



Little Hayes and Speedwell Nursery Schools Federation



Managing Debt and Debtors Policy

Date	Page	Change
Created July 2025	All	Bursar created this policy to manage day care debt

Last review date: July 2025

Next review date: July 2026

Reviewed by: Jet Davis, Governors, Bursar



Policy on Managing Debt and Debtors

Content of this Policy

This policy outlines Little Hayes and Speedwell Nursery Schools approach to monitoring and managing debt and debtors. It covers:

- Day-care/Extended Hours Debt and Debtors
- Writing off Bad Debt

Day-care/Extended Hours Debt and Debtors

Aim

- It is the Nursery Schools intention to not put Parents/Carers into a situation to incur debt. Ideally, the Nursery Schools should have no debtors at all.
- Any parent will be advised of a £15 admin charge for Extended hours
- This will be followed by an invoice issued in advance with a confirmed start date. This would need to be paid in full before the child joins/starts their additional hours.
- All invoices to be paid in advance of the sessions
- Invoices is to be issued last week of the month (delays can occur under exceptional circumstances) however deadline would be extended accordingly.
- If debt does accrue, then it should be limited to 1 months in age and/or £600 in amount.
- Any debt should be managed by a payment plan agreed between the Nursery Schools and the debtor. All debts should be cleared with no more than 3 instalments.
- Others measures will be up for discussion on a case by case basis.
- No child should leave the Nursery Schools, with money owed against their care, without an agreement plan in place.

Definition

A debt is defined as any outstanding money not covered by the current month's invoice.

Little Hayes and Speedwell Nursery Schools charges parents for extended hours of statutory provision for 2–4-year-olds if they are eligible. In order to receive these services, parents and carers sign a contract with the Nursery Schools clearly stating terms and conditions.

When a contract is signed or amended, the Administrator will alert parents and carers of the monthly cost involved and ask them how they are planning to pay for the childcare they will receive. Parents and carers will also be made aware of this policy and the possible consequences of getting into debt with the Nursery Schools.

No new contract will be signed if there is outstanding debt with Little Hayes and Speedwell Nursery Schools.



Policy on Managing Debt and Debtors

Invoicing and reminders

Parents and Carers whom would like additional hours via day care will be charged admin Fee of £15. This will be followed by an invoice issued in advance with a confirmed start date. This would need to be paid in full before the child joins/starts their additional hours.

- The Nursery Schools will invoice Parents and carers on monthly basis.
- This will be sent out the last week of the month in advance for the next month.
- A 14-day payment term is scheduled
- If delayed, a gentle reminder will be issued through a personal conversation or e-mail from the Administrator or Bursar after the initial 14 Calendar days
- If delayed again, another reminder will be issued, the Head Teacher will also be informed, and the Parent will be contacted to discuss Payment of the invoice.

If an invoice has not been paid by the time the next invoice is due, it is likely that the child's additional day-care hours comes to a halt, until a meeting with the Head Teacher, Bursar and parent or carer, to discuss the next steps which will be looked at on a case by case basis.

Repayment plans

After the second reminder has been sent, the debtor will be spoken to by the Bursar with a view to setting up a payment plan. This will be followed up by a letter stating what has been agreed and to be signed by Bursar and Debtor.

If no payment plan has been agreed and signed, or if the plan is not being adhered to by two months after the original invoice, then there will be a further conversation from the Bursar. The Head Teacher will be informed of the case and involved in any further steps taken.

Debtors will be warned that from this point, there is no possibility of extra sessions being booked and that unless payment of the debt on an agreed plan starts, the process to terminate their contract will begin. This will be followed by a letter putting this and any agreed payment plan in writing.

If no payment plan has been agreed and signed, or if the plan is not being adhered to by three months after the original invoice, then the debtor's contract will be terminated. The debtor will be written to and informed of this move and the Nursery Schools will start debt collection procedures and consider legal action. The child will only receive any free statutory hours.



Policy on Managing Debt and Debtors

Monitoring and reporting debt

The administrator/Bursar will record in writing any conversation with parents and carers concerning debt.

The Bursar and the Administrator hold regular meetings to exchange information on:

- New contracts / contract amendments
- Outstanding payments
- Actions taken to manage debt (conversations, reminders, payment plans)

Each month, during the week when invoices are sent out the Bursar will present a report to the SLT providing information on:

- Debt history: any amounts overdue for the past 3 months
- Date of last payment received
- Amount invoiced this month
- Payments this month
- Total amount outstanding
- Summary of actions taken

The report will flag any cases in which debt is older than two months or has reached £1,000.

The Head Teacher will decide further actions to be taken. The decisions will be documented.

At each Finance Committee meeting the Governors will be given an anonymised report on debt and actions taken.

Example (Building on existing report template):

Ref	Name	Date of last payment	Amount of last payment	Current invoice	Total out-standing	Comments
						Day-care manager contacted family, warned that contract will be terminated
						First reminder has been sent Family

The Bursar is responsible for keeping a record of all documentation concerning debts and debt collection including:

- Invoices
- Reminder letters
- Notes of conversations
- Repayment plans
- Reports to the SLT and Governors
- Minutes of decisions made by the Head Teacher



Policy on Managing Debt and Debtors

Records will be kept for seven years.

Waiving fees

In exceptional circumstances, it is at the Head Teacher's discretion to waive the fees for a child, whose family cannot afford additional hours or whose Additional hours contract would otherwise be terminated, if this is in the interest of the child.

General Monitoring and reporting debt

The Bursar keeps a record of invoices, both paid and unpaid and ensures the related information in the Nursery Schools finance systems is up to date.

At each Finance Committee meeting the Governors will be given a report on debt and actions taken.

Writing-off bad debt

The Head Teacher and Finance Committee will review debt that has been managed according to this debtor's policy.

When debt is written off the following levels of authorisation should be obtained:-

- Debt of £100 or less can be written off by the Head Teacher;
- Debt of between £100 and £500 can be written off by the Finance Committee;
- Debt of over £500 needs to be written off by the full Governing Body.

Review of this policy

This policy will be reviewed bi-annually by the Finance Committee on behalf of the Governing Body.

Parent Name:

Parent Signature:

Date signed:

Policy on Managing Debt and Debtors



Head Teacher: Jet Davis

HT Signature:

Date signed: 28/01/2026

Bursar Name: Aisha Hussain

Bursar Signature:

Date signed: 28/01/2026