



CREDIT CONTROL POLICY

THIS POLICY APPLIES TO MILLFIELD, MILLFIELD PREP SCHOOL AND MILLFIELD PRE-PREP SCHOOL (INCLUDING EYFS), (TOGETHER REFERRED TO IN THIS POLICY AS "MILLFIELD").

Introduction

The aims of this policy are to ensure that:

- consistent procedures are followed by the School concerning the payment of Fees, extras or Fees in lieu of notice (**Fees**); and
- members of Bursary staff and Parents or other contracting parties (**Parents**) are aware of these procedures and the implications for the Parents of late or non-payment of Fees.

The School's agreement with Parents to pay Fees is set out in the letter of offer, acceptance form, Fees list and the School's *Terms and Conditions*, separately or together referred to as the **Contract**.

The Contract is formed when the Parents sign the School's Acceptance Form and return it with their deposit and this gives rise to an obligation to comply with the Contractual provisions regarding notice and the payment of Fees.

Extras means supplemental items not included in the day or boarding Fees. Extras may be incurred by the pupil or by the School on behalf of the pupil or authorised by the Parents. For the purpose of incurring Extras, the pupil is agent for the Parents. Please see the School's current Fees list for further details of items which may be charged as Extras.

This policy is advisory only and does not form any part of the Contract between the School and Parents.

Risk management

All payments received by the School will be handled in accordance with the School's legal and regulatory obligations, including those under the Terrorism Act 2000, Proceeds of Crime Act 2002, Bribery Act 2010, Criminal Finance Act 2017 and its Anti Money Laundering Policy.

The School will risk assess financial transactions with and on behalf of Parents. It will take reasonable steps to ascertain the identity, address and source of funds for all persons entering into a transaction with the School and, where it considers that there are specific risk factors present at any time, it may require additional information and/or evidence of identity or source of funds before it will be prepared to proceed with the transaction. A list of common risk factors is set out in Appendix 1 of the Anti-Money Laundering Policy.

Payments

Parents are contractually obliged to pay Fees termly in advance and most Extras termly in arrears. Fees will be invoiced in advance of the start of each term and will include the preceding term's Extras if applicable. Invoices are due and payable before the commencement of the School term to which they relate.

Charges for Fees will not be refunded or waived due to a pupil's absence through sickness, or if a pupil is suspended, or if any term is shortened or any vacation extended, or if a pupil is released home after public examinations or otherwise before the specified end of term, or for any other cause except at the Head's discretion.

Payment methods

Payment by direct debit from an UK bank account is the preferred method of payment. Alternative methods of payment must be agreed in advance with the Fees Manager. The amount of any bank charges incurred by the School for electronic transfers in to the School bank account will be charged on the next invoice.

Payments can also be made by instalments under the Advance Direct Debit Instalment Plan which is subject to a separate agreement.

For the avoidance of doubt, Parents should be aware that BACS payments and banker's drafts are treated as cleared funds. Cheque payments clear after ten days. Parents should take this into consideration when making payments, to ensure Fees are paid by the due date.

Any queries regarding the payment of Fees should be addressed to the Fees office. If one or more items on an invoice are queried, the balance of the invoice must be paid in accordance with the Contract.

The School may at its absolute discretion refuse to accept any payment for fees which has been received from a third party or bank account outside of the UK.

- **Cash**

The School reserves the right to refuse any cash payment and will not accept cash payments in excess of £3,000 under any circumstances.

- **Company cheques or transfers**

The School reserves the right to refuse payment of invoices from companies or businesses unless they have a formal third party agreement with that company or business for the payment of Fees and/or where the School is unable to reasonably ascertain the company or business' address, identity and/or a legitimate source of funds.

The School also reserves the right to refuse to accept payment from a company account unless it can be demonstrated that the Parents own 51% or more of the company from which the payment is proposed to be made.

If the Parents do not own a controlling interest in the company, payment must be accompanied by a board minute authorising that payment, and stating that at the time of payment, the company was solvent, and that the payment will not cause the company to become insolvent.

- **From other third parties**

The School reserves the right to refuse payment from a third party unless there is a formal third party agreement in place for the payment of Fees and/or where the School is unable to reasonably ascertain the third party's address, identity and/or a legitimate source of funds.

Any agreement with a third party (such as a grandparent) to pay Fees due to the School does not of itself release Parents from liability if the third party defaults and does not affect the operation of the Contract, or any provision of this policy, unless an express release has been given in writing, signed by the Finance Director.

Part-payments

Any payment made to the School for less than the full amount due in respect of outstanding invoice(s) will be taken as a payment on account of the outstanding invoice(s) and will be applied to the oldest debt in time or the elder or eldest pupil where there is more than one at the School.

Instalment arrangements

An agreement by the School to accept payment of Fees by way of instalments is concessionary and is only permitted by prior arrangement with the Finance Director. Such arrangements will be subject to a separate agreement between the Parents and the School.

Advance payments

Advance payments will be subject to a separate contract between the School and the Parents.

Bursaries and scholarships

Parents are referred to clause 27 of the School's *Terms and Conditions* regarding bursary, scholarship or exhibition awards (**Awards**) and the Scholarships and Bursary Policy and are reminded that Awards are not made retrospectively. In the event that Parents encounter difficulty in paying Fees, they are encouraged to notify the Finance Director of this at the earliest opportunity, in order that proper consideration of eligibility for an Award in respect of future Fees can be given. The School also operates a hardship fund.

Bursaries are only retained if Fees are settled by the due date, unless alternative arrangements have been agreed with the Finance Director in writing.

It should be noted that an Award and / or a hardship fund payment is a discretionary benefit provided to Parents by the School and subject to review. An Award or a hardship fund payment does not affect the legal obligations of the Parents under the Contract, and in default Parents may be liable for the full amount of Fees due pursuant to clause 17 of the Contract.

Voluntary donations

Any donations including Gift Aid donations are separate and distinct from payment of Fees under the Contract.

Variation

Parents are reminded of the provisions in the Contract regarding variation or change to the Contract as set out in Clauses 2, 112 and 114.

Fees reviews

Fees levels for the following academic year are usually reviewed during the Spring Term. Notification of any increase will normally be given before the beginning of the Summer Term and will take effect from the beginning of the following Autumn Term. It may become necessary at other times to increase Fees. Please see clause 28 of the School's *Terms and Conditions* for details of the Parent's position in the event of an increase in Fees.

Fees insurance

Parents can obtain details of providers of Fee protection insurances from the School, but the School makes no warranties or recommendations regarding the appropriateness of such insurances. Responsibility for obtaining insurances or for making any claims under the insurances rests solely with Parents.

Dishonoured cheques

In the event that any cheque "bounces" or is otherwise dishonoured, the School will serve formal notice of the non-payment to the Parents and reserves the right to commence proceedings for recovery of the sum owed under the Bills of Exchange Act 1882 or otherwise in the event the School is not put in funds within 14 days of such notice.

The amount of any bank charges incurred by the School for returned cheques will be charged on the next invoice.

Late payment

Interest at a rate of up to 1.5% per month is chargeable on late payments.

Parents who have not paid Fees by the first day of term will be contacted in the first week by a member of the Fees office. They will send a reminder informing Parents that interest is being applied to outstanding fees on a daily basis after the due date. The late payment charge will appear on the next invoice.

If no payment is received within seven days, a second request for payment will then be sent to Parents. This will require payment in full in cleared funds within a further seven days to avoid further action being taken.

In default of payment, Parents will be asked to contact the Finance Director within 14 days to discuss the situation. If a satisfactory payment arrangement is not otherwise agreed, Parents may be given

notice that the pupil(s) will not be permitted to return. Any notice of exclusion for non-payment of Fees will be confirmed in writing in accordance with the Contract.

If the account of a pupil who has been excluded for non-payment has not been cleared in full 28 days after the start of the exclusion, the pupil will be deemed withdrawn without notice and a term's Fees in lieu of notice will be due.

An invoice for Fees will be raised and in default of payment, recovery action initiated.

Notice of withdrawal

Parents are reminded of their obligation under the Contract to give at least one full term's notice in writing of the cancellation of a place or the withdrawal of a pupil from the School.

For the avoidance of doubt, clauses 92 and 94 of the Contract requires Parents to give one term's notice to the School to that effect, failing which Fees in lieu of notice will become due and payable as a debt by the Parents on the first day of the cancelled term. This notice will only be effective if addressed to and received by the Head or to the Finance Director on the Head's behalf. Parents are recommended to seek an acknowledgement of any such notice.

For the avoidance of doubt, the School will take recovery action for Fees in lieu of notice as well as for unpaid Fees.

Provisional notice is not recognised as a valid form of notice and will not release Parents of their obligations under clauses 92 and 94 of the Contract.

Registration Fees and deposits

Any registration Fees paid to the School are non-refundable on the cancellation of a place or the withdrawal of the pupil.

Any deposits paid will be retained by the School until after the pupil leaves and then will be repaid without interest to the Parents, unless the pupil has been expelled.

In the event that Fees remain outstanding following the withdrawal of a pupil from the School, then the School will be entitled to retain any acceptance deposit and deduct this amount from the outstanding amount owed.

Fees after suspension or exclusion

In the event that a pupil is suspended or expelled from the School, then the School will not waive any Fees, nor will it refund any Fees already paid by the Parents.

Complaints

Complaints made by Parents will be considered in accordance with the School's complaints procedure. Any such complaint should be raised at the earliest opportunity, but fees obligations are not suspended pending the outcome of the complaint.

Trips

The School reserves the right to refuse permission for pupils to attend trips or educational visits unless Fees have been paid in full.

Legal action

The School will instruct solicitors to pursue unpaid debts on their behalf.

The School reserves the right to take legal action to recover Fees, interest and legal costs against all contracting parties, regardless of who actually made payments previously and regardless of any related ancillary relief order(s) in matrimonial proceedings. The School has no obligation to pursue all of the contracting parties in litigation.

Interest at a rate of up to 1.5% per month will be charged on the debt as well as any associated legal costs.

Joint and several liability

Parents are advised that in the event there is more than one signatory to the Contract (or more than one contracting party), each of the contracting parties are jointly and severally liable for the whole of the obligations under the Contract. For the avoidance of doubt, this means that they are each responsible for payment of all of the Fees, regardless of who has assumed responsibility for payment of Fees previously.

Insolvency and notifications

Parents are reminded of their obligations to inform the School of any court orders or insolvency proceedings against them. In the event of personal insolvency, the School reserves the right to submit a proof of debt in respect of any outstanding Fees to the appropriate Trustee in Bankruptcy/Supervisor.

Information sharing

The School has a number of privacy notices which explain how the School will use personal data about parents in accordance with the Data Protection Act 2018 and General Data Protection Regulations (**GDPR**). We strongly recommend reading the full version of our privacy notice which is published on the school's website <https://millfieldschool.com/privacy-policy>.

Staff will ensure that they follow the School's data protection policies and procedures when handling personal data created in connection with this policy. This includes the School's data protection policy and information security policy.

We will process financial information about you in relation to the payment of fees. In some cases, we may obtain information about you from third parties such as credit reference agencies, financial services companies or from your child's previous school(s). We may conduct background financial checks using information from these sources or from other publicly available information.

In some situations, the School may need to share your information with third parties. For example:

- if you have unpaid fees while your child is at the School we may share information about this with other schools or educational establishments to which you intend to send your child. We may also share your information with relevant third parties such as debt recovery agents to act on our behalf when recovering fees.

The Finance Director is the person responsible at our school for managing how we look after personal information. The Finance Director can answer any questions which you may have about how we use your personal information.

Policy owner	Finance Director
Reviewed on	February 2019
Review by date	February 2020
Approved by Governor Committee	n/a
Approved on	-
Approved by date	-
Publication	Xtranet, Website, Parent Portal