

Guidance on How to Avoid/Collect Early Years Fees Arrears

Introduction

With increasing demands on families' financial resources, there may be an impact on Early Years Settings receiving regular fee payments from parents/carers. This guidance offers advice to Early Years Settings on how to avoid fee arrears and methods of collection if they do arise.

Collection of Fees

All parents/carers of children should be informed of the fees payable and Early Years Entitlement arrangements upon registering their child/charge at your setting. This may be included in your prospectus or information to parents, or may be a part of your Admissions Policy. Information given should include:

- The fees payable and when they are due
- Information on fees due if the child is ill or absent for other reasons. This should include an explanation as to why fees will still apply in these cases.
- Details of financial assistance/support that may be available eg Childcare Tax Credits; whether your setting is registered for any Childcare Voucher Schemes.
- What action your setting will take in the case of non-payment of fees

Example 1 may help you with the wording of the fee arrangements of your setting.

Support for Parents/Carers

It is best to avoid arrears occurring in the first instance, but there may be a genuine reason why a parent/carer is unable to pay. It is vital that the opportunity is given to share information and that the information is kept confidential.

Any discussions which may be sensitive should be conducted in private, and the individual given respect and support. Non-payment of fees is not generally due to an individual's aversion to paying, but to financial constraints.

It is important to the parent/carer and your setting that every attempt is made to maintain a positive and supportive relationship through what can sometimes be a difficult period.

Hopefully, once you have obtained all the details you will be in a position to negotiate a mutually agreeable sum and a timescale in which to pay off the arrears. In the case of a setting managed by a voluntary committee, the committee will agree the arrangements.

Letters

It is important that fee arrears are picked up swiftly in order to avoid an escalation of the issue. Timescales for action should be decided and detailed in the Collection of Fees policy.

The first letter should contain details of fees outstanding and request that the parent/carer responds quickly, with details of who to approach. Example 2 also informs the parent/carer of the likely outcome if they do not respond.

Once discussion has taken place, any agreement should be put in writing to ensure that all parties are clear as to the collection of the fee arrears. (Example 3)

In the event of a parent/carer not responding, then a second letter should be sent, preferably by recorded delivery. Example 4 may help with the wording of this letter.

All letters written to a parent/carer may need to remind them of your setting's policy of allowing sessions funded by the Early Years Entitlement only until arrears are paid.

Arrears Monitoring

Your setting will need a procedure for monitoring potential arrears, including deciding on the period of time arrears are allowed to continue before action is taken. This should then be made clear in your Collection of Fees Policy.

Collection of Unpaid Fees Policy

Where no payment of fees has been made by a parent/carer for _____ weeks, they will be invited in writing to discuss the matter with the Pre-School Chair/Treasurer/the Nursery Manager

Following discussion, agreement reached regarding payment will be put in writing, to include timescales.

If discussion is declined, or if a payment method is not committed to, after a further _____ weeks, the Pre-School Chair/Treasurer/the Nursery Manager will inform the parent/carer in writing that no further non-funded hours will be available to their child until arrears have been paid in full.

If the issue remains unresolved, we will seek legal advice

We will at all times respect confidentiality, and aim to work with parents/carers to reach a positive and realistic solution.

Example 1

Collection of Fees – could go in prospectus/info for parents

_____ Pre-School/Nursery is open (Monday to Friday) from ____ to ____ term time only/all year round. Children are entitled to funding through the Early Years Entitlement of up to __ hours per week from the term after their third birthday. (Details attached) Further hours are charged at the rate of £____ per hour. Fees for children not yet eligible for the funding are £__ per hour.

Children are registered for a number of hours per week with fees being invoiced on a weekly/monthly/half termly/termly basis.

Fees must still be paid if children are absent for a short period of time. Eg illness or holiday. This is because the setting will still have a requirement to meet the cost of rent, wages and other overheads. If your child has to be absent over a long period of time, please talk to [Insert Name] who is the committee chairperson or [Insert Name] who is the manager.

We operate the Working Family Tax Credits Scheme. Details are attached/available on the noticeboard/from the Treasurer/from www.hmrc.gov.uk. (We also accept Childcare Vouchers.)

Non payment of fees will be dealt with promptly, according to our Collection of Unpaid Fees Policy, and any arrears must be paid before the next term. Persistent non payment will mean the loss of any non-funded hours for your child.

Fees will be reviewed (by the committee) as required; a term's notice will be given to all families of any increase agreed.

Example 2

Dear

Our records show that Pre-School/Nursery fees have not been paid for _____ weeks.

On _____, £ _____ is owed.

We realise that this may be a temporary problem, but it is important that you discuss the matter, in private and in confidence, with _____ as soon as possible.

Please contact _____ by the end of next week to discuss how we may be able to support you to meet the outstanding payment.

If agreement isn't reached, you will no longer be able to access non-funded hours for your child until the arrears have been paid.

This is in line with our Collection of Unpaid Fees Policy, which you received when you registered with our setting.

We look forward to hearing from you,

Yours Sincerely

Example 3

Dear

Thank you for responding to our letter dated _____ regarding outstanding fees.

As discussed and agreed with _____ on _____, we are happy for the fees to be reimbursed as follows:

We hope that the agreed arrangement will be implemented and maintained, and we thank you for your co-operation. If you need to discuss this further, please contact _____

Your Sincerely

Example 4

Dear

On _____ we wrote to you regarding outstanding fees. As we have received no response to our letter, in line with our Collection of Unpaid Fees Policy your child will only be able to attend up to 12 and a half/15 hours of funded sessions until all arrears are paid.

Please contact _____ if you wish to discuss the matter further, and be assured that any discussion will be treated with the strictest confidence.

If we receive no response to this letter then we will seek legal advice regarding retrieval of the outstanding debt.

Yours Sincerely