St Gabriel the Archangel
Catholic Multi-Academy Trust

Debt Policy

POLICY TO BE REVIEWED EVERY 3 YEARS OR EARLIER DUE TO ANY LEGISLATIVE CHANGES

FOR ALL ACADEMIES PART OF ST GABRIEL THE ARCHANGEL CATHOLIC MULTI-ACADEMY TRUST

Approved by Audit and Risk Committee 23rd April 2026

Next Review: April 2029

1. Purpose

The purpose of this policy is to ensure that all income due to the St Gabriel the Archangel Catholic Multi Academy Trust (the Trust) is collected in a timely, consistent and proportionate manner, in accordance with:

- The Academy Trust Handbook (regularity, propriety and value for money).
- The Trust's Scheme of Delegation.
- The Nolan Principles of Public Life.
- The teachings and values of the Catholic Church.

In keeping with our Catholic ethos, this policy reflects our commitment to:

- Stewardship of public funds.
- Acting with justice, compassion and fairness.
- Supporting families while ensuring financial accountability.

This policy aims to:

- Establish clear procedures for debt recovery.
- Define roles and responsibilities across the Trust.
- Ensure fair and consistent treatment of debtors.
- Protect the Trust from financial loss.

2. Scope

This policy applies to:

- All employees of the Trust (permanent, fixed-term or temporary).
- Directors and members.
- Regional and Local governing body representatives.
- Parents/carers.
- Any external organisation.

It applies to all debts including, but not limited to:

- School meals
- Trips and activities
- Childcare provision
- Hire of facilities and services
- Staff overpayments
- Damage to property

3. Principles

The Trust is committed to ensuring that:

- Public funds are protected and collected effectively.

- Debt recovery is undertaken with fairness, dignity and sensitivity.
- No child is disadvantaged due to family financial hardship.
- All decisions are transparent and auditable.

In line with the Financial Scheme of Delegation:

- The Board of Directors is accountable for debt management.
- The CEO and CFO are responsible for implementation.
- Local leaders manage operational recovery.
- Audit & Risk Committee provides assurance.

The Trust will take a proportionate and compassionate approach, recognising that some families may face financial difficulty, while ensuring that debts are not allowed to escalate unnecessarily.

4. General Requirements

All debts must be recorded on the Trust finance system.

Payment should normally be made in advance (e.g. in the relation to the hire of our facilities) or at point of service .

Debts will only be written off after all reasonable recovery actions have been taken.

Records of all recovery actions must be retained for audit purposes.

5. Acceptable Credit Period

The Trust expects payment:

- In advance for most services.
- Within 30 days of invoice where credit terms apply.

Where specific arrangements exist (e.g. childcare or the hire of facilities), these must be clearly communicated.

6. Specific Debt Types

School Meals

- Payment expected in advance.
- No child will go without food.
- Support offered for Free School Meals eligibility.

Trips and Visits

- Voluntary contributions cannot be enforced.
- Non-essential trips require payment in advance.

Childcare / Clubs

- Payment required in advance.
- Services may be withdrawn where debt arises.

Hire of facilities

- Payment required in advance.
- Access to facilities withdrawn if debt exceeds agreed terms.

Staff Debts

- Salary overpayments recovered via payroll.
- Former staff pursued through standard process.

Damage or Loss

- Costs may be recovered where appropriate.
- Parents/carers given opportunity to discuss.

7. Debt Recovery Process

The following staged approach will be applied:

Stage 1 – Invoice Issued

- Invoice raised with clear initial payment deadline.
- Debt recorded on finance system.

Stage 2 – Informal Reminder (Appendix A)

- Verbal / phone / email reminder.
- Recorded for audit purposes.

Stage 3 – First Formal Reminder (Appendix B)

- Issued after 14 days of the initial payment deadline.
- Clear request for payment.

Stage 4 – Second Formal Reminder (Appendix C)

- Issued after a further 14 days.
- May be sent via tracked delivery.

Stage 5 – Final Notice (Appendix D)

- Warning of escalation to legal action.

Stage 6 – Escalation (Appendix F)

- Referral to Chief Finance Officer / legal advisors.

8. Failure to Pay

Where no response is received:

- Services may be withdrawn (e.g. childcare, lettings).
- Further credit may be refused.
- The case may be escalated for legal recovery.

9. Repayment Arrangements

Where debtors are unable to pay:

- Payment plans may be agreed by the Chief Finance Officer. **Appendix E.**
- Decisions will consider: Financial hardship; ill health; size of debt; ability to repay.

All agreements must:

- Be documented
- Be time-bound
- Be regularly reviewed

A sensitive and proportionate approach will be applied.

10. Debt Recovery Costs

Where appropriate, the Trust may recover:

- Legal costs.
- Administrative costs.

This must be:

- Proportionate..
- Clearly communicated in writing.
- Approved at appropriate level.

11. Write-off of Debt

Debts will only be written off where:

- All reasonable recovery steps have been exhausted.
- Recovery is no longer cost-effective.

Write-Off Approval Levels

Value	Approved required	Other
<£45k in a single transaction	Chief Finance Officer	
>£45k in a single transaction	F&O Committee	Approval (DfE)
<£250k cumulatively in a financial year	Chief Finance Officer	
>£250k cumulatively in a financial year	F&O Committee	Approval (DfE)

All write-offs must:

- Be fully documented.
- Include justification.
- Be retained for audit (minimum 7 years).

12. Legal Action

Where appropriate:

- The Trust may refer debts to legal advisors.
- This decision will be made by the Chief Finance Officer and Chief Executive Officer.
- Board approval may be required for significant cases.

13. Monitoring and Compliance

The Trust will ensure compliance through:

- Chief Finance Officer oversight of debt levels.
- Regular reporting to F&O Committee.
- Audit & Risk Committee review.
- Internal and external audit.

Failure to comply may result in:

- Disciplinary action
- Financial investigation

14. Related Policies

This policy should be read alongside:

- Charging and Remissions Policy
- Anti-Fraud and Corruption Policy
- Financial Scheme of Delegation

Version	Approval Date	Action/Notes	Signature of the Chair of Committee/Board
1	23/04/2026	Approved by A&R Committee	*P Rushworth*

APPENDIX A: INFORMAL REMINDER (EMAIL/TEXT TEMPLATE)

Subject: Outstanding Balance Reminder – Action Required

Dear [Parent/Carer Name],

We hope you are well.

Our records show that there is an outstanding balance of £[amount] relating to [service – e.g. school meals / childcare / trip].

We appreciate that this may be an oversight and would be grateful if payment could be made at your earliest convenience.

If you are experiencing any difficulty in making payment, please contact the school office so that we can discuss how best to support you.

Thank you for your prompt attention to this matter.

Yours sincerely,

[School Office / Finance Team]

APPENDIX B: FIRST FORMAL REMINDER LETTER

[Trust / School Letterhead]

Date: [Insert date]

To: [Parent/Carer Name]
Address:

Re: Outstanding Balance of £[amount]

Dear [Name],

Following our recent communication, we are writing to inform you that a balance of £[amount] remains outstanding on your account.

This relates to:

- [Detail – e.g. childcare provision for dates]
- [Invoice number if applicable]

We kindly request that payment is made within 14 days of the date of this letter.

The Trust is committed to supporting families and we understand that financial circumstances can change. If you are experiencing difficulty in making payment, please contact us as soon as possible so that we can discuss a suitable repayment arrangement.

If payment has already been made, please disregard this letter.

Yours sincerely,

[Name]
[Role – e.g. School Business Manager / Finance Officer]

APPENDIX C: SECOND FORMAL REMINDER LETTER

[Trust / School Letterhead]

Date: [Insert date]

To: [Parent/Carer Name]

Re: Second Reminder – Outstanding Balance of £[amount]

Dear [Name],

We previously wrote to you regarding an outstanding balance of £[amount], which remains unpaid.

Despite our earlier correspondence, we have not yet received payment or contact from you.

We now request that this balance is cleared within 14 days of this letter.

Please note that failure to resolve this matter may result in:

- Withdrawal of services (e.g. childcare, lettings)
- Referral to the Trust's central finance team for further action

We strongly encourage you to contact us if you are experiencing financial difficulty so that a repayment plan can be considered.

Yours sincerely,
[Name]
[Role]

APPENDIX D: FINAL NOTICE BEFORE LEGAL ACTION

[Trust / School Letterhead]

Date: [Insert date]

To: [Parent/Carer Name]

Re: Final Notice – Outstanding Balance of £[amount]

Dear [Name],

We have previously contacted you regarding your outstanding balance of £[amount], which remains unpaid.

This letter serves as a final notice.

Unless payment is received in full within 7 days, the Trust may take further action to recover the debt, which may include:

- Referral to legal advisors
- Additional recovery costs being added to your account

In accordance with the Academy Trust Handbook, the Trust is required to pursue all outstanding debts.

We remain committed to supporting families and would encourage you to contact us immediately if you wish to discuss a repayment plan.

Yours sincerely,
[Name]
Chief Financial Officer / Senior Leader

APPENDIX E: REPAYMENT PLAN AGREEMENT LETTER

[Trust / School Letterhead]

Date: [Insert date]

To: [Parent/Carer Name]

Re: Agreed Repayment Plan – £[amount]

Dear [Name],

Thank you for contacting us to discuss your outstanding balance of £[amount].

We confirm that the following repayment plan has been agreed:

- Total debt: £[amount]
- Instalment amount: £[amount]
- Payment frequency: [weekly / monthly]
- First payment due: [date]
- Final payment due: [date]

Please note:

- Payments must be made on time as agreed
- Failure to maintain this arrangement may result in the agreement being withdrawn and further recovery action being taken

If your circumstances change, please contact us as soon as possible.

Yours sincerely,
[Name]
[Role]

APPENDIX F: LETTER BEFORE LEGAL ACTION (FORMAL)

[Trust / School Letterhead]

Date: [Insert date]

To: [Parent/Carer Name]

Re: Notice of Intended Legal Action – £[amount]

Dear [Name],

Despite previous correspondence, your outstanding balance of £[amount] remains unpaid.

We hereby give formal notice that unless full payment is received within 7 days, the Trust intends to:

- Refer this matter to its legal representatives
- Commence formal recovery proceedings

Please be aware that:

- Additional legal and administrative costs may be incurred
- These costs may be added to the amount owed

This action is taken in line with the Trust's financial responsibilities under the Academy Trust Handbook.

If you wish to avoid escalation, you must contact us immediately to make payment or agree terms.

Yours sincerely,
[Name]
Chief Financial Officer