



# POONINDIE PRIMARY SCHOOL

Hirschausen Road POONINDIE SA 5607

Ph: 08 86846067

Fax: 08 86846057

Email: [admin@poonindieps.sa.edu.au](mailto:admin@poonindieps.sa.edu.au)

## POONINDIE PRIMARY SCHOOL

### DEBT RECOVERY POLICY

#### General

1. This policy provides guidance to the school management for the recovery of all debts due to 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.
2. This policy is to be read and applied subject to any DECS administrative requirements.
3. The debts due to the Governing Council can be classified under two categories:
  - 3.1. Material & Services Charges legislation and Administrative Instructions and Guidelines,.
  - 3.2. Other charges, charged by the Council, to help meet the school's budgeted expenditure for the year concerned.
4. Information relating to individual instances of unpaid M&S charge is to be treated as confidential and is not to be disclosed to any person without the authority of the Principal.

#### Liability for Debt – Material & Service Charges

1. Section 106A part (6) determines the liability of the material and services charge as follows:
  - a) If the student is not an adult, the parents of the student are jointly and severally liable for the charge;
  - b) If the student is an adult –
    - i) In the case of a student who is dependant of his or her parents – the student and the parents are jointly and severally liable for the charge.
    - ii) In any other case – the student is liable for the charge.
2. A student can only be charged for the Material and Services Charges once per calendar year.
3. Approved School Card holders are relieved from paying Material and Services Charges.

#### Preliminary

1. Prior to any dealing with a potential debtor, the Finance Officer is to take all reasonable steps to ascertain the true identity, street address and contact numbers of the person or entity concerned. This may involve requesting the production of proof of identity and/or conducting searches of government authority or commercial databases.
2. The terms of any transaction which will give rise to a debt due to the Council must be reduced to writing and signed or otherwise executed by the council's delegate and the other party.

## Invoicing

1. Debts due to the Council are to be invoiced as soon as they are incurred and are to be on a compliant tax invoice from EDSAS Finance.

## Instalment Plans

1. The Principal and the debtor must negotiate and sign a formal instalment agreement. The agreement must detail the amount and due date for each instalment.
2. If the debtor defaults on an instalment payment, and fails to notify the school prior to this payment of any financial difficulty the school without further notice may cancel this agreement and legally pursue the debt.

## Amount Recoverable – Material and Services Charges

1. The legislation for Materials and Services Charges allows schools to recover a 'standard sum' for primary students and a "standard sum" for secondary students for the year applicable'.

The standard sum is indexed each year by the June quarter of the City of Adelaide CPI. A circular is distributed annually by DECS with the calculated legally enforceable 'standard sum' amounts for the following year.

2. In addition the legislation states that, on application by the School Council the Chief Executive can approve an amount greater than the 'standard sum'. This amount is known as the 'prescribed sum'.
3. In order for approval to be given by the Chief Executive, the School Council must demonstrate that they have undertaken a poll of parents affected by the increase, and that a majority of the respondents agreed to the 'prescribed sum'.
4. The 'prescribed sum' does not apply to approved School Card holders. The gap between the School Card Grant and the prescribed sum is considered voluntary and cannot be legally pursued.
5. The school must have complied with the Materials and Services Charges legislation and Administrative Instructions and Guidelines.

## Recovery Action

1. The finance Officer is to maintain a record of due dates of all invoices issued and of all recovery action taken.
2. The following recovery action is to be taken in respect of every invoice issued by the Council:

Stage	Time for Action	Description	Time for Compliance
1	30 days after due date	Account Rendered requiring payment within 14 days	28 days
2	60 days after due date	Letter No. 1 (form annexed).	28 days
3	90 days after due date	Letter No. 2 (form annexed).	21 days

4	120 days after due date	Principal to allocate debtors to one of three groups: a. legal action to be commenced; b. payment arrangement made, or to be made; c. debt to be written off.	
5	120 days after due date	Principal to recommend resolutions to Council for commencement of legal Option 1: Pursue the debt through the minor claims court Option 2: Engage the services of an independent debt collector. Option 3: Central Debt Collection action and write-offs.	
6	As soon as practicable after Council resolution	Finance Officer to instruct solicitors (or collection agency, as the case may be) to commence legal action.	

1. The Finance Officer is required to ensure that all invoices outstanding are accurately recorded and maintained within the Accounts Receivable module of EDSAS finance.
1. The Finance Officer must document all steps undertaken by the school to recover the debt. This includes recording the dates that invoices and statements were distributed, and/or phone calls and letters that have been sent to debtors.
2. For all outstanding debts a statement must be issued to all persons liable for the Charge prior to end of term 1. A reasonable period of time must be given between the first and final statement.
3. For all outstanding debts a final statement (stamped final notice) must be issued to all persons liable for the charge. This statement must state "further action will be taken if this account remains outstanding after a period of no less than 14 days."
4. The Material and Services Administrative Instructions and Guidelines allow schools to undertake legal action at the beginning of Term 2. This also applies to default instalment agreements.
5. The Governing Council must approve the school undertaking legal action, based on the options above. The approval to pursue the debt must be minuted in the Governing Council minutes. The anonymity of the families involved must be preserved at all times.

#### **Write-off**

1. A debt may be written off by resolution of the Governing Council on the recommendation of the Principal or delegate.
2. A recommendation to write off a debt can be made when all reasonable avenues to recover the debt have been exhausted, and where it is not cost effective to pursue the debt through legal action.

**This policy is to be reviewed and ratified annually by Governing Council as per DECS Debt Collection Policy.**

Letter 1.



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Hirschausen Road POONINDIE SA 5607

Ph: 08 86846067

Fax: 08 86846057

Email: [admin@poonindieps.sa.edu.au](mailto:admin@poonindieps.sa.edu.au)

Dear \_\_\_\_\_

Our records indicate that your account is now at least 60 days overdue for Materials & Service Charges. The legally recoverable charge for 2010 is \$197.00 per child for Reception to Year 7 students. We would appreciate either full payment within 14 days or if you are unable to meet this deadline please contact the Finance Officer to make a payment by instalment arrangement.

I would encourage all parents who believe they may be eligible for School Card assistance to contact the school and ask for the required forms to fill in or discuss the eligibility criteria if unsure. All approved School Card holders will be exempted from paying the Materials and Services Charges.

Parent contributions for the Materials and Service charges are a vital component of our school budget and we rely on this money to fund many aspects of your child's schooling. It is imperative that we meet our budget requirements.

I thank you for attending to this as a matter of urgency. I encourage you to contact me if there are some circumstances I need to know about in relation to the non payment of fees.

Yours faithfully,

Robyn Kenny  
Principal  
On behalf of Poonindie Primary School Governing Council



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'Name'  
'Address Line 1'  
'Address Line 2'  
'Suburb' 'Post Code'

## 'FINAL NOTICE'

Dear 'Name'

### Re: Outstanding 2010 Materials and Services Charges

I write in relation to your outstanding 2009 Materials and Services Charges which were due to paid to the school by .....

As the Charge remains outstanding I have been instructed by the Governing Council to inform you that if payment is not received, or the school is not contacted within 30 days, the Governing Council intends to commence further debt recovery action. This action will be inline with Sec 106A of the Education Act and the Materials and Services Charges Administrative Instructions and Guidelines.

I would encourage all parents who believe they may be eligible for School Card assistance to apply, by completing the attached School Card application form and returning in to the school. All approved School Card holders will be exempted from paying the Materials and Services Charges.

Please contact the school promptly if you have any questions or wish to discuss this matter further.

Yours sincerely

Robyn Kenny  
Principal  
On behalf of Poonindie Primary School Governing Council

Principal: Mrs Robyn Kenny  
Telephone: [08] 8684 6067  
Fax: [08] 8684 6057  
Email: [admin@poonindieps.sa.edu.au](mailto:admin@poonindieps.sa.edu.au)



Poonindie Community Learning Centre  
Private Bag 94  
PORT LINCOLN  
SA 5607

[once account is 30 days overdue)

**AGREEMENT FOR PAYMENT BY INSTALMENTS**

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I \_\_\_\_\_ agree

to the following instalment plan:-

- [a] Full amount of the outstanding debt is \_\_\_\_\_  
\_\_\_\_\_ \$
- [b] Payments by fortnightly/monthly instalments of \$
- [c] First instalment to be paid by \_\_\_/\_\_\_/\_\_\_

This arrangement will only be operative when a duplicate of this letter, signed by the debtor, acknowledged by the Principal and kept on file

I understand that:

1. any breach of this agreement will result in immediate action for recovery of this debt.
2. that the debt will be repaid by the end of the second term of school.

Signed \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Office Use Only

Received \_\_\_/\_\_\_/\_\_\_

Signature: \_\_\_\_\_