

## DEBT POLICY 2016/17

### Policy Statement

As a public sector organisation East Kent College has stringent financial responsibilities and will actively seek to manage any debt owed. The types of debt are corporate, student and employee. Any outstanding amount will be pursued. This policy applies to all College campuses; Broadstairs, Dover, Folkestone and Virtual Campuses.

### Procedures

#### 1. Corporate Debt

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

- Students should pay on application/enrolment or set up an instalment plan prior to being enrolled onto the course (this is in the College Fees Policy). The exception being students in receipt of 19+ Advanced Learning Loans where a copy of loan acceptance should be supplied to the College 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 College will cease from date of withdrawal and the student will be responsible for the payment of any fees outstanding

Where a student defaults on payment of instalments, the Finance Office will notify the Programme Area Manager/Tutor that the student has defaulted on their payment and ask that the student is not allowed into class and that they contact the Finance Office to arrange payment.

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

Failure to contact the Finance Office within 7 days (of notification of non-payment to the student and Programme Area Manager/Tutor) will result in legal action being considered and the student being placed on the bad debtor list for the College. The student would then be precluded from access to all future provision at the College until such time that the debt is cleared in full. The College will seek to recover any court and/or legal costs incurred in the process of debt recovery.

### **3. Former Employee Debt**

The Finance Office 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 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 College 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 College which will result in that individual not being considered re-appointment with the College or enrolling as a student of the College until such time that the debt is cleared in full.

### **4. Definitions**

'Debt' is defined as money and items of College equipment (such as Laptops, Books etc).