



## 21. Late Payment Policy & Procedures

### Statement of intent

In accordance with charity commission policy Tutshill community Preschool is not permitted to run its account in arrears. Therefore, late payment of fees is not acceptable and the following procedure will be followed.

### Aim

Tutshill community Preschool aims to provide clear and flexible payment options for those who use its services whilst ensuring the preschool remains sustainable for future children of Tutshill and the surrounding area.

### Late payment procedure

- A monthly bill is issued in the week preceding the start of the month with payment due on the 1<sup>st</sup> of the month.
  - First reminder - If after the 31<sup>st</sup> of the month the bill is still outstanding the Financial Administrator will issue a first reminder that payment is due, including a warning that the child's place at preschool could be withdrawn.
  - Second reminder - If payment has not been made during the following two weeks of the reminder being issued the Financial Administrator will add an additional £20 admin fee to your account.
  - Third reminder – issued four weeks after first. Included in this third reminder will be the statement *“if payment has not been received in full within two weeks of receiving this third reminder, then a 15% late payment fee will be added to the total outstanding”*.

- Final reminder – issued two weeks after the third. Included in this reminder will be the statement *“if payment has not been made in full within two weeks of receiving this final reminder your child’s place will be withdrawn from preschool and offered to another child.”*
- In the event that payment is still outstanding the chairperson will issue a **Letter before Action** which will give the payer 7 days to pay in full, after which legal action will commence to recover monies owing. The preschool reserves the right to apply a £50 administration fee for preparation of court papers and interest will be charged at 8% above the banks prevailing base rate.

For ease, the above is tabled below.

Monthly bill issued	1 <sup>st</sup> of month
First reminder of payment issued	31 <sup>st</sup> of month
Second reminder issued	2 weeks after 31 <sup>st</sup> of month
Third reminder issued	4 weeks after 31 <sup>st</sup> of month
Final reminder issued	6 weeks after 31 <sup>st</sup> of month
Letter before action issued	7 days after final reminder

If at any point it becomes apparent the payer is experiencing difficulties in meeting the payment deadlines outlined above, the Financial Administrator with assistance from the committee, will propose an individual payment agreement with the payer to recover monies owed.

**Persistent late payers procedure**

A persistent late payer is defined as:

- Any parent who has been sent a Final Reminder and/or a Letter before Action.
- Any payer whom the Preschool has had to take legal action against

Where a payer has a history of poor paying, they will be expected to pay for any preschool sessions which are not funded by early years entitlement strictly in advance of the child(s) being left for a session. Failure to comply may result in children being refused entry to preschool at the beginning of their session.

**LATE PAYMENT POLICY ENDORSEMENT**

The Tutshill Community Pre-School Committee has endorsed this policy.

Name: Rebecca Biggins Position: Chairperson

Date: 08/09/2022 Signature: RB

<b>Review Date</b>	<b>Reviewed on :</b>	<b>Name</b>	<b>Position</b>	<b>Signature</b>
09/2023				