



## PROVISION FOR BAD DEBT POLICY

### Rationale

St Patrick's College is a Catholic school and as such it seeks to provide places for all boys who are committed to respecting the Gospel values and the Catholic philosophy of the College as well as the College's educational values. The enrolment policy of St Patrick's College is open and inclusive.

The charging of fees is necessary to ensure the College can provide an appropriate standard of educational service to students. It is therefore expected that those families who have the financial capacity to pay, will fully meet their fee payment obligations as levied. The process of setting and collection of school fees is to be undertaken having regard to the principles contained in the Edmund Rice Education Australia Charter. This involves ensuring:

- A Catholic school in the Edmund Rice tradition stands in solidarity with those who are powerless and marginalised.
- The school is sensitive to the economic situation of each of its families, and
- The school will not preclude the enrolment of a catholic student on the basis of financial inability.

Operating within a clearly defined policy will ensure that all families are treated justly and equitably and that fee assistance will be offered to those families who have a genuine need. It will also ensure an optimum level of fee recovery in a prompt and orderly manner.

### Scripture

### Policy

St Patrick's College will make provisions on an annual basis for potential bad debts in keeping with its mission as a Catholic school in the tradition of Blessed Edmund Rice.

### Procedures for Application of Policy

The following procedures are consistent with the requirements for Edmund Rice Education Australia schools:

1. Parents/guardians should be offered payment options such as up-front payment, weekly, fortnightly, monthly or term basis of payment.

2. A variety of payment methods should be offered wherever possible, such as by cash, credit card, Bpay, cheque, direct debit and forwarding of Centrelink payments for example.
3. The issuing of Fee Statements should be undertaken on a regular basis, preferably monthly.
4. Processes and procedures must be put in place to ensure confidentiality of parent/guardian accounts and fee payment arrangements.
5. The Finance Committee and Board are to be kept informed on a regular basis of the status of fee debtors, discounts and concessions provided to parents and the level of write-offs. Individual debtor names are not to be disclosed to the Finance Committee or Board.
6. Refundable deposits paid upon enrolment must be automatically offset against any outstanding fee balance when last student of a family leaves the school. This condition will be conveyed via the enrolment application form which is provided to parents/guardians.
7. Applications for fee concession are to be made on an annual basis. The application process should be formalised in terms of requiring completion of an appropriate form. Information to be sought via the Application form should include; statements of annual income and expenses, assets and liabilities and whether they hold a health care card and documentary evidence to support the information provided should also be sought. An agreement regarding fee concessions or payment arrangements should be confirmed in writing on the expressed understanding that such agreement is confidential between the College and the family.
8. The Headmaster has final discretion on the provision of fee assistance for parents/guardians.
9. Recipients of fee concessions will be required to contribute towards the cost of co-curricular and extra-curricular activities . The Business Manager will be consulted prior to students being approved to participate in optional educational activities such as sporting and music tours.
10. The debt recovery process may involve letters of demand, lodgement of complaint, entering judgement and oral examination.
11. The account for families that default on payment of their tuition account will be forwarded to the Collection Agency. (After all other requests for payment or contact have failed)
12. The process categorises families based upon their compliance with requests and/or willingness to discuss payment arrangements. The Collection Agency may consider labelling a debt “at risk” due to a range of factors such as a history of non-payment, family breakdown or bankruptcy.

13. The calculation of the provisional amount for bad debt is equal to the total amount for all families identified by the Collection Agency as “at risk” or \$101,000 whichever is the greater amount.
14. Costs incurred in the debt recovery process should be added to the relevant parent/guardian account.
15. Management of fee debtors is the responsibility of the Headmaster, not the Board or Finance Committee. The Headmaster may sub delegate this responsibility to the Business Manager.

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**Status of Policy:** Ratified by the College Board March 10, 2011

**Review:** 2016