

Reading Early Years Schools Federation



Credit Control and Bad Debt Policy

Chair of Governors: Julia Cottee

Executive Head teacher: Joanne Budge

Date: June 2025

Date to be reviewed: June 2028

Bad Debt Policy

Credit Control

Invoices for sessions and lunches will be issued monthly in advance and payment will be required by the 14th of the month. Parents can use childcare vouchers, government Tax Free Scheme, bank transfers, cheques, or cash. Credit card payments are accepted at Caversham nursery only.

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

If a significant amount is outstanding: (considered to be 50% or more of the monthly invoice)

Timeline	Actions
First month	1 st reminder sent on 13 th of month via text, 2 nd reminder sent on 21 st via text. At the end of the month, a day or two before next invoice sent out, a statement sent to parents with an outstanding invoice and email requesting payment by return.
Second month	Phone call from SBM and letter sent requesting payment or payment plan to be agreed. Meet with Executive Head/ Head of School or Nursery Manager to consider withdrawing place
Third month	If no payment plan agreed, legal action will be sort as appropriate and place withdrawn. Debtor will be informed in writing

Providing contact and conversations are taking place or a repayment programme has been agreed the above procedure may be delayed.

Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off and this must be authorised by the Executive 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 to the value of £1,000 to be approved by the Finance Committee and reported to the next meeting of the Governing Body
- Those exceeding £1,001 to be referred to the Governing Body for approval, either directly or after consideration by the Finance Committee.