



## Bad Debtors Policy

Title of Policy/Procedure	<b>Bad Debtors Policy</b>
Endorsed by	<b>Principal</b>
Responsibility	<b>Executive Business Manager</b>
Reviewed date	<b>February 2019</b>
Next review date	<b>February 2021</b>
To whom issued	<b>College parents</b>

# **Bad Debtors Policy**

## **Purpose**

This policy is prepared to document the method and extent that bad debts will be pursued.

## **Background**

At the outset it is acknowledged that our motto is **"Seek wisdom, act justly, love mercy"** yet at the end of the day we are an organisation with financial obligations that have to be met.

Bad debts result from the refusal or inability of a family to pay the outstanding amount for school fees, subject levies and other College charges due to a change in circumstances. Determining the financial status of each debtor is a complex issue and requires sensitivity and judgment. Cognizance will be taken of each families personal circumstances.

## **Procedure**

Where the family is unable to make repayments on the outstanding debt due the Executive Business Manager, in consultation with the Family Accounts Officer, will work with the family to come to a mutually acceptable arrangement. Where the debt has been outstanding for more than a term and no substantial repayment has been made or any arrangement not adhered to, a letter from the Executive Business Manager will be written requesting payment within a specified time frame. If no response is received within the time frame given, then the Principal may decide to request the withdrawal of the student(s) from the College.

All outstanding amounts must be paid within 3 months of the student leaving College. Amounts that remaining unpaid after this will be handed over to formal collection agencies. Once the agency has exhausted all options and is still unable to recover the outstanding balance, it will be at the discretion of the Principal to pursue the debtor through legal options. The Principal is to report all these items to the Board.

Where students are asked to be removed from the College for outstanding fees, the Principal may waive any fees in lieu of notice if circumstances warrant this.

## **Bad Debt Write Off**

Once a debt becomes unrecoverable for any reason or there is a realistic likelihood of it not being collected, a recommendation will be presented to the Board that the debts be written off in the Annual Accounts.