief details of measures taken to secure payment - as appropriate).*	Authorisation of write off	Date of authorisation	Processed in Access Finance
1								
2								
3								
4								