

S4YC Payment and Debt Collection Policy

1. Purpose

This policy sets out how fees are charged, when payments are due, and how unpaid balances are managed across all provisions at S4YC, including nursery, preschool, out of school clubs, and holiday clubs.

The policy ensures:

- Transparency for parents/carers
 - Consistency in fee collection
 - Compliance with UK childcare funding and consumer legislation
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2. Scope

This policy applies to all parents/carers using:

- Government-funded childcare hours
 - Paid childcare hours above funded entitlement/private agreements
 - Meals and consumables
 - Out of School Club provision
 - Holiday Club provision
 - Any additional or optional services offered by the setting
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3. Funded Childcare Hours

- 3.1 Government-funded childcare hours (e.g., 15 or 30 hours entitlement) are provided free at the point of delivery.
3.2 Parents/carers will not be charged any fees, top-ups, or penalties in relation to funded childcare hours.
3.3 Funded childcare hours will not be withdrawn or restricted because of non-payment of other charges.
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4. Paid Services and Optional Charges

4.1 Charges apply for services taken in addition to funded entitlement, including:

- Additional childcare hours
- Meals and consumables
- Out of School Club
- Holiday Club care

4.2 All charges:

- Are clearly outlined in the parent contract and fee schedule
- Are itemised separately on invoices
- Apply only where parents/carers have agreed to use the service by way of Preschool registration form completed, verbal request direct to nursery and/or manual ad-hoc booking made through iPAL.



4.3 Optional charges are voluntary, and alternative arrangements may be made where appropriate in advance of charges being applied. Please contact your nursery to discuss alternative arrangements a minimum of 30 days in advance of charges being applied.

5. Invoicing

5.1 Invoices will clearly show:

- Funded childcare hours (at £0.00)
- Paid childcare hours
- Optional charges
- Total amount due
- Payment due date

5.2 Invoices are issued in advance or in accordance with the agreed billing cycle.

6. Payment Terms

6.1 Fees are payable either:

- Upfront, or
- Monthly in advance

6.2 Where monthly payments apply, payment must be received on or before the 1st of each month.

6.3 Use of childcare services constitutes acceptance of these payment terms.

6.4 Failure to pay by the due date will result in the late payment and debt recovery procedures outlined below.

7. Late Payment and Administration Charges

7.1 Where a payment is not received by the due date, S4YC may apply a fixed late-payment administration charge to reflect the reasonable costs incurred in managing overdue accounts, including staff time, correspondence, and account administration.

7.2 The late-payment administration charge will be £15 for the first missed payment, and £30 for each subsequent calendar month that the outstanding balance remains unpaid until the balance is paid in full or the account is passed to a debt collection agency.

7.3 These charges:

- Apply only to paid childcare hours, meals, Out of School Club, and Holiday Club fees
- Do not apply to funded childcare hours
- Are fixed fees and not interest or penalties
- Reflect the reasonable administrative cost of managing arrears
- Will be clearly itemised on the parent's account

7.4 Late-payment administration charges will not exceed the reasonable costs incurred by S4YC in managing the overdue account.

8. Payment Reminders and Debt Collection Procedure



If payment is not received by the due date, the following staged process will apply:

- Day 7 – First payment reminder issued by email
- Day 14 – Second reminder issued by email and the first late-payment administration charge applied
- Day 21 – Third reminder issued by email advising that paid services may be suspended if the balance is not cleared
- Day 30 – Text message reminder issued to registered contact number
- Day 34 – Phone call attempt from the admin team to discuss the overdue fees and formal written notice issued advising that the account is in arrears and that paid services may be suspended if payment is not received
- After 35 days overdue – Paid services may be suspended in line with Section 9
- After 35–42 days overdue – A Letter Before Claim will be issued in accordance with the Pre-Action Protocol for Debt Claims, giving parents at least 30 days to respond before any court action is started

8.2 During the Pre-Action stage, parents will be provided with:

- A full statement of account
- Information about how to dispute the debt
- The opportunity to propose a repayment plan

9. Suspension of Services

9.1 If payment remains outstanding after Day 30, paid services may be suspended, including:

- Additional childcare hours above funded entitlement
- Meals
- Out of School Club
- Holiday Club care

9.2 Funded childcare hours will not be suspended or withdrawn.

9.3 Suspended services will only be reinstated once:

- The full outstanding balance (including any late-payment administration charges) is paid

10. Debt Recovery

10.1 If payment remains outstanding after 42 days, the debt may be:

- Referred to a third-party debt collection agency, and/or
- Pursued through County Court (Small Claims) proceedings

10.2 Where legally permitted, this may be passed to debt collection agents and reasonable third-party recovery costs may be added of which you will be fully liable for.

11. Queries and Financial Difficulties

11.1 Parents/carers who believe there is an error on their invoice must notify the setting in writing within 7 days of receipt.



11.2 Parents experiencing genuine financial difficulty are encouraged to contact the finance team as early as possible so that support or a repayment plan can be considered.

12. Policy Review

12.1 This policy will be reviewed annually or earlier if:

- There are changes to government funding guidance
- There are changes to consumer or childcare legislation

