



Principal: Marie Wright

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Student Wellbeing Leader: Victoria Corbett

DEBT RECOVERY POLICY

Policy Reviewed: Term 3, 2017 (Document Updated: Term 3, 2021)

General:

- This policy provides guidance to the school management for the recovery of all debts owing the Governing Council. Most of these debts will be for Materials and Services charges (M&S), but this policy should be applied, with any necessary modifications to other debts.
- This policy is to be read and applied, subject to any DECS (Department of Education and Children's Services) administrative requirements.
- M&S charged by the Governing Council can consist of two components –
 - The enforceable M&S, as defined in *Education Regulations*. The enforceable M&S component is documented in the Regulations from year to year.
 - An additional sum, charged by the Governing Council, to help meet the school's budgeted expenditure for the year concerned.
- The Port Noarlunga Primary School Excursion / Activity Levy allows teachers to organise the best prices for bookings and eliminates the need for ongoing requests for smaller amounts of money. Camps for all students and possibly Aquatics for Years 6 & 7 students are not included in this amount.
- The Excursion / Activity Levy must be paid prior to the first event of the year for students to attend.

Invoicing:

- Debts owing to the Governing Council are to be invoiced as soon as they are incurred.
- Invoices are to contain the following information:
 - Name, address, telephone and fax numbers and email address of the school
 - The date of the invoice
 - The date on which the debt was incurred
 - Particulars of the transaction or the facts giving rise to the debt
 - The total amount of the debt
 - The due date for the payment
 - If the transaction is one requiring a 'tax invoice' such other data as is required to appear on the tax invoice, with GST identification where applicable

Recovery Action:

- The Finance Officer is to maintain a record of due dates of all invoices and of all recovery action taken.
- The Finance Officer will present details of all debts requiring recovery action to the Principal / Finance Committee, whilst complying with confidentiality requirements and ensure that the amount to be recovered includes only the legally enforceable amount of the M&S charges. The Finance Officer will keep detailed records of the recovery process and any/all communications received from debtors.

The following recovery action is to be taken in respect of M&S invoices:

Stage	Time for action	Description	Time for Compliance
1	Week 9, Term 4	All information in regard to M&S charges, Excursion/Activity Levy, camps etc for the following year.	
2	Week 1, Term 1	Initial invoice mailed including information about instalments and methods of payment.	28 days from date invoice generated.
3	Week 11, Term 1	Statements to be sent to all families who have made no payment or have fallen behind with arrangements that have been made earlier.	28 days
4	Week 10, term 2	Letter number 1 (J:\SSO' S\JULIE BRAMLEY\FINANCE\Debts)	21 days
5	Week 4, Term 3	Letter number 2 (J:\SSO' S\JULIE BRAMLEY\FINANCE\Debts)	14 days
6	Week 8, Term 3	Finance Committee deliberates debts and recommends those to be pursued through DECD Debt Collection and those to write off.	
7	As soon as possible after Governing Council resolution	Finance Office to commence proceeding with DECD Debt Collection	

- Where legal action is to be commenced for the recovery of M&S, the Principal must ensure that only the gazetted M&S for the year or years concerned is to be sued for.
- Where the Finance Officer has negotiated a payment arrangement with a debtor:
 - The arrangement must be documented by letter (see attached)
 - The letter must clearly set out the terms of the arrangement which must include:
 - Statement of the full amount of the debt (and costs if applicable)
 - A statement of the arrangement eg. 'Payments of \$30 per fortnight'.
 - The due date for the first instalment
 - A warning that any breach of the agreement will result in immediate legal action.
 - A warning that the arrangement will only be operative when a duplicate of the letter signed by the debtor is in the hands of the Principal/Finance Officer.
 - The letter must be sent to the debtor in duplicate, with a request that the debtor sign the duplicate and return it to the Finance Officer.

- The Finance Officer must maintain a schedule of payment arrangements and due dates and must immediately identify any breach and notify the Principal.
- In the event of a breach, the Principal is to exercise his/her discretion whether to attempt to re-establish the payment arrangement or to refer the matter to the Governing Council for legal action or to be written off.

Write Off:

- A debt may only be written off by resolution of the Governing Council, on the recommendation of the Principal.
- The Principal may recommend a write off when:
 - All reasonable avenues to recover the debt have been exhausted.
 - Legal action has been commenced for recovery of the gazetted M&S (in this event, the balance is, by definition, not recoverable).
 - The known financial circumstances of the debtor indicate that recovery action would be futile or not cost effective.
 - Any other circumstances exist which, in the Principal's opinion, justify a write off.
- The Principal's recommendation to the Governing Council must be in writing and provide the following information:
 - Amount of invoice
 - Payments made or other credits
 - Balance outstanding
 - Summary of recovery action taken
 - Reason for recommendation
- When a debt has been written off, the Finance Officer is to make all necessary entries into the accounting system.