

## Debt Policy

Cornerstone Academy Trust is a charitable Trust. It is run by a board of voluntary Trustees and there are no shareholders, other than the children, parents and staff who are part of the family of schools within the Trust.

As a charitable Academy Trust we must adhere to strict financial parameters and must operate within a balanced budget.

We operate a “book and pay” system for a number of services and activities that we provide, including the Dining Service and Breakfast & After School Clubs.

If a parent or carer fails to make payments for services they have booked for their child and/or children are left in afterschool care (for example) having not booked or paid for the sessions, this puts us in a difficult position.

The Trust will take the following action should this situation arise:

- In the first instance we will send a letter setting out the outstanding amount and requesting payment.
- If we do not receive a response, we will issue a reminder letter and invite the parent or carer to contact the Finance Department to discuss how the arrears will be paid. Whilst, obviously, our preference would be for arrears to be paid in a lump sum, we will, in **exceptional circumstances**, and if we are provided with **evidence of financial hardship**, consider payment by instalments.
- In the event that the parent/carers does not engage with us and/or is not willing to come to an agreement as to how the arrears will be paid, we will consider taking further action as follows:
  - 1) Withdrawing access to wraparound care and not allowing the child or children to take part in school trips.
  - 2) In the case of non-payment of Dining Club fees, where the child does not come with a packed lunch, the child will be provided with a baked potato for lunch and not the chosen menu option.
  - 3) Referring the matter to a Debt Collection Agency, or instigating legal action.

Clearly these are very much last resort options and we recognise the potential stress that this could cause the families in question, however, we have a legal obligation to make rigorous efforts to recover debt. The impact on our budget could affect all children within the Trust.

Our preference would, of course, be to have the debt settled before we reach the stage where we have to consider the options outlined above. We would therefore ask parents and carers engage with us at the earliest opportunity. For parents or carers that are experiencing severe financial difficulties there are a number of organisations that can provide advice as well benefits that may be available:

<https://www.gov.uk/universal-credit>

<https://www.gov.uk/child-tax-credit>

<https://www.gov.uk/working-tax-credit>

<https://www.gov.uk/get-tax-free-childcare>

<https://www.citizensadvice.org.uk/>

<https://www.nationaldebtline.org/>