

# Debtor's Policy

<b>Date of Issue:</b>	<b>Review Date:</b>
<b>Written by:</b> Otago University Childcare Association (OUCA)	<b>Date:</b> April 2027
<b>Reviewed by:</b> Karen Hurst OUCA Manager	<b>Date:</b> 5 April 2024
<b>Approved by:</b> OUCA Board	<b>Date:</b> 29 April 2024

**Rationale:** To maintain the financial viability of the Association and to ensure all families are treated with equity while acknowledging that personal circumstances do impact the ability of individuals to keep their accounts paid.

**Aim:** To have procedures in place that guide the practice of debt collection and inform the board of the debt situation twice a year.  
To identify account debt limits.

**Procedures:**

- New families: Once the enrolment form has been received at the office, account payment information and the link to the parent portal for infocare are emailed to the family.
- After the first week of attendance, an invoice is generated which includes the annual charge of the AGM membership.
- Daily: payments made overnight are credited to accounts.
- Weekly: invoices from the previous week are generated and available for viewing through the parent portal.
- Payment: We encourage accounts to be paid by automatic payment every week. Full payment of accounts is expected monthly.
- Monthly: at the end of each month a statement for the previous calendar month (four or five weeks) is emailed to all families (one statement per child).
- Monthly: a debtors report is generated to identify overdue accounts. Where accounts have not been paid in the last month a statement and reminder email are sent. Where accounts are overdue by more than six weeks and no payment has been made a statement and 'first reminder letter' are sent. Where accounts are overdue for two months and no payment arrangement has been made a statement and 'final reminder letter' are sent.
- Communication with the debtor is of utmost importance.
- After two months of no payment personal contact with the family will be made by the Manager.
- The Association will enforce a debt limit of \$2500 per child.
- It is the Association's practice that debts longer than 4 months standing will be referred to a Debt Collection Agency without reference to the board
- At any time during the process, the enrolment of the child may be canceled by the Manager, after taking into consideration the personal circumstances of the family and the impact on the centre's funding.
- In April and October, the Manager will present all outstanding debts and actions being taken to the Board for their approval.
- Debts to be written off will be agreed to by the board at their October meeting.

**Statement added to the Fees Schedule:**

*We expect to be paid on time. A weekly automatic payment is preferred. If you cannot pay please speak to the Manager as soon as possible.*

*If you do not address any debt your child's enrolment may be cancelled. We will ultimately pursue outstanding debts to the court if necessary. The debtor shall be liable for all and any costs, collection costs, charges, expenses, and legal costs incurred.*