

DEBT POLICY 2024/25

POLICY STATEMENT:

As a public sector organisation East Kent Colleges Group ('the Group') has stringent financial responsibilities and will actively seek to manage any debt owed. The types of debt are corporate, student, and employee. All outstanding amounts will be pursued.

PROCEDURES:

1. Corporate Debt

The Finance Team will undertake **informal steps** to seek settlement of the debt from the debtor. These include:

- Invoice raised upon request and either e-mailed or posted.
- Monthly statements will be sent to all debtors.
- Within one week of statements being sent, debts will be actively chased by telephone/e-mail.

Failure to settle the outstanding debt will result in the issuing of a 7-day letter before action and then a claim in the County Court for the fixed sum debt. Enforcement of the CCJ may be followed through with a Warrant of Execution. The Group will seek to recover any court and or/legal costs incurred in the process of debt recovery.

Finally, the business will be placed on a bad debtor list for the Group which will result in withdrawal of provision to that organisation until such time that the debt is cleared in full.

2. Student Debt

The Finance Team will undertake **informal steps** to seek settlement of the debt from the student. These include:

- Students must pay on application/enrolment or set up an instalment plan prior to being enrolled onto the course (this is in the Group Fees Policy). The exception being students in receipt of an Advanced Learning Loan, where a copy of loan acceptance should be supplied to the Group within 6 weeks of enrolment.
- Any instalment plans are followed up and monitored to ensure payments are maintained in accordance with the instalment plan.

Where a student withdraws/leaves the course and has been in receipt of an Advanced Learning Loan, payments to the Group will cease from date of withdrawal and the student will be responsible for the payment of any fees outstanding, please refer to the Fees Policy for further details.

Where a student defaults on payment of instalments, the Finance Team will notify the tutor that the student has defaulted on their payment and ask that the student is not allowed to attend class and that they contact the Finance Team to arrange payment.

In the event that the student advises of financial difficulty, the student will be advised to contact the student welfare team at their College of study, to seek financial assistance.

Failure to contact the Finance Team within 7 days (of notification of non-payment to the student and Tutor) will result in legal action being considered and the student being placed on the bad debtor list for the Group. The student would then be precluded from access to all future provision within the Group until such

time that the debt is cleared in full. The Group will seek to recover any court and/or legal costs incurred in the process of debt recovery.

3. Former Employee Debt

The Finance Team will undertake **informal steps** to seek settlement of the debt from the former employee in the event of any overpayment through payroll or outstanding loan. These include:

- A letter from the Group Head of Finance, advising of the debt and the need to repay the sum within 10 working days.

Failure to settle the outstanding debt will result in the issuing of a 7-day letter before action and then a claim in the County Court for the fixed sum debt. Enforcement of the CCJ may be followed through with a Warrant of Execution. The Group will seek to recover any court and/or legal costs incurred in the process of debt recovery.

Finally, the individual will be placed on a bad debtor list for the Group which will result in that individual not being considered for re-appointment with the Group or enrolling as a student of the Group until such time that the debt is cleared in full.

4. Definitions

‘Debt’ is defined as money and items of Group equipment (such as Laptops, Books etc)

5. Associated Policies and Procedures

- Financial Regulations
- Fees Policy