

Debt Recovery Policy

Reviews and Updates:

- Implemented: 05 August 2019 Gareth Davies
- Updated 10 February 2020 Laura Davies/Gareth Davies

Child's Play Private Nursery

Policies and Procedures

Debt Recovery Policy

It is vitally important that childcare fees owed to Child's Play Private Nursery are paid promptly by parents and carers as this ensures that there is a stable and sustainable income stream for the company to operate. Therefore, it is equally important that any customers that fall into arrears with their accounts are dealt with quickly to ensure their account is maintained correctly. The following policy will detail how staff should manage accounts that have fallen into arrears.

Missed Payments – Late Fees

All childcare fees should be paid by the 1st day of every calendar month, in the event of late payment on an account the customer should be informed immediately, and a late payment charge will be added to their account in line with Terms and Conditions of Business.

Under exceptional circumstances this late payment charge may be waived but only with the agreement of either the Managing Director or Operational Director.

It is the responsibility of the customer to ensure that payments have cleared by the 1st of the month or a late payment fee should be applied.

Unpaid Fees – Further Action

Any account where payment remains outstanding should have an additional late payment charge added every five working days until the account is cleared, a formal payment plan is agreed or service is withdrawn from the customer.

If an account has outstanding fees after ten working days, the customer should be written to advising of the arrears on their account and a request should be made for payment in full within five working days.

If the customer requests a formal payment plan to be considered, then this should be completed and sent to the Managing Director or Operational Director for final agreement.

If, after five working days the customer fails to make the required payment then the relevant Nursery Manager should write to the customer a second and/or final time requesting payment in full with five working days or their child(ren)s place will be withdrawn with immediate effect.

Upon issue of final debt letter and suspension of the child's place the debt file will be passed to Head Office for further recovery action. At this point the breach of contract charge will be applied to the account which is the termination charge contained in T & C's (currently at 12 weeks).

Failure to adhere to agreed payment plans

In the event that customers find themselves in financial hardship and arrears begin to accrue on their account a payment plan can be agreed to incrementally reduce arrears. This should be proposed by the customer and formally agreed by the Managing Director or Operational Director. However if once agreed the customer fails to make the required payment on the required day then the payment plan should be considered null and void and their account should be paid in FULL in line with the above policy.

Note to Managers, Procedural Timeline:

- **First Debt Letter - Sent day after due date with late fee.**
- **Second Debt Letter – Five working days after First Letter with second late fee applied.**
- **Third Debt Letter – Five working days after Second Letter with final late fee applied.**
- **Five working days after this child's place should be suspended and debt instruction sent to Head Office. Add to the account balance termination charge. (12 Weeks)**
- **Start to End of this process should be no more than 20 working days.**