



## **Bad Debt Policy**

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| <b>Formally adopted by the Trust</b> |                                       |
| <b>On: -</b>                         | <b>March 2022</b>                     |
| <b>Trustees: -</b>                   | <b>Property and Finance Committee</b> |
| <b>Last updated: -</b>               | <b>March 2024</b>                     |
| <b>Review Date: -</b>                | <b>March 2025</b>                     |

## **Clarion Corvus Trust**

### **Bad Debt Policy**

1. Wherever possible, income due will be collected before or at the time the relevant sale or service is provided. Where this is not possible, an invoice will be raised for immediate payment.
2. All debts will be recorded and non-payment will be followed up by issuing reminders as outlined below:
  - 3 weeks from date of invoice 1st reminder
  - 6 weeks from date of invoice 2nd reminder
  - 9 weeks from date of invoice final reminder
3. The final reminder will be sent by recorded delivery and states that legal action will be taken if the account is not settled within 14 days.
4. After 14 days, where a debt is still outstanding, legal action will be considered and the debtor will be informed of this in writing.
5. If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, 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 Head Teacher/Head of School and reported to the next meeting of the Property and Finance Committee and recorded in the minutes.
  - those exceeding £100 and up to the value of £1,000 to be approved by the Property and Finance Committee and recorded in the minutes.
  - those exceeding £1,000 to be referred to the Property and Finance Committee for recommendation to the Board of Trustees for approval.