

GLC Debt Recovery Policy

This Policy was ratified by the Board of Directors on :	Autumn 2024
This Policy will be reviewed by the GLC Board on :	Autumn 2027

GLC Mission Statement

The GLC's mission is to develop active and thriving citizens within a diverse, truly fair and equal community.

This will be achieved through:

- High quality teaching that deliberately develops competencies of curiosity, creativity, communication and critical-thinking;
- An inspiring and meaningful curriculum;
- The development of productive relationships by instilling the values of compassion, resilience, responsibility and aspiration to prepare our young people for learning and life;
- A commitment to the wellbeing of our staff;
- A culture of professional generosity, collaboration, challenge and support throughout the GLC;
- The development of effective external partnerships for the benefit and wellbeing of our community.

Equalities Statement

The GLC's commitment to equality is enshrined in our mission statement to develop 'active and thriving citizens within a diverse, truly fair and equal community'.

We are a vibrant, innovative and successful organisation: we work hard to be the place of choice to work and to learn. Across the 5 academies of the GLC, we pledge that everyone enjoys an equality of opportunity. We work tirelessly to ensure that individual characteristics including age, ethnicity, socio-economic background, academic ability, disability, gender, religious beliefs, sexual orientation are not discriminated against in any way. We create inclusive environments characterised by mutual respect where difference is celebrated.

GLC Debt Recovery Policy

This policy sets in place the procedures to follow to ensure that invoices issued by the GLC are paid, and if not, that debt recovery is attempted. This policy also covers payments where invoices are not usually issued such as school meals; after school clubs; breakfast clubs and trips.

The GLC issues invoices to generate income from sources such as:

- Lettings income from hirers of GLC premises
- Music fee income from parents of students taking private music lessons
- Other occasional miscellaneous income

Process for securing payment

1 Invoicing

- Lettings invoices are issued by School Hire or the GLC finance team;
- Parents/Carers of students taking music lessons, on trips or making a purchase are advised of that cost prior to signing up to the trip or purchase. They are advised if payments are non-refundable [on occasions where deposits are refundable, this will be made clear to parents] and that cancellations may incur additional costs;
- All invoices/letters are sent out at the appropriate time. A copy of any invoice is kept as a debtor copy and filed once the income has been received.

2 Initial Reminder

- A reminder is sent to the debtor, in the form of a statement, a copy of the original invoice, a letter or an email. This is sent out at the appropriate time, usually prior to, but not more than one week after, the due date. Copies of all reminders are kept in a debtors file.

3 Step three – Reminder letters

- Formal reminder letters are sent to the debtors as per Appendix A.
- Copies of all letters are kept in a debtors file.

4 Step Four – Letters from the Finance Director

- If no response is received from the reminders the debt will be referred to the GLC Finance Director who 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 GLC Finance Committee for debt recovery and this may result in legal action.

5 Step Five – Notice of Intention

- If no response is received from the Finance Director's letter, a notice of intention will be issued advising the debtor that the matter is being handed to legal advisers for further action.

6 Legal Action

- If a debtor does not respond to any of the steps above the matter will be referred to the GLC Finance Committee which will consider each debt with a view to passing it to legal advisers for further action. If appropriate the debt will be dealt with in a small claims court.

7 Bad Debts

The GLC must also consider if a debt should be written off. The decision must be based on the value of the outstanding debt, and other background information given by the school and the debtor.

Authority to write of a debt is given as follows:

- Finance Director Write off value up to £500
- CEO Write off value up to £1000
- Finance Committee Write off value over £1000

Appendix A

Schedule of Steps

	Lettings Invoices	Trips/Major Purchases	Music Fees	Other debts
Initial Letter/Invoice	At the end of the month in which the letting took place.	When the trip or purchase is planned and notified to students	A letter for fees is issued at least one week before the end of the previous term.	Parents are telephoned the week after debts are due for lunches/clubs.
Due Date	At the end of the next month.	Varies: For purchases if payment is not made by the due date the item is not given to the student. For trips there may be a series of instalment dates.	The first day of the term in which lessons are being provided.	The first day the debt falls due.
Statement	On the due date	1 week after the due date	On the due date	N/A
Reminder Letter	2 weeks after the due date with a statement	An invoice is sent 3 weeks after the due date	1 week after the due date. Parents are advised that lessons will be cancelled and six weeks fees to be paid. Notice is given to the teacher.	2 weeks after the due date. Parents are advised that children will not be allowed school dinner and should bring a packed lunch. Children will not be allowed to attend clubs until the debt is paid in full.
Formal Letter	4 weeks after the due date from the Finance Office	5 weeks after the due date advising them that they may be removed from the trip	3 weeks after the due date from the Finance Office	3 weeks after the due date from the Finance Office
Finance Director Letter	6 weeks after the due date	7 weeks after the due date	5 weeks after the due date	4 weeks after the due date
Notice of Intention	2 weeks after FD Letter	2 Weeks after FD Letter	2 Weeks after FD letter	2 Weeks after FD letter

Reminder letter

Dear

Re: Sales Invoice Number:

I am disappointed to note that despite numerous reminders the sum of £ in relation to the above invoice(s) remains outstanding.

If we do not receive payment within the next 7 days we will have no option other than to take further action. This may result in considerable legal costs to yourself.

If you are unable to pay within this timescale please contact us upon receipt of this letter to discuss a mutually convenient repayment plan.

Yours sincerely,

Credit Control Letters

OVERDUE INVOICE

Letter 1

To be Sent 14 days after statement

Dear

Invoice Number:

Amount:

Dated:

Our records indicate that the above account remains outstanding. We would be grateful for an early remittance.

Our invoice dated clearly states that payment should be received before.....

If you have paid the amount within the next 7 days please telephone us to ensure we have received it.

I look forward to hearing from you

OVERDUE INVOICE

Letter 2

To be sent 14 days after letter 1

Dear

Re: Invoice Number

Dated:

Amount:

We wrote to you on regarding the above invoice. Our records indicate that the above account still remains outstanding and considerably overdue.

We must receive payment immediately. Failure to do so will result in your letting being cancelled in accordance with our lettings policy and you will not be allowed on the premises. A copy of our lettings policy is available on request.

We understand and will exercise our statutory right to claim interest and compensation for debt recovery costs under the late payment legislation if we are not paid according to agreed credit terms.

If you have paid the amount within the last 7 days, please telephone to ensure we have received it.

Yours

FINAL LETTER

OVERDUE INVOICE

To be sent 14 days after letter 2

Dear

Re: Invoice Number

Amount:

Date:

We have repeatedly requested payment of your long overdue account in the amount of

Interest is accruing on this amount at the rate of (*Base Rate + 8%*) and currently amounts to.....

The total amount now due is..... Interest is increasing atpence per day.

Unless we receive payment in full of this amount by we shall begin court proceedings against you. This will result in you being liable for legal fees and costs in addition to the amount above.

I look forward to hearing from you.