



# The Pochin School Bad Debt Policy 01/01/2023

This Bad Debt Policy will be reviewed on an annual basis.

Date Approved: .....1/1/2023.....

Print name: .....H. Sharpe.....

Date to be reviewed: .....1/1/2024.....

The purpose of this policy is to clarify a procedure for the management of any bad debts.

All payments are sent via invoice and must be paid within 14 days of receipt.

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 once the 2<sup>nd</sup> reminder has been issued and the debtor will be informed of this in writing. The service will not be reinstated until the debt is cleared and payments of future services must be kept up to date.

- 3 weeks from date of invoice – 1<sup>st</sup> reminder
- 6 weeks from date of invoice – 2<sup>nd</sup> reminder
- 9 weeks from date of invoice – final reminder

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

After 14 days, where a 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 our legal advisors where appropriate. Legal action will not be taken for debts under £50.00.

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 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 finance committee
- Those exceeding £100 and up to the value of £250 to be referred to the finance committee
- Those exceeding £250 to be referred to the EFA

The VAT element of any debt must be written off as this contravenes HM Customs and Excise statutory requirements.

The policy will be reviewed alongside the finance policy.