

Debt Management Policy

Preamble

The Norwood Morialta High School is committed to the provision of rich and diverse academic programs that meet the highest community expectations. Resources are needed to provide these programs and effective debt management is essential if these resources are to be obtained equitably and in an orderly manner.

This policy applies to all debts owed to the school including:

- The Materials and Services charge;
- Excursion fees;
- Reimbursements for lost or damaged books and equipment; and
- Hire fees for equipment or facilities.

This policy should be read in conjunction with DECS guidelines {ref} and other related policies.

1 Budgeting

While all reasonable steps will be taken to collect debts owed to the school, a prudent approach to financial planning requires that provision for anticipated uncollectible debts be made in the School's annual budget.

- 1.1 In the preparation of an annual budget, the Finance Subcommittee will make adequate provision for anticipated uncollectible debts based on historical data and advice from the School's financial officers.
- 1.2 This provision for uncollectible debts will be clearly listed within the annual budget.
- 1.3 This provision will not detract from the School's commitment to pursue outstanding debts.

2 Minimising debt

The school will take all reasonable steps to maximise revenue and minimise debt by following efficient invoicing procedures and debt recovery actions.

- 2.1 The school will present invoices promptly.
- 2.2 When a debt is unpaid after one month the school will send monthly reminder letters to the debtor including:
 - 2.2.1 A copy of the original invoice;
 - 2.2.2 An invitation to the debtor to contact the school and negotiate payment arrangements to meet cases of genuine hardship;

- 2.2.3 A reference to this policy;
- 2.2.4 A warning of the consequences to the debtor if payment is not forthcoming.
- 2.3 In the case of the Materials and Services charge, and under the terms of the Education Act (SAG 1972 106A(5)) the Principal may negotiate special arrangements including payment by instalments, lower or waived charges.
- 2.4 When a debt is unpaid after three months or when negotiated payment arrangements have been broken the school may invoke such debt recovery procedures as it sees fit including passing the matter to a debt recovery agency or commencing legal action.
- 2.5 The school will advise the debtor in writing when a debt is to be passed to a debt recovery agency or when the commencement of legal proceedings is imminent.

3 Writing off bad debts

Accurate budgeting and accounting requires the school to write off debts if it determines that there are no realistic prospects of recovery.

- 3.1 In the preparation of the annual budget the Principal:
 - 3.1.1 Will advise Council of any debts deemed to be uncollectible based on historical data and advice from the School's financial officers.
 - 3.1.2 Will present to Council a report with a summary of the types of debt indicating the proportion that is gazetted fees, the voluntary payments sought by Council and other types of debt.
- 3.2 Authority to write off bad debt shall be obtained by the successful passing of a resolution of a general meeting of Council.
- 3.3 Bad debts will be written off annually.
- 3.4 The writing off of bad debt will not detract from the School's commitment to pursue outstanding debts.

References

SAG (1972). Education Act 1972 No. 154 of 1972. 11—1.1.03, Government of South Australia. **2003**.

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