

## DEBT MANAGEMENT RECOVERY POLICY

<b>Rationale</b>	Recovery of debts can be a complex issue, particularly in a Lutheran school where some people perceive there to be a tension between running an effective business and upholding strong Christian values. This policy describes Council's expectations and provides guidance to staff involved in debt management and recovery
<b>Aim</b>	To provide direction regarding the management of debts owed to the school.
<b>Implementation</b>	<p>Council acknowledges that families face difficult decisions in selecting an appropriate school for their children, and that financial circumstances play a significant part in those decisions in many cases.</p> <p>Council anticipates that parents will make those decisions without expecting financial assistance from others in the school community. Failure to do so, transfers an additional financial burden to other members of the community, impacts on the level at which fees must be set, and may make an education at St Mark's Lutheran School unaffordable for other members of the community.</p> <p>Debts in relation to school fees and incidental charges shall be attributed to the person(s) who signed the enrolment form and indicated there on their acceptance of responsibility for payment. This responsibility shall hold unless and until one or more signatories to the enrolment notify the Principal in writing of their intention to withdraw the student.</p> <p>The school shall make available a range of facilities for payment of fees, on the understanding that such facilities are intended only to assist parents in paying their accounts as they fall due and do not reduce that obligation to pay.</p> <p>Council requires the Principal and school staff involved in the recovery of debts to be sensitive to the personal financial circumstances of families in the school community. The Principal or Business Manager may negotiate terms for payment where it is considered in the interests of both parties.</p> <p>Council also acknowledges the difficulty for school staff in determining the real capacity of individuals to pay, and supports the application of the laws of the land to assist in this process. The Principal and Business Manager are authorised, at their absolute discretion, to take any action they consider appropriate in order to enforce payment of debts owed to the school.</p>
<b>Review</b>	<p>This policy will be reviewed at least every 3 years.</p> <p><b>Outstanding Debt - A Procedure</b></p> <ol style="list-style-type: none"><li>1. At the beginning of each year, ensure that every parent who wishes to pay their fees by direct debit or credit card returns the signed Payment Plan Form which should be filed in a central location.</li><li>2. Tuition fees will be charged at the beginning of each term. An article is to be placed in the school newsletter advising that accounts are being distributed and requesting prompt payment.</li><li>3. The Business Manager is to monitor the accounts on a regular basis.</li></ol>

4. If fees are not paid within 7 working days of the due date, duplicate account statements are to be distributed to inform parents of any outstanding fee amount.
5. If the accounts are not paid fully within 14 days of the due date and no agreed payment plan is in place, the parents will initially be contacted by telephone requesting to make arrangements for payment. Any arrangements are to be recorded on the School's accounting software under the family notes.
6. Review each case carefully. Each family circumstance is different and should be approached very sensitively. Ensure confidentiality is maintained at all times.
7. For families experiencing financial difficulties, alternative arrangements may be considered such as:
  - Payments in instalments (direct debit payment is preferred), but other methods of payment are suitable.
  - Fee remission (application for School Card should also be applied before a bursary can be approved).
  - Deferred payment.
8. If the matter remains unresolved or the agreed payment arrangements are not adhered to, a second follow up phone call is to be made by the Principal and/or meeting arranged. The results following the phone call and/or meeting are to be recorded on the School's accounting software and put in writing to the family.
9. Where an account has a significant overdue balance, students of that family may be precluded from participation in the higher cost excursions and camps otherwise available to those students. If students are involved in private music tuition, consideration of future involvement is to be reviewed.
10. If the situation is not resolved despite every effort by the School, the Principal is to send a final letter advising them of our intention to commence steps which may include legal proceedings, referral to a debt collection agent and/or cancellation of enrolment. It is generally expected that firm actions are required if the fees remain unpaid for more than two terms and the parent has avoided contact with the school.
11. Bad and doubtful debts are to be reviewed, as necessary. Decisions relating to writing off debts are to be approved by the Finance Committee.