



Swan Christian
EDUCATION ASSOCIATION

Overdue Tuition Fees Accounts Policy

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Policy Details and Document Management

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29/01/2025	1.4	CEO, COO and CEEdO	Reclassification from Restricted to Open. Placed on the SCEA Intranet.

History

This Policy replaces: N/A

This Policy was cancelled and superseded by: N/A

Contents

Policy Details and Document Management	2
Rationale.....	4
Scope	4
Context	4
Definitions	4
Policy Statement.....	4
Background	4
Policy.....	5
Procedures and Guidelines	5
Procedure to Follow Up Late Payers	9
EACH TERM WHERE CHILDREN ATTEND SCHOOL	9
WHERE CHILDREN NO LONGER ATTEND SCHOOL	9
COLLECTION AGENCY	9
Contact Person	10

Rationale

The aim of this policy is to reconcile the principle of good stewardship of our financial resources with the principle of caring for those in need within the SCEA family. In seeking to achieve this we need to provide confidentiality of member's circumstances as far as possible, yet ensure our delegated representatives have available to them appropriate information when families are in arrears.

Scope

This policy covers all sites owned and/or operated by Swan Christian Education Association Incorporated (SCEA).

Context

This policy should be read in conjunction with the **SCEA Code of Conduct Policy and SCEA Hardship Policy, SCEA Constitution.**

The Association may, from time to time, review and update this policy to take account of changes to the Association's operations and practices and to make sure it remains appropriate to the changing legal and school environment.

Definitions

Member or Membership

This means Parent, School, System or Staff member.

Arrears

This means where at least one month's tuition fee is outstanding and unpaid. Therefore, "**three months in arrears**" would occur where three calendar months are outstanding and unpaid, etc.

Arrangement, Alternative Arrangement, or Satisfactory Arrangement

These refer to agreements; verbal or written, made by the appropriate parties approved by the CEO.

Policy Statement

Background

In formulating a policy to deal with overdue tuition fee accounts, we need to understand the basic purpose and method of accounting for these fees within SCEA.

1. SCEA provides education for children from Kindergarten to Year 12. In return for this service a tuition fee is charged. This income will contribute to the school's overall financial needs, allowing them to operate within the normal commercial financial environment and the school budget set down each year.
2. Upon enrolment of children at one of the schools; a tuition fee account will be created. Information required for this account is contained in the Application for Admission form, which should be completed in full by the parent(s), or guardian(s). Continuity of enrolment is dependent upon the parent/guardian entering into and abiding by the terms of the Parent Member Agreement.

3. An enrolment fee of \$670 will be charged (single child or family) at the time that the enrolment form is submitted. This will be retained until a place becomes available (if there are no places at the time). If, during the period while waiting for a place to become available, the circumstances change for the parents/carers such that they are no longer able to afford to enrol the student, they may remove their application form. A \$500 portion of the enrolment fee, however, is non-refundable,
4. Each tuition fee account will be charged the respective tuition fee, as set out in the Schedule of Fees, for each child enrolled. The SCEA Board approves the fee structure annually.
5. A statement of the tuition fee account is forwarded periodically to the person(s) who has agreed to pay the account as stated in the Application for Admission form. The statement will show clearly all transactions from the commencement of enrolment, or beginning of each calendar year, including the monthly charge for each child and any payments received up to the date of the statement. The monthly tuition fee is usually charged to the account in advance of the due date, thus giving members the opportunity of paying their fees ahead of the due date or at least during the month that the fee is due. For management purposes, the tuition fee account may have other fees/costs charged to it, (i.e. subscription fees, subject fees, amenity fees etc.
6. The payment of one term's tuition is required before commencement at the nominated school. Subsequent payments are due on the first day of each month, term or year. Payment methods available are Bank Direct Debit, Credit Card, EFTPOS, Cheque or Cash.

Policy

The Swan Christian Education Association seeks to support those undergoing financial difficulties and not meeting their responsibilities regarding paying fees of their children. The association may design a customised plan to support on-going payment for a short time, in ways suited to these parent/guardians where appropriate.

1. Principals and school leaders will seek to gather all necessary information from parents/carers when enrolling students to ascertain whether there is capacity to pay school fees as required. Schools have a moral and ethical obligation not to enable families to get into financial difficulties; due diligence at enrolment will minimise this risk.
2. In situations where one-off unforeseen circumstance arise following enrolment (e.g. breadwinner becomes unemployed, severe injury renders parent/carer unable to meet financial commitment while incapacitated) a customised plan may be developed to support payments during this period (see SCEA Hardship Policy).

Procedures and Guidelines

The aim of this procedure is to reconcile the principle of good stewardship of our financial resources with the principle of caring for those in need within the SCEA family.

In seeking to achieve this, we need to provide confidentiality of member's circumstances as far as possible, yet ensure our delegated representatives have available to them appropriate information when families are in arrears. Each fee payer that has agreed and signed the Application for Admission form will have a tuition fee account established and the accounting records maintained by the SCEA office.

This account will record all transactions relating to the tuition fees charged as well as other fees and charges that may be invoiced from time to time.

Currently fees are charged as at the first day of each school term. We expect that the fees will be paid within 14 days of the receipt of a statement; however, if the fee payer elects to make instalment payments, we expect that the term fee will be paid in full by the end of that term.

A discount of 5% is offered to those who pay a full year fees in advance. This payment must be received on or before 28 February to qualify for the discount.

The only method of payment for fees is by the direct debit system, unless they are paid in advance. Payments can be arranged on a weekly, fortnightly, monthly or by school term basis. The direct debit system is centrally managed at the SCEA office and transactions are generated commencing 1 February with the last transactions on the 30 November each year. The 2 months break gives the SCEA office sufficient time to make amendments to the direct debit amount for each fee payer and mail out the required notice of change to the direct debit.

Statements are mailed out each month on the tuition fee account except where:

1. A direct debit authority is held and active (provided there is no arrears balance outstanding).
2. Fees have been paid in advance and the account is in credit.
3. Staff members have tuition fees paid via salary deduction.
4. Tuition fee account is at a \$0.00 balance.

Statements will detail all transactions for the current term. Statements detailing the current year's transactions are available upon request from SCEA office.

- a. Where fees are more than two months in arrears, and no alternative arrangement has been agreed to in writing, the Business Manager (BM) shall normally advise the Principal and CFO; who shall:
 - Advise the member(s) by letter of the position, requesting that payment be made within 14 days, or that the members contact the BM/Principal promptly for confidential discussions to regularise the matter.
 - Request that member(s) utilise the bank direct debit system offered by SCEA as a means of regular payment to the tuition account and also to clear any overdue amount. This offers members a flexible payment option and gives SCEA the opportunity to receive consistent regular payments; provided there is a written agreement to support any such arrangements, and where necessary security should be taken.
 - Advise the relevant School Principal of the position, including the amount involved, for his/her information.
 - Consult with the Principal and make necessary arrangements to bring accounts up to date.
 - Should a personal visit by a Council member be requested by a parent, two Council members should attend wherever possible. When dealing with single parents, under no circumstances should a visit be made by only one Council member who is of the opposite gender to that of the member concerned.
 - There will be an administration fee effective 1 July 2007, as determined from time to time by the CFO on all accounts exceeding \$100, on all accounts more than 3 months in arrears. This will be charged monthly.
- b. If after another month (now three months in arrears) there has been no response to the first letter (written by the CFO) by way of payment or satisfactory arrangement agreed to, the CFO shall:
 - Where necessary, advise the member(s) by letter that as their fees are more than four months in arrears, clause 22.2 of the SCEA Constitution states that they are not entitled to vote at any meetings where their membership has been accepted, until the account is regularised.
 - Advise the member(s) that if the matter is not dealt with promptly, the Board may consider termination of their membership, and, the withdrawal of their children from the respective school(s), unless a satisfactory arrangement is put in place immediately (clause 16.2 (a)).

- Request that member(s) utilise the bank direct debit system offered by SCEA as a means of regular payment to the tuition fee account to clear any overdue amount by entering into a written debt arrangement with the CFO or Principal.
 - Advise the FC of the situation and they may delegate one of the Board members to make contact with the member(s) and report back to the CFO/Principal.
 - Should the Principal/CFO deem that a personal visit by a Board member be appropriate, two Board members should attend wherever possible. When dealing with single parents under no circumstances should a visit be made by only one Board member who is of the opposite gender to that of the member concerned.
 - If a parent member is in arrears by more than four months with no written agreement in place, and is not in good standing with the school, their student(s) shall not participate in any non-curriculum excursions and other voluntary events, e.g. Canberra trip, school dances, Thailand trip, etc.
- c. If within a further month (now five months in arrears) there has been no response by way of payment or satisfactory arrangement agreed to, the CFO and Principal may:
- Advise the member(s) that their membership will be terminated, and the children will need to be withdrawn from the School if the matter is not dealt with urgently.
 - Advise the member(s) that a firm written agreement is required to pay the amount outstanding.
 - Where the member(s) is not in a position to clear the amount outstanding in full, insist that the bank direct debit system be used to pay any overdue amount over a period of time, unless the member(s) does not utilise bank accounts suitable to this system.
 - Advise the leadership of the member's Church family of the position, and seek their assistance in the matter, if appropriate.
 - Take any other such action as they think fit, under the circumstances.

Subsequent to the decision taken as outlined above the CFO/Principal shall advise the Board of the action being taken.

- d. Any information regarding a member's financial circumstances, including any action being taken regarding fees, is to be treated confidentially by all parties concerned.
- e. It is not the normal policy of SCEA to pursue recovery of fees through court action, following the principle expressed in 1 Corinthians 6; unless the particular families are non-Christian where legal proceedings may be instituted when considered necessary.
- f. The Board is to be given regular reports by the CFO of all cases where the arrears exceed three months or \$5,000. Such reports shall normally provide the following data:
 - Three months in arrears – number of family units per school campus.
 - Four months in arrears – listed in order of school campus, the name of the families, the total amount owing and pertinent comments regarding the action taken to date.
 - Five months in arrears - should immediately trigger the procedure referred to above, with **no further** discretion.

A report will be provided by the CFO detailing the total amount outstanding, and the correspondence entered into including the response from the members concerned.

- g. Where, in the opinion of the CFO/Principal, hardship exists the CFO is empowered to grant concessions in respect of such tuition fees as per clause 18 of the SCEA Constitution. In these situations:

Where a member(s) is seeking to enter into an arrangement with SCEA to pay their tuition fee account, the CFO shall normally:

- Request that the member(s) complete an Application for Assistance form.
- Seek input from the relevant School Principal and/or School Council if applicable (with a recommendation from them if appropriate – is this statement necessary).
- Conduct a personal interview with the member(s) concerned to determine if a genuine need for assistance exists. During the interview, the family's income should be means tested and their tax returns assessed.
- Where a genuine need is identified, after examination of Application for Assistance forms and supporting documentation, the CFO, in consultation with the school principal has the authority to either:
 - reduce the total monthly fees by up to 50% for a period of up to six months; or
 - allow a period of non-payment of fees, for up to six months, or for the balance of the calendar year, whichever is the shorter.

Where a concession on fees is granted the CFO will:

- advise member in writing of the terms and conditions of the concession granted
- have member acknowledge the concession granted by signing the duplicate copy of the letter sent to them in the point above.

It should be noted that where accounts are not paid, or fees are reduced by the school then such school shall be responsible for all such cost/bad debt/ fee reduction etc.

In addition, where fees are more than five months in arrears, SCEA should levy an interest charge or admin fee equal to the current ANZ bank lending rate. If a school elects not to charge interest, then the school itself shall bear such cost.

- h. Copies of all relevant correspondence are to be entered on Maze. The member's file will be maintained at the SCEA office. Any phone conversations are to be documented with pertinent comments recorded and saved on Maze member file.
- i. Where advice is received from any of our schools that a member no longer has children in our school system and an outstanding balance remains in the tuition fee account, the CFO will institute proceedings to recover the debt.
 - Where no notice of withdrawal is given, one term's fees in lieu of notice shall be charged.
 - Advise the members by letter, at their last known address, the amount outstanding.
 - Request that payment be made within 14 days from the date of the letter.
 - Request that contacts with the CFO be made if they are not able to finalise the account in full within the time given.
 - Request that they must utilize the bank direct debit system to pay the account to suit their situation.

If after 14 days there is no response to the above correspondence by way of payment or suitable arrangement, and/or contact with the past member is lost, the CFO may:

- Endeavour to make contact by phone.

- Contact relevant school for assistance and information.
- Place the account in the hands of a collection agent with instructions to issue a demand for payment, and enter into a workable agreement with the debtor to enable us to recover the outstanding balance.

Procedure to Follow Up Late Payers

Each term where children attend school

- Statements will be mailed monthly requesting payment.
- Where a balance remains from the previous term, a letter requesting payment will be forwarded to the fee payer, in accordance with the laid down policy.
- A letter requesting immediate payment of the outstanding balance will be sent to the fee payer. If payment cannot be made due to the fee payer experiencing financial difficulties, they are to contact SCEA office as soon as possible.
- The letter will request that the direct debit system be implemented.
- If the fee payer does not respond to the letter, then phone contact will be made by the SCEA office.
- Usually, assistance is sought from the relevant school office to ascertain if they are aware of any difficulties the family is experiencing.
- Where genuine need is apparent then we will request that an application for assistance is completed and returned to the SCEA office.
- Each situation is to be assessed on its own merits and actioned accordingly.

Where children no longer attend school

- Monthly statements would have been sent out.
- Prior to the student leaving the BM/Principal should ensure that all fees are up to date
- The direct debit system will be offered as a means of payment. Where the balance owing is <\$1K, the account should be fully paid within 6 months. Where the balance owing is >\$1K, the account should be fully paid within 12 months. A written agreement should be drawn up to confirm the arrangement.
- The letter will stipulate that if payment is not made nor suitable arrangement formalised, then the account will be handed over to a Collection agency for action.

Collection Agency

By the time the collection agency is involved the relationship between the fee payer and the school/SCEA office has usually reached a point where communication has been lost. This usually happens in circumstances where the students have left our system, however, sometimes we have had cause to initiate this line of action for fee payers who still have children attending one of our schools; the fee payer refuses to communicate. The collection agency usually sends the message to the fee payer that we are serious in collecting our fees.

Dun and Bradstreet are our preferred agency however, we do have agreements with Pioneer Credit Management Services and Credipac Management Services.

- Once details are advised a letter is sent from the agency requesting payment and/or arrangements.

- If the fee payer does not respond to the letter, the agency will make phone contact with the debtor.
- If an arrangement is proposed by the debtor, the agency will refer back to the SCEA office for acceptance.
- If an arrangement breaks down, then the agency will refer back to the SCEA office for instructions.
- The situation is monitored closely and reported.
- Full details are available online as to where they are at with the debtor and action taken with dates to follow up.
- The agency will offer advice on the situation as they are dealing with the debtor and are more in tune with the situation.
- Legal action by way of summons will be instigated where arrangements have failed, however, a judgement summons through the courts will not be entered into.
- If summons is instigated, we have to provide a copy of the enrolment documentation to prove the liability of the fee payer.
- If all this fails, then authority from the SCEA board will be sought to write off the debt.

Contact Person

Chief Financial Officer