

# ST. MARTIN'S CATHOLIC PRIMARY SCHOOL



## CREDIT CONTROL AND BAD DEBT POLICY

*This policy should be read in the light of our:*

- ❖ **Our Mission** to foster the personal development and academic achievement of each child by providing a caring and creative environment that adheres to the foundations and values of the Catholic Faith.
- ❖ **Our Vision** to inspire all to lead, through love and service, the life of purpose and excellence that God wants for us.

Approved by Committee:

\_\_\_\_\_  
September 2016

Approved by FGB

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Next Review date:

\_\_\_\_\_  
September 2019

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## **CREDIT CONTROL AND BAD DEBT POLICY**

### **Credit Control**

Wherever possible, customers will be informed of the cost of service/supply and payment due dates in writing, prior to supply. An official invoice which includes VAT charges, if applicable, will be issued either prior to supply or within five working days of the receipt of information that a sum is due. Credit of 30 days will be extended on all invoices issued.

All debts will be recorded and non-payment will be followed issuing reminders as follows:

- 1st reminder – 31 days from date of account (or one day after the end of any credit terms that have been extended on the account). A copy of the invoice is sent with the reminder
- 2nd reminder - 6 weeks from date of account
- Telephone reminder - 7 weeks from date of account. The debtor is contacted by telephone to ascertain that payment should be received within the next 7 days
- Final reminder – 7 days from the telephone reminder

The final reminder to be sent by recorded delivery and threatens legal action if the account is not settled within 14 days.

Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt and must be authorised by the Headteacher.

### **Bad Debt**

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, or the cost of recovery is greater than the amount of the debt being recovered, 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 Governing Body
- Those to the value of £500 to be approved by the Finance Committee and reported to the next meeting of the Governing Body
- Those exceeding £501 to be referred to the Governing Body for approval, either directly or after consideration by the Finance Committee
- Those exceeding £5000 to be referred to the LA for approval after consideration by the Governing Body

VAT may not be written off without the specific written consent of the LA.

Approved:

Review: September 2019