



Debtors Process

Process statement

Little Elms operates a clear and transparent process for fees payable which are detailed in the company terms and conditions. It is a requirement prior to the acceptance by Little Elms of any place offered that these terms and conditions are agreed to.

This process is in place to ensure we clearly communicate to families when fees payable are overdue, and as a responsible organisation in ensuring we work alongside families to achieve the best outcome for all parties when fees are not paid on time.

Fees are payable in advance on the last working day of the month (payments which have not yet reached our account by this date, are classed as late payment and is a breach of the terms and conditions of the place).

Non-Starters / Deferred Start Date Requests over 2 Weeks

Where a request is received to defer a start date by more than 2 weeks or a parent has informed the nursery they no longer require their place without giving 2 month's notice, prior to any formal response being issued detailing the nurseries stance, the account should be referred to the Chief Operating Office providing the following information:

- Copy of the signed T&C's
- An overview of the circumstances, which should include;
 - Current start date
 - Confirmation that the reg fee and deposit (if applicable) has been received
 - Proposed new start (if applicable)
 - Date request/notice was received
 - The reason for the request
 - For deferred start date requests, if the nursery can accommodate the request and if they can fill the available space
 - Including any email deemed relevant to the request

Once this information has been received, the Chief Operating Officer will review and make a decision. The decision will be communicated to the Nursery Manager and the Credit Controller to proceed with the next steps based on the decision that has been made.

Debtors Procedure

Stage 1

On the first working day of each month, the Nursery Manager must source an up to date debtors report for their nursery from First Steps.

Any families who appear on this report as a debtor (*with some exceptions), are late payers and the following process applies.

Initially, the Nursery Manager will issue a Late Payment Communication (Stage 1) to the customer, usually by email on the 1st working day of the month. This communication is designed to remind the customer that they have until the 5th working day of the month for payments to reach our account.

* staff whose children attend the nursery pay nursery fees monthly in arrears. Therefore, they may appear of the debtors list but the Late Payment Communication (Stage 1) is not required to be issued in this case.

Direct Debits – Failed Payments

Little Elms Day Care

Debtors Process

Policies and Procedures are reviewed annually



For a variety of reasons, direct debits may fail which means the family remain in debit on their account until such time as we have been alerted this is the case (this is usually around the 3rd working day of the month).

Once we have been advised of the failed direct debit, the accounts team emails out to the families advising them of this and requesting alternative payment method as soon as possible.

Stage 2

In the event fees remain outstanding (with a total balance of £50 +) and have not yet cleared in our account by the 5th working day of the month, the Nursery Manager will need to suspend the place for the family (unless in exceptional circumstances which must be agreed to be the Head of Operations).

They will issue the customer at this stage with the Suspension of Place Letter (Stage 2) and a copy of their signed terms and conditions.

As soon as full payment is received or an agreement determined between Little Elms and the customer (which needs to be agreed by the Head of Operations), the child's attendance can recommence.

Stage 3

If we have not received full payment or come to an agreement by 10th working day, the Nursery Manager will issue Termination for Non-Payment Letter (Stage 3).

Prior to sending out the letter the Nursery Manager will email the Credit Controller a copy of the T&C's on record along with a copy of the relevant emails between the nursery and parents to review and then will make a decision as to whether or not a Termination Letter should be issued. This letter sets out confirmation that in the event we do not receive full payment or come to a mutual agreement regarding payment of the outstanding balance within 1 week of the letter, the place for the child will be terminated with effect from the last working day of the month – as a responsible organisation, at this stage, there will no more accrual of fees payable and the space for the child will become available for other families.

Stage 4

At this stage, the debtors process is passed onto the Credit Controller who will take over responsibility of future stages within the process.

On the last working day of the month, if payment has not been received or an agreement determined, the Credit Controller will finalise the termination of place by informing the Occupancy Manager (this will enable the place to be offered out to other families).

At this stage, the Credit Controller will send Outstanding Nursery Fees Solicitors Instruction Pending letter (Stage 4).

Stage 5 (this stage will only be undertaken for outstanding fees in excess of £150)

In the event that fees still remain payable, the Credit Controller will arrange with our Debt Collection Agency to issue a letter with a demand for payment.

Payment Plan Agreements

If a payment plan has been agreed with a customer, the customer is responsible for ensuring all payments as agreed within this plan is received by Little Elms. In the event the customer breaches this agreement, the process begins from Stage 2 and the child suspended.



Associated Documents:

- *Debtors – Late Payment Communication (Stage 1)*
- *Suspension of Place Letter (Stage 2)*
- *Termination for Non-Payment Letter (Stage 3)*
- *Outstanding Nursery Fees Solicitors Instruction Pending letter (Stage 4)*