



Robert Carre Trust

Debt Recovery Policy

1. Introduction

1.1 In accordance with the Master Funding Agreement, the Robert Carre Trust (RCT) is required to apply financial and other controls which conform to the requirements of both propriety and good financial management. The RCT will abide by the requirements of the Academy Trust Handbook at all times.

1.2 To this end the Trustees are responsible for ensuring that procedures are in place for the recovery of any outstanding debts. This policy sets out the procedures for debt recovery and for the write-off of any debt which is deemed to be irrecoverable.

2.1 Debts - Routine administration

Routine administration is to be carried out by the Finance Department in order to ensure customers are aware of the state of their accounts and also to ensure that the relevant departments within the school are aware of their customers' accounts. Action is as follows:

- A supplier statement is issued on the 15th of each month or the nearest Monday should the 15th fall at a week-end.
- Also on the 15th of each month, or the nearest Monday should the 15th fall at a week-end, the Aged Debtors report is produced and passed to the relevant personnel (Community Sports officers, Finance Manager)

2.2 Debts – Overdue

In accordance with the terms and conditions stated on the sales invoice income is due by the 21st day. If an account becomes overdue reminders will be issued at the following intervals:-

1. Once the debt is overdue (after 21 days), the 1st reminder letter is sent by the Finance Assistant/relevant department
2. 1 week after the initial contact, a phone call is made by the Finance Assistant/relevant department to pursue the debt should payment not have been received
3. 6 weeks from date of account – the 2nd reminder is sent by the Finance Manager
4. 4 days after the dispatch of the 2nd reminder a phone call is made by the Finance Manager to pursue the debts should payment not have been received
5. 10 days after the phone call at stage 4 a further phone call is made by the Finance Manager to pursue the debts should payment still not have been received and
6. a final reminder letter is sent by Director of Finance and Resources (DoFR) and the debtor informed that legal action will be taken
7. If payment has still not been received after 12 weeks the debt is placed with the RCT solicitors who will be asked to write to the customer requesting payment and stating that the supplier (RCT) has passed them the debt to recover
8. If payment has not been received 1 week later (13 weeks overdue) then court

proceedings are instigated by the solicitor.

A summary of the stages is in the table format below

Summary of Bad Debt Collection			
For example an invoice raised on 1 September will be pursued as follows.			
DATE	STAGE	ACTION	RESPONSIBLE
21-Sep	1	Reminder letter to Customer	Finance Assistant
28-Sep	2	Phone call to customer	Relevant Department (i.e. Community Sport)
13-Oct	3	Second Letter is sent	Finance Manager
17-Oct	4	Phone call to customer	Finance Manager
27-Oct	5	Further phone call to customer	Finance Manager
27-Oct	6	Final Letter to Customer	Director of Finance and Resources
10-Nov	7	RCT Solicitors pursue debt by letter	Director of Finance and Resources & RCT Solicitors
17-Nov	8	RCT Solicitors to pursue to Court	Director of Finance and Resources & RCT Solicitors

2.3 Departmental Responsibilities

In respect of Community Sport income/debts, initial management of the any debt, Steps 1&2 will be the responsibility of Community Sport Administrative staff. The relevant reports (from EZ facility) will be reviewed by the PE and Sports Adviser/School Games Organiser on an at least monthly basis.

If payment is not received within 6 weeks of the date of the invoice, the Community Support staff will pass on all details to the Finance Manager who will administer the debt from Stage 3 onwards.

2.4 Controls

The Finance Manager, through the Director of Finance and Resources, is to ensure that the relevant reports and letters are produced, signed and dispatched in accordance with the schedule on page 1.

The Aged Debtors report is to be reviewed and signed monthly by either the Finance Manager or the Director of Finance and Resources and evidence of each debt pursued retained on file.

The Management Accounts routinely show the Balance Sheet and this is also to include any debtors overdue and the current action taken to recover the debt so that this can be scrutinized by the FR&A Committee.

2.5 Write Off

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in the accounts in accordance with the following procedures:-

- a. Individual debts below £1,000 will be reviewed by the Executive Headteacher and Director of Finance and Resources and may be written off.
- b. Debts above £1,000, but beneath the delegated limits as set in the Academy Trust Handbook, may be written off by the Executive Headteacher with notification to the next meeting of the Finance, Resources and Audit Committee.
- c. For debts above the delegated limits as set in the Academy Trust Handbook, the Finance,

Resources and Audit Committee must first agree that they wish to write off the debt and seek final approval from the Trustee Board. The Director of Finance and Resources, on behalf of the Academy Trust, must then obtain the approval from the ESFA for its intention to write off any debts owed to it.

- d. The Trust will retain a Bad Debt Write-Off Summary for debts where ESFA approval has been sought.

Reviewed by Finance, Resources and Audit Committee on 16 May 2022

Approved at the meeting of the RCT Board on 19 May 2022

Next review: February 2024 (two years)