

Title	<b>Write off policy</b>
Prepared by	Suthan Santhaguru
	Approved 16.10.2016



## 1. Purpose

Trustees are invited to approve this policy for inclusion in the Finance Manual

## 2. Background

The academies handbook is very prescriptive on how much a Trust can write off and as this policy has also been requested by the auditors. Whilst most income received is from the EFA, there are still debtors that are outside of this scope, such as pupil meals, school uniforms, lettings income and any other accrued income.

## 3. Write off policy

The following procedures apply to each academy and the trust as a whole and are subject to a maximum limit of £250,000.

The delegated write off limits are as follows:

- 1% of total annual income or a maximum limit of £45,000 (whichever is smaller) on any one single transaction
- cumulatively, 5% of total annual income in any one financial year per category of transaction.

If any of the above limits are to be breached, then this would require prior EFA approval.

In relation to these limits:

- The trust should always pursue recovery of amounts owed to it, overpayments, or payments made in error, irrespective of how they came to be made. In practice, however, there will be both practical and legal limits to how cases should be handled
- The trust should only consider writing-off losses after careful appraisal of the facts, including whether all reasonable action has been taken to effect recovery from the debtor, the trust's insurers, or the risk protection arrangements, and should be satisfied that there is no feasible alternative

Title	<b>Write off policy</b>
Prepared by	Suthan Santhaguru
	Approved 16.10.2016



- The amounts for write-offs are before any successful claims from an insurer or the risk protection arrangements
- Total annual income is defined as grant income as disclosed in the trust's last set of audited accounts. EFA should be contacted if the trust has not yet published their first set of audited accounts

Before accepting any liabilities by:

- issuing specific guarantees, or
- providing a letter of comfort, or
- providing indemnities

the trust should secure value for money by appraising the proposal through an assessment of the costs and benefits of relevant options. The trust must ensure that the value of any liability is within its delegated authority to commit.

Created by: Suthan Santhaguru  
Finance Director

## 4. Adoption date

16th October 2016

## 5. Review date

Before year end 2018