



DANESMEAD, FULFORD CROSS, YORK YO10 4PB

TEL: (01904) 654983

YORK STEINER SCHOOL

DEBT MANAGEMENT POLICY

Who this Policy applies to:

This Debt Management Policy ("Policy") applies to any Parent / Carer or other
that enters into a financial commitment with the School.

Approved by:	Board of Trustees	Date: January 2024
Last reviewed on:	January 2024	
Next review due by:	January 2027	

Introduction

The effective management of debt is important to the success of any school. The Trustees and Managers of York Steiner School have a duty to ensure effective use of the School budget to raise standards and maximise the achievement of pupils.

York Steiner School ("the School") offers a unique Parents/Carers payment structure, which aims to make the education offered inclusive to all, no matter what their family income is. Whilst this puts the School under enormous financial pressure, the School continues to offer this option to families on low incomes. Financial payments are spread across the academic year and, working with proactive Parents/Carers, the School is flexible and responsive when Parents /Carers have changes to their financial circumstances.

This offering is balanced by the understanding that it would be irresponsible to allow families to build up considerable debt that they would be unable to clear for many years. The School Trustees and Managers recognise the impact this debt can have on Parents /Carers mental health as well as the strain it places on individual and School finances.

For the School to continue offering its education to all, the School relies on receiving all agreed financial payments and receiving them in a timely manner.

The School Trustees always encourage Parents/Carers to contact the Finance Manager or the Head Teacher if they are experiencing any difficulty in meeting their financial commitments to the School. In most cases a mutually acceptable agreement can be reached, thus avoiding the need to implement the debt management process. Whenever possible this would be the School's preferred course of action.

This policy has been developed to ensure that the required balance is applied in the control and recovery of money.

Scope

This policy relates to any financial agreement or commitment, between the School and Parents /Carers, and all chargeable School activities/events.

Aims of this Policy

- To help the School adopt a consistent approach to debt with a view to prevent and eliminate debts completely – for the benefit of the School and individuals concerned.
- To provide clarity and consistency in managing debt and also help Parents/Carers clearly understand what is expected of them when they make a financial commitment.
- To effectively pursue all debts owed to the School ensuring that those with the means to pay do so.
- To reduce the risk of Parents/Carers incurring large debts beyond their realistic ability to repay.
- To ensure that the entire School budget is used to provide educational services to all of the pupils and not be impacted negatively by bad debts.
- To reduce the considerable amount of work of the School office and School management team in chasing up all debts, which has a direct impact on the School budget and resources and ultimately the teaching of School pupils.

Roles and Responsibilities

The School will ensure that a copy of this policy is available on the School website and a paper copy is available from the School office upon request.

All financial agreements must be paid for in accordance with the terms agreed by the School and Parents/Carers; unless a variation agreement is entered into in writing due to a change of financial and/or relevant personal circumstances.

All Parents/Carers must ensure that they keep their contact details up to date with the School's office.

All optional services provided, including residential trips, extra-curricular activities must be paid for in advance. The only exceptions to this will be where formal written agreement has been made by Parents/Carers with the Finance Manager.

Practices and Procedures

Below is set out general practice and procedures in relation to this Policy regarding financial debt of any type:

1. Families with outstanding balances will initially be reminded by email and asked to settle the account.
2. At the end of each term, Parents/Carers who still owe £300 or more from the term before will be asked to sign an Financial Acknowledgement Form to acknowledge the outstanding balance on their account.
3. Any outstanding balance at the end of the academic year will be classed as debt and a Debt Repayment Plan will be put in place in agreement with the Finance Manager.
4. There are limits on the amount of debt the School will allow a family to accrue. The limits are income linked and are as follows:
 - £500 for anyone paying the minimum amount based on an income of under £18,000; or
 - £1,000 for anyone paying charges based on an income of under £20,000; or
 - £1,500 for anyone paying charges based on an income of under £30,000; or
 - £2,500 for everyone else.
5. When a family is within £200 of the debt limit, they will be invited to a meeting with the Finance Manager to review the Debt Repayment Plan and to agree immediate steps to begin recovering the debt and to advise of the consequences of reaching the debt limit.
6. Where the school has identified that a family has reached the debt limit or is likely to reach the debt limit and have no means to repay, each individual case will be taken to a group formed of the School Managers (to include Head Teacher and Finance Manager) and any relevant and appropriate teaching staff to decide if the school can continue to offer their child(ren) a place at the school. In reviewing each case, this group may consider to reduce or write off a debt on their individual merits in certain exceptional circumstances. A sensitive approach to debt recovery will be carried out, taking the following into account:
 - Hardship – where repayment of the debt would cause financial hardship.
 - Ill health – where recovery action may cause further ill health.
 - Cost – where recovery of the debt would cost more than the debt itself.
 - Loss of contact – in cases where an individual has left the school and there is loss of contact.
7. If the decision of the School Managers is disputed, the case will be referred to the Trustees who will make a final decision.
8. When a family leaves the School with debt of any amount, they must have a Debt Repayment Plan in place. The Debt Repayment Plan requires agreement to repay the debt monthly and clear it within two years. Any family that does not engage in discussion about how to reduce the debt and does not sign a Debt Repayment Plan and/or make regular

monthly repayments, will be referred to the external debt recovery agency the School has appointed.

9. Steps to recover the debt will be as follows:

- Email confirming balance and requesting Debt Repayment Plan
- 7 day reminder letter confirming balance, requesting Debt Repayment Plan and reminder of debt recovery process
- 21 day final letter confirming balance, requesting Debt Repayment Plan and final reminder of next steps
- Referral of debt to external debt collection agency

10. Where debt is referred to the School's debt recovery agency for action, the Parent/Carer will be informed in writing by the School that this is the case and that settlement can no longer be made direct to the School, but to the debt recovery agency and their agents.

Please be reminded that the School's payment system is designed to be responsive so any family facing financial difficulties has the option of sending proof of their reduced income so their payments can be recalculated and reduced, if necessary. Please contact the Finance Manager if you need to discuss payments. The school encourages families to inform the finance team of any changes to circumstances at their earliest convenience as until a reduced payment has been agreed in writing, families will be invoiced at their current rate and non payment of this amount will result in debt accruing.

Additional charges apply for cancelled direct debits, returned cheques and unauthorised missed payments. Any bank charges incurred by the school as a result will be added to the parental account. The recovery costs of the School's external debt recovery agency will be added to the overdue debt.

Note, once the external debt agency is engaged, all communication in relation to the debt must be with the debt recovery agency as they will have taken over the debt and the School is unable to intercede on the Parents/Carers behalf.

Complaints

If the Parent/Carer has any concerns in relation to how their request for reduced financial payments or debt management process has been handled by the School and wish to put a complaint in writing, the Parent/Carer should write to the following (in this order of escalation):

1. Finance Manager
2. Trustees

The School's Complaints Policy will apply and the School Trustees are the final arbiter of any financial complaint.