

# Guideline/Procedure

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<b>Next review date:</b>	2025
<b>Author:</b>	CFOO

## School Fees - Collection

### Purpose

This guideline is intended to provide a consistent and staged approach to the collection of tuition fees and levies for all schools and colleges in the Diocese of Cairns.

### Application

This guidelines will be used by all schools and colleges in the Diocese of Cairns. This procedure is to be applied in circumstances where the school has a valid concern that school fees may not be paid. It should not be applied where the school believes that fees will be paid, but not necessarily by the due date.

### Guideline or Procedure

Schools and CES will apply discretion as needed to achieve the best possible outcomes.

The process involves a staged and documented procedure that seeks compliance with the obligation to pay fees or negotiate an alternative financial arrangement.

Families are informed of the amount and timing for payment of fees on acceptance of enrolment. They are also advised that a condition of the signed enrolment agreement is to pay fees and levies by the due date unless alternative arrangements such as fee concessions are in place due to genuine financial hardship. This is outlined in the enrolment form.

Families are also advised that enrolment will not be refused if there is a genuine financial hardship and that automatic discounts apply to holders of appropriate Department of Human Services concession cards consistent with the Cairns Catholic Education approved schedule.

Additional advice is to be provided to families regarding the payment options which include credit card, BPay, monthly instalments or direct debit from a bank account or Centrelink payments via the Centrepay facility.

#### FEE COLLECTION PROCEDURE

See **attachment 1** – Flow chart for fee collection process

- Term invoices for fees/levies are to be generated and issued to Family Account-Holders by the end of week 2 of terms 2, 3 and 4 and by the end of week 3 of term 1. Invoices are to sent with the Family Account-Holder Statement Letter – See **attachment 2**.
- The standard terms of payment are 14 days after the date of the invoice. The Invoice will prominently record this date as the due date for payment. Family Account-Holders are required to make full payment by the due date unless a direct debit or other financial arrangement/payment plan is in place.
- A reminder notice will be issued in the form of Collection Letter 1 – See **attachment 3** within 3 business days of the invoice due date. The collection letter will be sent to all Family Account-Holders who owe more than the *minimum overdue balance* and where no payment plan is in place. The minimum overdue balance can be set at the discretion of the school however it is recommended this amount be at least

between \$99.99-\$199.99. The terms of payment for Collection Letter 1 is 14 days. Family Account-Holders can be excluded from collection letter 1 due to pastoral consideration.

- If the account has not been settled by the Collection Letter 1 due date and/or the Family Account-Holder has not contacted the school to make alternative financial arrangements/ set up a payment plan the school will ring the Family Account-Holder to discuss the matter and/or arrange a meeting with the Principal/Business Manager within 7 business days of the collection letter due date . See **attachment 4** regarding the suggested content for the telephone conversation. A file note should be made in Dynamics AX summarising the outcome of the conversation.
- If the Family Account-Holder makes commitments to pay the debt a letter or email should be sent to confirm the commitment and then the business manager/finance officer will ensure that these commitments are monitored and followed up promptly if not complied with. If the Family Account-Holder does not respond to the telephone calls or declines meeting it may be more effective for these phone calls be made by the school leadership team. However, if this issue still occurs 14 days after the due date stamped on *Collection letter 1* and the account is still unpaid then *Collection Letter 2* (See **attachment 5**) will be issued. This collection letter refers to a debt collection agency, possible referral to a credit reporting agency, and possible cancellation of enrolment in the following year. The Principal will advise and consult the Parish Priest (for Parish schools) who may endeavour to have pastoral discussions with the Family Account-Holder. An option that has proven effective is to post and email this letter to the fee payer, by posting a colour copy of this document you will have engaged in 3 contact methods (email, phone and post) with the family.
- If fees still have not been paid or contact made to arrange alternative arrangements within 7 days the school will consider, with the approval of the Principal and/or Parish Priest, referring the matter to a debt collection agency, authorising a Solicitor's demand letter.
- When the Solicitor's demand letter is issued through the debt collection agency there are 14 days to respond to the letter. If any repayment plan is proposed, the school college will have to decide whether it accepts or rejects the plan.
- If there is no response or the offer is rejected, the debt collection agency will make a further attempt at contact to avoid litigation.
- If this fails, the debt collection agency, through the school, should seek written permission (see **attachment 6**) from the Bishop of Cairns through the Executive Director, Catholic Education Services, for the debt collection agency to commence a Magistrate's Court Claim. A decision to proceed on behalf of the Roman Catholic Trust Corporation for the Diocese of Cairns will be based on the history of the action to date, the likelihood of success, pastoral considerations and the assessment of risk. Costs will be met by CES, but these costs will be added to the Claim or Debt.
- If the service of the Magistrates Court Claim is ignored and fails to produce any contact or payment, the Judgement will be sought in the Court for the amount of the Debt together with all legal costs incurred. The debt collection agency's Solicitors will then post a copy of the Judgement to the Debtor(s) with a letter, once again, requesting that they make contact and set up a satisfactory repayment arrangement. At this time the Judgement debt is also listed automatically on a debtor(s) Credit File, Australia wide for a period of 5 years or until the debt is paid.
- If all the above has failed the Solicitors will commence the process of enforcing the Judgement where the Debtor(s) are required to attend Court for an examination of their financial affairs and to see if a repayment plan can be arranged or maybe a Garnishee Order of salary put in place to obtain payment.
- If this is unsuccessful no further action will be taken to recover the debt, that is, no bankruptcy process will be commenced.

- If all efforts by the school, the Parish Priest, CES and the debt collection agency are unsuccessful by the end of Term 3, CES will send a further letter (**see attachment 7**) asking the family to show cause within 5 days why the student's enrolment will not be continued in the following year and/or advising that enrolment in any other diocesan school or college will be declined while there are outstanding fees or the absence of an agreed alternative arrangement. This action may be taken independent of any actions undertaken by the debt collection agency and/or court related activity to recover debts.
- If the family fails to show cause the school will commence the cancellation of enrolment consistent with the **Guideline – Cancellation of Student enrolment**. This will require consultation with the school Principal, and through the Principal, the Parish Priest.
- Schools will continue to apply local arrangements such as withholding report cards, statements of service and references, until fees are paid in full or alternative arrangements put in place.

The Finance Officer/Business Manager is responsible for monitoring the Family Account-Holder Aging Report regularly (minimum monthly) and assess the collectability of outstanding debt. If debt is deemed uncollectable then it should be written off in accordance with *Bad and Doubtful Debt Recognition Guideline*.

#### **REFERRAL TO A CREDIT REPORTING AGENCY**

The enrolment agreement allows for debtors to be referred to a credit reporting agency. This will automatically occur in the event of a successful Magistrates Court claim, but may be applied earlier, but only for debts in excess of 60 days, should an assessment indicate this might be a successful strategy in collecting the debt. The strategy can only be applied with the approval of the CES Executive Director. A variation of the letter in Attachment 6 should be used to secure this approval. A decision will be made with regard to the size of the debt, the likelihood of a successful outcome, and any pastoral considerations that should be considered. A suggested letter to the Family Account-Holder is provided in *attachment 9*.

#### **DIRECT DEBIT**

Family Account-Holders on direct debit are to be reviewed periodically (minimum annually) to ensure that their direct debit will cover the outstanding fees and levies. If it doesn't, then issue a Direct Debit Review Notice - see **attachment 8**. In accordance with the direct debt service agreement if the direct debit is returned unpaid four (4) times the school will cancel the agreement and notify the Family Account-Holder to make alternative payment arrangements. Any associated bank fees will be on-charged to the Family Account-Holder account.

#### **OVERPAID FEES**

Overpayment of school fees will be allocated to the Family Account-Holder account putting them into credit balance. At 31 December, these credit balances will be treated as a pre-payment. Family Account-Holders can request refunds of the overpaid fees at the discretion of the Principal/Business Manager. Refund of credit on a Family Account-Holder account where there is a joint and several liability is required to be approved by both parents. Consideration should also be given to the refund amount, frequency of the refund and the personal circumstances of the Family Account-Holder. For example only refunding credits if it is over a minimum threshold which will reduce the volume of refunds processed by the school.

If the student is leaving or has left the school the Family Account-Holder should be contacted to arrange the refund. If the Family Account-Holder can't be contacted and all communication channels have been exhausted, then the credit balance should be reallocated from the Family Account-Holder account to paid to the Public Trustee.

#### **STUDENTS STARTING/LEAVING AFTER COMMENCEMENT OF TERM**

Schools may offer partial adjustments to the term fees and levies due to students starting/leaving part way through a term. This is at the discretion of the Principal /Business Manager.

In this case fees are to be raised in eMinvera for the full term, and an adjustment made in Dynamics via a new general journal reversing the pro rata portion.

## **Enquiries**

Chief Financial & Operating Officer

## **Reflection**

## **See also (Related Policies and Guidelines)**

Policy – Enrolment in Catholic schools

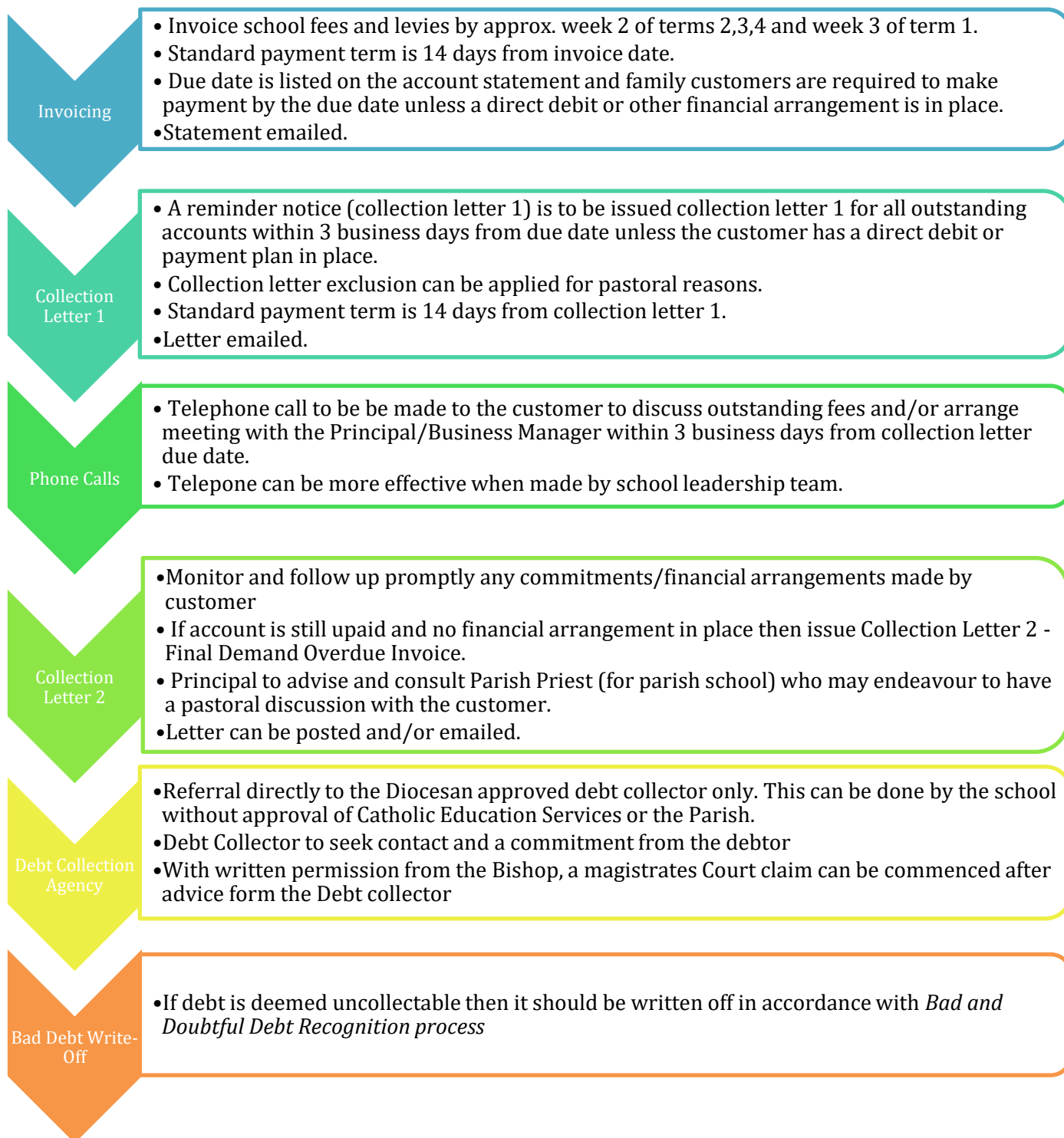
Guideline – Cancellation of Student Enrolment

Enrolment form/agreement – Schools

Guideline – School Fees: Debt collection for students no longer enrolled

Guideline – School Fees: Concession

## Attachment 1 – Flow Chart for Fee Collection Process



## Attachment 2: Family Customer Account Statement

Dear

### **School fees due for Term (1,2,3,4)**

Attached is our invoice for fees and levies for Term (1,2,3,4). Payment is required within 14 days unless alternative arrangements are in place. These arrangements might include:

- Regular direct debits from a bank or financial institution account. Please contact the school if you wish to set up a direct debit facility.
- Seeking to defer the payment until a later agreed date. This may be appropriate for some self-employed parents with irregular incomes.
- Consideration of genuine family financial hardship. Please contact the school and your circumstances will be treated in the strictest confidence.

The payment of school fees and levies is an important component of the income of this school and contributes to the high quality education enjoyed by your children. Together we need to place a high priority on giving our students – your children - the best possible start in life. Paying fees in full on time is an important way in which you can contribute to this outcome.

We look forward to receiving your payment by the due date. Please contact the school on (date) should you require any further information.

Yours sincerely

Principal

### **Attachment 3 – Collection Letter 1**

Dear

#### **First reminder – overdue school fees**

According to our records you may have overlooked your school fees payment for Term (1,2,3,4) which was due on (date). Please disregard this letter if you have paid this account very recently or contact the school office if you believe the payment has been made and perhaps overlooked by us.

If there is a reason why this account cannot be paid within the next 14 days I invite you to contact me at your earliest convenience to discuss the matter – there are alternative arrangements we can put in place.

If the fees are not paid and I have not heard from you by (date) we will call you to arrange a meeting to discuss the matter.

We recognise that all families have regular bills and expenses and often the family budget requires a lot of juggling. We ask that you continue to place a high priority on our shared responsibility to give your children the best possible education. The prompt payment of fees helps us to provide that education.

Yours sincerely

Principal

## Attachment 4 – Suggested content of telephone call

Content should include:

- Friendly tone. Introductions.
- Mention school fees have still not been paid – is there a reason? Again a friendly tone – easy to overlook bills, lots of bills to pay at this time of year etc.
- If there is a reason advise there are alternatives – direct debit, agreement to a deferred payment, possible fee remissions in cases of genuine family hardship.
- Would the family like to talk to the Principal about alternative arrangements? If so set up an appointment. (Some schools may have alternative arrangements with independent assessors).
- If there is no valid reason apart from simply overlooking the bill seek a commitment that the bill can be paid in the next week, indicate you will follow up again if this does not occur.
- Re-inforce their commitment to the agreed course of action – payment or alternative arrangements.
- Conclude the call on a positive note – talk about an upcoming school event etc.
- Note: if the call becomes argumentative or confrontational on their part, seek to politely terminate the conversation after reminding them of their obligations and commitments as part of their enrolment agreement.

Following the conversation prepare a file note in Dynamics AX summarising outcomes.



## Attachment 5 - Collection Letter 2

Dear

### **Overdue school fees - final letter of demand**

It would appear from our records that your school fees and levies for Term (1,2,3,4) have still not been paid despite several reminders from the school. School fees are an important part of our school's income and their timely payment contributes to the quality of the education we can provide to all children at this school, including your own.

We have provided advice to you that there are alternative arrangements available including direct debit, deferral in special cases, and concessions in cases of genuine hardship. You have not sought to discuss these alternatives with the school.

If we have not received your payment within seven days we will refer your account to a debt recovery agency. We will also consider referral to a credit reporting agency – this may affect your access to credit providers. Both referrals are consistent with your signed enrolment agreement.

You are also advised that your children's continued enrolment at this school may be reviewed, as may their future enrolment in other diocesan schools and colleges. As a consequence of your failure to pay school fees or make alternative arrangements you may be asked to show cause why their enrolment should not be discontinued.

This would be a decision we take with extreme reluctance. We also have a commitment to your children's education but we cannot operate our school effectively without the payment of family tuition fees and levies.

I now ask that you make the necessary payments or to contact me to make alternative arrangements within the next seven days.

Yours sincerely

Principal

**Attachment 6: Draft letter from debt collection agency via the school to the CES Executive Director seeking the Bishop of Cairns' authorisation for court action. Note a variation of this letter incorporating the dot points below, can be used in a letter to the Executive Director, seeking to refer a debt to a credit reporting agency.**

Dear (name of ED)

**Name of family:**

**Name of school:**

**Extent of overdue debt:**

On behalf the school (named) I request that Catholic Education Services seek the permission of the Bishop of Cairns to authorise a Magistrate's Court action to recover unpaid fees and charges as indicated above.

- The history of this matter is as follows:  
(detail all written and verbal communication with the family by the school and the Parish Priest and provide copies/notes of any responses received)

- We estimate our chances of success in the courts on this matter to be low/medium/high (select one) based on the following analysis:  
(detail)

- We identify the risks associated with this course of action to be as follows:  
(detail any identified risks relating to the health and wellbeing of the family, possible public reputational risk to the school and Catholic Education, and any shortcomings in the process followed)

Based on the above analysis we seek your approval to commence court action.

Yours sincerely

Debt collection agency

School Principal  
(countersigned)

Executive Director only:

Recommendation to the Bishop of Cairns:

Points to note/advice:

(signed)

Executive Director  
Catholic Education Services

## **Attachment 7 –Show cause letter for cancellation of enrolment**

Dear

### **Overdue school fees - Show cause for cancellation of enrolment**

I refer to our earlier letters and phone calls (list and date as appropriate) regarding the non-payment of tuition fees and levies for your children at this school.

Despite repeated attempts by us to remind you of your agreed commitments as part of the signed enrolment agreement, these fees have still not been paid nor alternative arrangements put in place.

In our most recent letter we advised that your family's future enrolment in this school and other schools and colleges in the diocese might be in jeopardy.

I now ask you to show cause why the enrolments of (names) should not be terminated at the end of this year and why their enrolment at other Catholic schools and colleges in the Diocese of Cairns should not be declined. You have 5 working days to advise your response or to alternatively pay your school account in full.

Your response will be discussed with the Parish Priest (Fr ....) before being forwarded to the Executive Director of Catholic Education Services and the Bishop of Cairns for their determination of future enrolment. Their decision will be final and binding.

In accordance with our policy we will maintain our commitment to the education of (names) for the remainder of this year – we have no intention to disadvantage them by asking them to leave the school during the school year.

Should a decision be made to cancel the enrolments and your payment is made at a later date you should be aware that their re-enrolment at our schools will be subject to the possible application of waiting lists – a consequence is that re-enrolment cannot be guaranteed.

This letter presents a very regrettable set of circumstances. We have a high regard for your children and their continued involvement with their school. I ask you to consider your position in relation to their best interests.

Yours sincerely

Executive Director

## **Attachment 8 – Direct Debit Review Notice**

You are currently paying your school fees by Direct Debit, our preferred method. Thank you.

This is a friendly reminder that your account has an outstanding payment of \$XXX.XX

In order to ensure that your account is cleared in full by the end of the year, you may wish to consider increasing the amount or frequency of your direct debit payments. A Direct Debit alteration form is enclosed for your convenience.

If you wish to discuss your account, please call us, Monday to Friday, 8am to 4pm at (07) 40XX XXXX. You can also reach us by email [XXX@cns.catholic.edu.au](mailto:XXX@cns.catholic.edu.au)

## **Attachment 9: Show cause letter for referral to a credit reporting agency**

Dear

I refer to our earlier letters and phone calls (list and date as appropriate) regarding the non-payment of tuition fees and levies for your children at this school.

Despite repeated attempts by us to remind you of your agreed commitments as part of the signed enrolment agreement, these fees have still not been paid nor alternative arrangements put in place.

As agreed in your signed enrolment agreement, and as referenced in our earlier letter (Date) we are now giving consideration to referring your outstanding debt to a credit reporting agency – this may affect your access to a range of credit providers.

We would take this step with some reluctance but in the awareness that the continued viability and success of our schools depends on the ongoing financial support of the families of our students.

I now ask that you make the necessary payments or to contact me to make alternative arrangements within the next seven days.

Yours sincerely

Principal