



LUTHERAN SCHOOL WAGGA WAGGA

POLICY AND PROCEDURES

DEBT COLLECTION

Rationale

Lutheran School Wagga Wagga offers a faith based education, in the Lutheran tradition, for students from Kindergarten to Year 6. As a non-government independent school, it relies on families and carers making a financial contribution to the school to support the education of their children. Parents and carers are required to make a commitment to support the school financially by paying fees.

Definitions

School Fees

For the purpose of this policy, School Fees shall be considered to be tuition fees, levies and other charges and fees as approved by the School Board and can include enrolment and term fees, enrolment bonds, book and computer levies, OSHC fees or other fees that may be charged from time to time. Charges that are of a cost recovery nature, such as camps and excursions, do not require Board approval.

Acceptance of Enrolment Fee

The fee associated with securing a student enrolment into a school, after an offer of enrolment has been made by the school, can include such fees and charges as an administration fee and enrolment bond or deposit whether refundable or not.

Role of School Board

The Board will set fees and charges, types and amounts in consultation with the Finance Committee generally as part of the budget approval process. The Board must set debt collection policies as well after taking advice from appropriate sources such as the Finance Committee, Lutheran Education Victoria, New South Wales and Tasmania (LEVNT) and the guiding principles of the school.

Policy

The collection of school fees shall be approached in the spirit of Christian charity and justice. Financial grounds shall never be a reason for the non-enrolment or exclusion of any child without first exploring options available under the Fee Concessions Policy.

The Board meets its fiduciary duty and ensures the financial viability of the school. The Board exercises this duty through responsibility in ensuring adequate and appropriate policies and procedures are in place for the financial management of the school and, consequently, for the collection of school fees.

Term Fees are to be paid in full by the end of week five of each term unless a regular payment plan is in place. OSHC Fees are invoiced weekly and are to be paid within 7 days of the date of the invoice unless a regular payment plan is in place. Payment plans may be structured flexibly but are to ensure fees are paid in full by the end of each year.

The withholding of access to students of normal pastoral and curriculum provision, or the provision of academic or other reports to parents, or also withholding a student from normal school activities shall not be used as a fee collection strategy.

The confidentiality of all information pertaining to parents and/or guardians and the payment of school fees is of paramount importance and is to be respected.

Where parents and/or guardians have the capacity to pay fees, the collection of school fees shall be actively pursued. This will take the form of regular phone calls where payment terms are not adhered to, letters and engagement of the school's approved debt collection agent. The agent can be authorised to issue letters, make phone calls, undertake field calls and issue demands, summons and seek and obtain judgment for a debt if authorised by the school.

The principal is authorised to forward an account to the approved collection agency for action in the following circumstances. The first criteria must be satisfied on each occasion as well as one of the remaining criteria:

- The family has ceased contact with the school regarding fees, either by not taking or not returning phone calls or not responding to letters by either contacting the school or making an appropriate payment;
- A payment or acknowledgement of the debt has not been made for three months;
- The family has left the school.

Each instance where a family is referred to the debt collection agent is to be reported to the Board through the Finance Committee at the meeting following referral.

Debt Collection Agents

The Board may approve the engagement of a reputable and licensed debt collection agent to seek recovery of funds on the school's behalf. The debt collector is to provide references or names of referees from organisations similar to the school who can confirm that the agent can meet the standards required by the school (refer opening paragraph of the policy statement). It must have suitable guidelines that meet appropriate standards as may be set out in documents such as the Australian Competition & Consumer Commission (ACCC) and Australian Securities & Investments Commission (ASIC) Debt Collection Guideline: for collectors and creditors.

They must maintain current licencing and the agreement between the agent and the school must be able to be terminated if the school considers any act by the agent to not be within appropriate bounds of conduct expected of an organisation such as the school.

Procedures

Parent/carers enter into a contract to pay school fees, levies and charges (fees) when they accept their offer of enrolment. Fees are charged at the beginning of each term and parents have the following payment options:

- Pay annually in advance.
- Pay each term's fee in full by the end of week five of the term in which it is charged.
- Enter a monthly or twice-monthly direct debit arrangement with the school. The school processes these payments.
- Make regular and equal weekly, fortnightly or monthly payments sufficient to clear all fees owing by the end of the year to which the fees apply.

Payment can be made at the school, by phone using a credit card, by direct debit or bank transfer direct to the school's account.

The arrangement made is recorded by the school in an appropriate format.

When a repayment arrangement is not met, the school is to promptly contact the parent concerned and make an arrangement to catch up fees. Contact in the first instance should be by phone call and an arrangement made. Should this arrangement be broken, the family is again to be contacted by telephone. If the subsequent arrangement is not met, or the family contacts the school to request a reasonable variation to the arrangement, they are to be contacted and asked to come to the school for interview.

The interview is for the purpose of discussion regarding reasons for non-payment and making a suitable arrangement that fits any changed circumstances.

The principal may accept a variation in the repayment terms that takes longer than the current year to clear any fees so long as a concession is not applied. Concessions are to be only in terms of the Fee Concessions Policy and Procedure.

Information on debtors outstanding, including action taken to collect accounts in arrears, is to be reported monthly to the Finance Committee. The committee will decide any information that is to be passed to Board but may include overall collection rates, recommendations for write-off and any warranted changes in policy brought about by experience or legislative changes.

Collection action is to be prompt so to avoid debts arrears becoming unmanageable, also the longer a debt is outstanding the greater the risk it will not be recovered.