

# Debtor's Policy

**Rationale:** To maintain the financial viability of the Association and to ensure all families are treated with equity while acknowledging that personal circumstances do impact on the ability of individuals to keep their accounts paid.

**Aim:** To have procedures in place which guide the practice of debt collection and inform the committee of the debt situation twice a year.  
To identify account debt limits.

**Procedures:**

- New families: after the first week of attendance an invoice is generated, account payment information and the link to the parent portal for infocare are emailed to the family.
- Daily: payments made overnight are credited to accounts.
- Weekly: invoices from the previous week are generated and available for viewing through the parent portal.
- Payment: We encourage accounts to be paid by automatic payment on a weekly basis. Full payment of accounts is expected monthly.
- Monthly: at the end of each month a statement for the previous four or five weeks is emailed to all families (one statement per child).
- Monthly: a debtors report is generated to identify overdue accounts. Where accounts have not been paid in the last month a statement and reminder email are sent. Where accounts are overdue by more than six weeks and no payment has been made a statement and 'first reminder letter' are sent. Where accounts are overdue for two months and no payment arrangement has been made a statement and 'final reminder letter' are sent.
- After two months of no payment personal contact with the family will be made by the Director.
- The Association will enforce a debt limit of \$2500 per child.
- It is the Association's practice that debts longer than 4 months standing will be referred to Debt Collection Agency without reference to the committee.
- At any time during the process, the enrolment of the child may be cancelled by the Director, after taking into consideration the personal circumstances of the family and the impact on the centre's funding.
- In April and October the Director will present all outstanding debts and action being taken to the management committee for their approval.
- Debts to be written off will be agreed to by the management committee at their October meeting.

Statement added to the Fees Schedule:

*We expect to be paid on time. A weekly automatic payment is preferred. If you cannot pay please speak to the Director as soon as possible.*

*If you do not address any debt your child's enrolment may be cancelled. We will ultimately pursue outstanding debts to the court if necessary.*

*The debtor shall be liable for all and any costs, collection cost, charges, expenses and legal costs incurred.*

Reviewed November 2018

Next to be reviewed November 2020