



Debt Management Policy

VISION STATEMENT

Geraldton Grammar School will provide outstanding education and a strong sense of community, cultivating people of integrity, independence of mind and a love of learning.

VALUES

| Respect | Responsibility | Inclusivity | Perseverance |

Introduction	This statement outlines the Geraldton Grammar School policy
Scope and application	Policy applies to Board of Governors, staff, students, visitors, contractors, contractors' employees and volunteers of Geraldton Grammar School
Related legislation and guidelines	Charitable Collections Act 1946 (WA) Competition and Consumer Act 2010 (Cwth) Privacy Act 1988 (Cwth) Debt collection guideline: for collectors and creditors, ACCC (April 2021)
Related Policies & Documents	Enrolment Policy, Enrolment Contract, Split Fee Application, Business Fees and Conditions, Debt Recovery Procedures.
Evaluation	Biennial

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1 PURPOSE

To ensure the consistent and prompt recording, management and collection of revenue across Geraldton Grammar School (GGS).

2 SCOPE

This policy, as amended from time to time, applies to any person(s), business, organisation and legal entity that may incur a debt with GGS.

3 DEFINITIONS

Accounting System	System used to record all accounting information. GGS uses Synergetic and MYOB as its accounting system.
Accounts Receivable	The accounting and administrative activity dealing with the recording, collecting and reporting of monies owed to GGS. Staff members responsible for raising invoices and issuing statements in the accounting system, contacting debtors for overdue debts.
Bad Debt	A debt owing that has been clearly identified as not being collectable.
Bursary	Bursaries provide a specified discount on certain school fees in order for a student to continue their studies.
Charge	A debt applied to a debtor account.
Credit Risk	Credit risk arises when goods and or services are provided before payment is received.
Debt Recovery	Collect or recover monies owed to GGS by a debtor.
Debtor	A person or organisation that has an outstanding balance to GGS relating to the provision of goods and services.
Doubtful Debt	Those debts where the potential for the non-payment of a debt exists. When there is no longer any doubt a debt is uncollectible, the debt becomes classified as a bad debt and can be written off.
Goods & Services Tax	The Goods and Services Tax (GST) is a broad-based tax, currently 10 per cent, on the sale of most goods and services in Australia.
Invoice	A document requesting payment. An invoice provides details of a charge for goods or services supplied, discounts if applicable, and the total amount due.
Mark-up	An amount added to the cost price to determine the selling price.
Mark-up %	Mark-up expressed as a percentage of the cost price.
Margin	Difference between the cost price and selling price.
Outstanding debt	Charges on credit that are have not yet been paid in accordance with GGS's terms (overdue).

Revenue	Gross inflow of economic benefits during the period arising in the course of ordinary activities when those inflows result in increases in equity.
Scholarship	Financial award usually given to students who have demonstrated a high achievement in the ACER scholarship examination or based on their outstanding co-curricular abilities.
Statement	Statement of account showing details of a debtor's debts, payments and the total amount due.
Write off	When a debt is deemed to be irrecoverable, the amount owing is written off in the accounting system

4 ROLES AND RESPONSIBILITIES

Finance Officer

- Create and maintain accurate debtor accounts in the accounting systems and databases.
- Ensure the prompt and accurate preparation of tax invoice requests for all relevant funds owed in accordance with GGS policies, procedures and guidelines.
- Ensure all miscellaneous funds are accurately, timely and appropriately banked, receipted and recorded in accordance with GGS procedures.
- Ensure the safeguarding of funds through regular deposits to GGS's bank account and the timely and accurate allocation within the accounting ledger.
- Ensure accurate and timely preparation and dispatching of invoices and statements.
- Review accuracy of coding and ensure GST requirements are accounted for when charging for goods or services provided by GGS.
- Appropriate follow-up of debtors' payments and bad debts after consultation with GGS Business Manager.

Canteen Manager

- Sets the prices, in consultation with the Business Manager, for goods sold through the Canteen, ensuring they are set in accordance with this policy.

Uniform Shop Manager (Finance Officer)

- Sets the prices, in consultation with the Business Manager, for goods sold through the Uniform Shop, ensuring they are set in accordance with this policy.

Business Manager

- Regularly reviews debtors.
- Refers debtors to debt collection.
- Actively liaises with nominated debt collector.
- Ensure adequate provisions are made in the accounting system to reflect doubtful debts.
- Ensure revenue and receivables are recognised and reported in accordance with relevant Australian Accounting Standards.
- Regularly inform the Finance Committee on the state of Accounts Receivable, including outstanding amounts and the provision for doubtful debts.
- Make recommendations to the Principal, Finance Committee and Board of Governors to authorise debts to be written off.

Principal

- In consultation with the Business Manager, considers and recommends debts to be written off to the Board of Governors.

Finance Committee

- Following recommendations from the Business Manager,
 1. Consider and recommend debts to be written off.
 2. Regularly reviews debtors report.

Board of Governors

- Following recommendations from the Finance Committee, consider and authorise debts to be written off.

5 POLICY STATEMENT

5.1 Generating revenue

GGs seeks to maximise resources from a diversity of funding sources and is responsible for the proper collection of all monies due, the prompt and accurate recording of all income and the timely appropriation to its operational activities.

Staff must ensure that the supply of goods and services achieves the best economic outcome for GGS, is aligned to GGS's Strategic Plan and does not compromise GGS's taxation status as a not-for-profit entity.

Income is generated in Australian Dollars only.

GGs's main source of revenue is derived from the provision of education services to students from Pre-Kindergarten to Year12.

5.2 Revenue recognition

All revenue received or receivable is promptly and accurately recorded in GGS's accounting system on a timely basis. Revenue will be recognised and reported in accordance with relevant Australian Accounting Standards.

5.3 Fundraising

GGs will comply with the Charitable Collections Act 1946, where applicable, in its fundraising activities.

5.4 Pricing

5.4.1 Pricing

Pricing of the tuition fees, technology levy, building levy and endowment fee are set in accordance with the approved annual budget and outlined in the Fees and Business Conditions.

Pricing of other fees and charges not detailed in section 6.4 will be set by the Principal or delegate, in conjunction with the Business Manager, after taking into consideration costs associated with providing the goods or services, market value and customer demand. Where possible, GGS will seek to cover its costs and clearly communicate pricing to the relevant customers.

5.4.2 Uniform Shop Pricing

Goods sold through the Uniform Shop will have a 30% mark-up, except for special items and slow and obsolete stock.

The mark-up will be applied to the cost price and rounded to the nearest dollar.

Pricing of special items will be set at the discretion of the Uniform Shop Manager, taking into consideration cost of item, market value and level of customer demand.

Pricing of slow and obsolete stock will be set at the discretion of the Uniform Shop Manager, taking into consideration cost of item, market value and customer demand. If it is not feasible for the item to be sold in a reasonable timeframe with a reduced price, the Uniform Shop Manager will discuss options with the Business Manager including writing off and disposal of stock.

5.4.3 Canteen Pricing

Goods sold through the Canteen will have a mark-up of at least 100% applied.

The Canteen Manager has the discretion to set a different mark-up price for infrequently sold goods after taking into consideration cost of item, market value and customer demand.

5.5 Discounts

5.5.1 Sibling discount

GGs offer discounts on tuition members of the same family attending GGS at the same time.

Refer to Schedule of Fees.

5.5.2 Staff discount

GGs offer discounts on fees to staff with students enrolled at GGS.

Refer to your Offer of Employment.

5.5.3 Scholarships

Scholarships are offered separately each year for students entering Secondary School who have demonstrated a high achievement in the ACER scholarship examination

Refer to Scholarship Policy.

5.5.4 Bursaries

GGs will budget a limited amount of financial assistance for current families whose circumstances adversely affect their ability to pay fees. This assistance will be provided, on successful application, in the form of a Bursary. These arrangements require detailed but confidential disclosure of family means and assets to ensure equity, with the exception of situations where this would be considered harsh or unreasonable (e.g. death of an immediate family member) or financial assistance is deemed urgent in the short term (e.g. sudden loss of employment).

Bursary values vary according to the circumstances of the family.

Bursaries are approved in accordance with the Bursary Policy.

5.5.5 TAFE-link Discount

GGs offers a discount on tuition fees for Year 11 and 12 students completing a year long Vocational Education and Training in Schools (VETiS) or Pre-Apprenticeship in Schools (PAiS) through TAFE.

5.6 Cash handling

All payments of cash, cheques, etc. must be kept secure in GGS's safe, if not being banked that day, and banked in a timely manner to avoid having large amounts of money held on school premises.

5.7 Split Billing

When approved at the discretion of the School, the split fee arrangement only determines the extent to which parents will contribute to the payment of fees. This does not remove the joint and several liability of both parents for full payment of fees.

When an account in arrears applies to only one party in a split billing situation, this may still affect the student's enrolment with the School.

5.8 Debt recovery

Debt recovery must be undertaken within a framework which reflects GGS's values and beliefs and is in accordance with legislation and relevant national guidelines.

5.8.1 Credit risk

All relevant risks in negotiating for the supply of goods and services will be appropriately managed.

To minimise risk to GGS, the following principles will apply in the management and recovery of outstanding debts:

- Minimise the amount of outstanding debt and recover debts owed in a timely, efficient and ethical manner;
- Issue statements to debtors on a regular basis;
- Follow up on outstanding debts with communications to debtors;
- Explain to the debtor the rights and obligations in relation to any action that GGS may take to recover the outstanding monies;
- Full and accurate records of all recovery actions and communications with debtors will be maintained; and
- Ensure equity is applied to debtors.

5.8.2 Credit terms

GGS's standard credit arrangement with debtors, payments are due within fourteen (14) days of commencement of each term, unless otherwise provided.

5.8.3 Refunds

All overpaid fees will be refunded when a student leaves GGS, subject to all financial commitments having been settled and there being no other students in the family remaining at GGS.

All other requests for refunds must be received in writing by the debtor. Supporting documentation must be attached with the reasons for the refund being processed.

5.8.4 Late fee charges

GGS may impose late fee charges upon debtors with outstanding balances as outlined in the Fees and Business Conditions.

5.8.5 Outstanding sundry balances

If a debit or credit balance of less than \$10.00 (excluding GST) remains outstanding on an account and it is not economically viable to recover the debit or refund the credit, the balance will be written off or credited in the accounting system.

5.8.6 External debt collection

GGs may use an external debt collection agency to recover outstanding payments from debtors.

5.8.7 Doubtful debts provision

The provision for doubtful debts will be reviewed at least annually and adjusted accordingly to reflect the risk of non-recovery of outstanding monies.

5.8.8 Bad debt write-off

GGs will write off any bad debts after all attempts have been pursued vigorously and all legal options considered except, at the discretion of the Board of Governors after recommendations from the Business Manager, if:

- It is not cost effective to pursue the debt further;
- The debtor is already bankrupt, in receivership or in liquidation; or
- Where legal proceedings have established, or legal advice is obtained, the debt that is unrecoverable.

5.8.9 Communications Table

GGs communications with debtors whose debt relates the current year enrolment will be undertaken within the following timeframes.

Days Overdue	Task/Note	Position
	Fees invoiced XXX weeks prior to commencement of school year.	Finance Officer
	SMS Reminder one week prior to fee due date (refer Appendix 1)	Finance Officer/Administration
	Late Payment Fee Invoiced	
	Issue Statement (with reminder tuition fees are due)	Finance Officer
14	Debtor Email #1 (refer Appendix 2)	Finance Officer
28	Debtor Email #2 (refer Appendix 3)	Finance Officer

42	Debtor Email #3 (refer Appendix 4)	Finance Officer
56	Debtor Phone Call – Follow up (refer Appendix 5)	Finance Officer
70	Debtor Final Demand Letter (refer Appendix 6)	Finance Officer
77	Debtor to Debt Collection	Finance Officer/Business Manager

GGs communications with existing debtors, where the debt relates to prior enrolment years and who have not met agreed scheduled repayments and/or have not complied with agreed timeframes will be addressed as follows:

Days Overdue	Task/Note	Position
1	Debtor RP Email #1 (refer Appendix 7)	Finance Officer
7	Debtor RP Phone Call – Follow up (refer Appendix 8)	Finance Officer
21	Debtor Final Demand Letter (refer Appendix 9)	Finance Officer
28	Debtor to Debt Collection	Finance Officer/Business Manager

5.8.10 Debts Owning at End of Calendar Year

All fees from a prior year and or the current year are required to be paid in full prior to the commencement of a new school year; failure to be financial may jeopardise a child/children's ongoing enrolment with the school.