

Emu Community Children's Centre Inc

BAD DEBTS POLICY

AIM

For the centre have minimal monies owing to them. For accounts to go out on time and for the families to pay their accounts by the due date stipulated. For any bad debts to be followed up on and the centre's procedure for reclaiming fees is followed.

PROCEDURE

It is required that all families pay their child care fees either weekly or fortnightly, unless prior arrangements have been made with the Director in writing.

Definitions:

An account is overdue when:

- The amount owing is greater than two weeks of the families' weekly fees.

An account is outstanding when:

- The amount paid in any four week period is less than 50% of the total due; or
- No payment has been made for a period of four weeks; or
- There is money owing after the child has left the centre

Overdue/Outstanding Accounts

The following procedure will apply to **ALL** overdue/outstanding accounts:-

Step 1 – Accounts that are two weeks overdue will have an urgent action sticker requesting prompt payment

Step 2 – Fees that are three weeks overdue will result in the parent/guardian being sent a letter of request for immediate payment with intention to cancel care

Step 3 – If the account remains outstanding a formal letter will be sent to notify the parent/guardian that care will be cancelled in 2 weeks and the outstanding account will be forwarded to Von Doussas Solicitors.

Debt Collection

Where a family has failed to comply with requests for payment as noted above, the account will be placed in the hands of our collection solicitors. (Von Doussas)

The Management Committee reserves the right to implement legal proceedings in cases where the fees still remain outstanding. The Management Committee will pursue all outstanding debts to the fullest. Any administration/court costs involved will be the sole responsibility of the enrolling parent/guardian.

Right to refuse care

The centre management has the right to cancel care immediately where the family has failed to comply with the centre's request for outstanding fees to be paid. This will be done via a formal letter.

The centre management reserves the right to cancel care at Christmas closure if accounts are not at a nil balance. Unless previously discussed with the Director.

If care has been cancelled and the outstanding account has been paid, the enrolling parent/guardian may apply for care in the centre again. They will be placed on the waiting list until vacancies become available, however a four week bond will be required before care can commence. This bond will be equivalent to the current fees with child care benefit included.

Financial Hardship

Where a family is experiencing financial difficulties it is requested that the Director be contacted and informed regarding the problems.

The Management Committee acknowledges that on occasions events can cause families to have difficulties in paying their fees.

Please speak with the Director to organise a payment plan.

Right to appeal

If a family believes that the decisions of the Management Committee or the Director, has been unjust or unreasonable, they have the right to state their objections or appeal against the decision in writing within seven (7) days of being notified of care being cancelled.

Christmas Closure

As we are a non-profit, community based organisation we require **ALL** accounts to be paid in full by the last day of the centre's operational year. End of year accounts will be done in advance for all booked care. Casual days will be added on and accounts will be adjusted as required.

Centre Management reserves the right to cancel care for the following year if fees remain outstanding, unless prior arrangements have been made in writing with the Director.

Evaluation

This policy is viewed to be working effectively when:

- Fees are paid on time
- We have minimal bad debts
- The centre has minimal outstanding amounts owing

Resources

Centre Auditor, DHC Group
O'Halloran Hill Campus Community Child Care Centre Polices

Review will be done through the Policy and Accreditation Committee.
All Polices are available in the Policy Folder situated in the foyer of the centre. This is communicated to families via the Parent Handbook.

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