



Fee Collection and Payment Policy

Fees are needed to develop and sustain the service so when a child starts in a group, the basis on which fees are paid will be made clear in writing to the parents/carers of the child and are as follows:

- The amount they will be expected to pay, per session, per day, in the case of their child's absence from the group due to holidays or sickness
- How often fees will be collected
- When and how they will be collected.

When collecting fees the group will at all times treat all parents/carers who use the service with consistency and confidentiality.

Fees Review

In committee run groups it is the responsibility of the group's membership to decide on the level of fees to be charged. The committee will propose the fee level to the membership at the Annual General Meeting or if necessary at a Special General Meeting in committee run groups. All fees paid are solely for the use of the service and will be used to pay for staff salaries, utility bills, equipment and to develop and sustain the service.

The committee will inform parents/carers of any proposed changes to fees prior to the AGM, where there will an opportunity to discuss levels before deciding on the proposal Generally, if there is an increase in fees, the increase will come into effect from the start of the new term.

Payment Dates/Method

The committee will discuss and agree a system for the collection of fees with the treasurer, for example, they can agree that fees will be paid either weekly, fortnightly, or monthly in advance by one or other of the following methods cheque, cash or bank transfer. Parents and carers of children using the group will be made aware of the system when joining the group to ensure that payment is made on time.

The procedure for collection of fees and banking the money will be recorded to allow another committee or staff member to take over this duty in the absence of the treasurer/responsible person. If payment is made by cheque or cash - it should be given to the named person within the organisation to whom fees should be paid, for example the treasurer or administrator or the chairperson if neither of them is available. Cheques must always be made out to the group, not to an individual person.

Receipt for Payment

On payment of fees by cash, a receipt will be issued, which details the amount paid and the period covered. Copies of receipts will be kept by the group. Bank statements will be considered as receipts for payments by cheque and bank transfer.

Payment whilst not using the service

Payment for the service will be paid at all times including whilst being on holiday and off sick.

Contract Termination - Time Scale

There will be two weeks given to terminate the use of the service by either the user or the provider.

Late Payment Fee

If fees are not paid at the agreed time a maximum of three letters requesting payment outlining the amount of payment overdue will be sent. The ultimate sanction will be withdrawal of service. An administration fee of £20 will be added to the fees owed for each letter sent.

Returned Cheque Fee

There will be a fee of £10 for all returned cheques.

Additional Information Section

Working Families Tax Credits

Working Families Tax Credit can help with your childcare costs, please speak to HM Revenue and Customs regarding further information on the application process. Please note that although payment of tax credits is in arrears, payment for the use of the service must be paid at the agreed time.

Refund Entitlement

Any overpayment of fees will be repaid in full.

If in the event that it is not possible to provide the pre-school service for any reason e.g. building closure, adverse weather conditions causing staff to be absent etc, the management committee should consider whether a refund of fees is appropriate or not and decide the most appropriate and fair action for their group.

If the decision taken provides for a refund, consideration should be given to whether users may be entitled to a full or a partial refund of fees after an agreed number days and for each session the child attends thereafter until the service can be resumed.

If the decision is to not refund, parents should know what the group's policy is on this matter prior to it happening. The group's financial position and its reserves should be taken into consideration when deciding policy in this matter.

In the circumstances as described above, the service will refund fees for any reason such as adverse weather, building closure etc.

Non Payment of Fees

Parents/carers are expected to contact the treasurer if they are having difficulty in paying their fees.

If there is a problem with non-payment of fees, for whatever reason, the situation will be discussed within one to two weeks, confidentially, by the treasurer and the parents/carers concerned to try and reach a reasonable solution for all. The sooner the matter is addressed, the smaller the debt will be and the greater the chances are of recovery. One such solution could be changing the frequency of the payment method from termly to monthly or weekly.

If the problem persists, more formal written contact will follow. A letter from the committee to the parent or carer detailing the amount owed and setting a time limit for payment will be sent. If this does not solve the problem, the committee will consider its next course of action. This may result in a legal letter. The committee may be forced to ask that the child be removed from the group.

Recovery of Debt

If fees are not paid, the other alternatives for recovery will be to pass the debt to a debt collection agency or the small claims court. The costs of these processes can be added to the outstanding debt.

Money Advice

The treasurer will signpost individuals to other local support agencies for support with financial matters i.e. local money advice center, citizens advice center etc.

Small Claims Court in Scotland

Background

The small claims procedure was introduced into the sheriff courts in Scotland in 1988 as a simple, quick, informal and inexpensive method for setting disputes where the claim is worth up to £3000.

Procedure

The procedure is intended to allow you to “do it yourself” without needing to employ a solicitor. The procedures are straight forward and court hearings are informal. In claims for payment of money only, you may not even have to attend court if the amount of the claim is not disputed. While you don't need a solicitor you can employ one if you wish. Any solicitor will give further information about what advice is available and the costs involved. Court officials in your local sheriff court can advise you on filling out the court forms and on court procedures but cannot give you legal advice.

How do I make a small claim?

Get the correct court forms from the sheriff court office, they can be posted out, you can collect them or they are downloadable. Complete the forms - information includes details of the person making the claim (the pursuer) and the person against whom the claim is being made (the defender), and what the claim is about. Send the correct forms to your local sheriff court with the correct fee £15 for claims less than £200 or £65 for claims of up to and including £3000. This cost can be added to the debt owed by the defender if successful.

The sheriff clerk will then set a date for the hearing (normally 6 to 8 weeks ahead). Ask the sheriff clerk to send the copy summons to the defender. This will incur an additional charge (again this cost can be added to the debt if successful). Quite often this will prompt the defender to pay the fees and there will be no need to go to court. In this case it is up to the pursuer (you) to notify the court that the claim has been settled.

Once the process goes to court there are two stages: A **preliminary hearing**, where the sheriff hears what both sides have to say. If the defender is asking for time to pay, the sheriff may grant that payment is paid in instalments or in a lump sum at a later date. If the facts and issues are not agreed a date will be made for a full hearing. The **full hearing** where you will have to provide evidence in support of your case (so make sure you have adequate administrative and financial procedures in place within your group). The sheriff will decide the outcome (known as the decree) and if successful, payment arrangements will be set up and if not successful the case will end here.

If the defender loses and doesn't pay the pursuer will have to go back to court and ask for the sheriff officer to have the decree enforced. Only a sheriff officer can enforce the decree. A fee will be payable to enforce the court decree.

A note of caution!

Groups might want to consider the financial circumstances of the people in question before they invest money with potentially no return.

An SPPA member group went through the small claims process to get payment of fees and found themselves £80 out of pocket. Their debtor was unemployed, lived in rented property and did not have much money, therefore although the court found in their favour, they are

unlikely to get their fees repaid. The court ruling does stand for 20 years however, so if the family's circumstances change they may try to recover the unpaid fees in the future.

There are several things you might wish to consider before deciding to start court proceedings, such as:

Is the person or company likely to be able to pay?

Are they bankrupt or insolvent?

Are they on the Debt Arrangement Scheme (DAS)? (For information see www.moneyscotland.gov.uk, or phone the DAS Administrator helpline on 0845 6126425, or ask at the Citizens Advice Bureau)

Do they have any money or other items of value?

Are you raising the action against the correct party?

Can you afford to go to court?

Can you afford the time to prepare your case for the court hearing if the claim is defended?

Court expenses

As a general rule, any court expenses are awarded to the party who succeeds in the claim. These expenses must then be paid by the unsuccessful party. There is normally a limit on the amount of expenses which can be awarded.

If the value of the claim is £200 or less, and the case has been defended, there will normally be no award of expenses. In this situation, any court fees paid will not be recoverable.

If the value of the claim is between £200 and £1500, and the case has been defended, the maximum amount of expenses which can normally be awarded by the court to the successful party is £150.

If the value of the claim is between £1500 and £3000, and the case has been defended, the maximum amount of expenses which can normally be awarded by the court to the successful party is 10% of the value of the claim.

Summary cause

A summary cause is a type of court procedure. You do not need to use a solicitor, but you can if you wish. It relates to payment of money, it is used where the value of the claims are over £750 and under £1500. The cost to raise an action is £36.

If the claim is for a greater sum than £1,500 an 'ordinary action' must be used.

For further information visit the following website:

http://www.scotcourts.gov.uk/sheriff/small_claims

Sample Letter 1: Reminder fees

Reference

Date

Name
Address

Dear

Non payment of fees

I have noticed from our records that you have not paid your group fees for the past weeks. The fees now amount to £..... Please make sure this balance is paid by.....

If you are having difficulties paying fees, please contact me within a week from receipt of this letter to enable us to discuss this matter, so that we can work towards a prompt resolution. I can assure you that our discussion will be treated in utmost confidence.

Yours sincerely

Name
Designation

Sample Letter 2: Send two weeks after initial letter.

Reference

Date

Name

Address

Dear

Non payment of fees

I am sorry that you have not yet contacted me regarding your outstanding fees. As you are aware our group relies on parental fees to sustain the service and we cannot allow non-payment to continue indefinitely.

We can offer you the opportunity to pay the outstanding fees by instalments but must advise you that failure to pay the outstanding amount either in full or by instalments will leave the group with no alternative but to withdraw your child's place for childcare.

This is not a route that we would wish to take so please contact me within one week from receipt of this letter to discuss your fees. Failure to contact me will result in your child's place at the group being withdrawn.

Yours sincerely

Name

Designation

Sample Letter 3: Send two weeks after second letter.

Reference

Date

Name

Address

Dear

Non payment of fees – withdrawal of service

As I have had no contact from you I have no alternative but to withdraw your childcare and to advise you that as from Mondayinsert date
.....insert child's name will no longer be able to attend our group. Our staff have been advised accordingly.

I am very sorry that this decision has had to be made but your failure to contact me has left me with no alternative but to take this action.

Yours sincerely

Name

Designation

Sample Letter 4: Reinstatement of Service

Reference

Date

Name

Address

Dear

Non-Payment arrangements:

Fees Due: £.....

Further to our conversation ofinsert date and group name is prepared to accept a payment arrangement on the following conditions:

- This arrangement is "Without Prejudice" to our right to enforce non-payment of the fees, as we see fit, and at any time during the arrangement.
- The full amount owed is £.....which can be paid in full through one payment or by instalments as detailed below
.....
- To be paid by weekly instalments of £.....and a final payment of £ commencing on (date)
- On any default of the conditions of this agreement, the agreement will cease and all amounts owed by you will be due immediately.

Yours sincerely

Name Designation
.....
.....

Please complete and return to.....

Name.....

I/we agree to pay the amount owed to.....(insert name of group)

In full by one payment **or** in instalments as detailed above. Please delete as appropriate.

I/we accept the above conditions:

Signed:..... Date:.....