8.02B

MERCY EDUCATION LTD PROCEDURE 8.02B
COLLECTION OF OUTSTANDING FEES AT MERCY COLLEGES

Key Steps in Collection of Outstanding Fees

B01 All parents should be provided with clear instructions as to the due date(s) for school fee payments. This would normally take the form of a due date on a statement, or a written instalment plan, or a general circular such as the annual schedule of fees.

B02 Whenever a fee due date passes those fee payers who have not met their fee obligations are to be identified and contacted on the following basis:

<table>
<thead>
<tr>
<th>Contact No</th>
<th>Weeks after Due Date</th>
<th>Suggested Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>One</td>
<td>Electronic Reminder: SMS or Email</td>
</tr>
<tr>
<td>2</td>
<td>Three</td>
<td>Written Reminder: Posted Letter</td>
</tr>
<tr>
<td>3</td>
<td>Five</td>
<td>Personal Contact: Phone Call</td>
</tr>
</tbody>
</table>

The above chart shows the maximum time intervals and a suggested escalation procedure. Colleges may choose to escalate quicker or use written reminders or personal contact earlier in the process. All such contacts should be logged in the school administration system.

B03 Where accounts remain outstanding on an ongoing basis Colleges should use written letters, phone calls or interviews to determine specific details about the family’s financial situation and ability to pay. When necessary and feasible, a suitable repayment arrangement should be negotiated with the fee payer.

B04 If attempts to communicate have either failed to gain any response, reach an agreed repayment arrangement or have been unsuccessful in receiving any monies promised under a negotiated arrangement, and where no evidence of hardship or special circumstances can be substantiated or justified, Colleges may engage a recognised Debt Collection Agency (compliant with the ACCC and ASIC Debt Collection Guideline: For Collectors and Creditors) or issue a letter through a solicitor. Parents should also be notified that they may be responsible for consequential costs incurred.
At this point, a letter may also be forwarded by the Principal to the family advising that the College may not be able to provide the student with the full range of voluntary, extra-curricular activities. Examples of such activities could include participation in Debutante/Presentation Balls and voluntary cultural and sporting tours.

If a Mercy sponsored school wishes to seek legal advice, the Principal of school will contact the Mercy Education Finance Manager, providing information including details of the outstanding debt and the steps that have been taken to recover that debt together with the reasons why the Principal is of the opinion that legal action should be commenced.

The Finance Manager will consult with Mercy Education’s legal consultant where deemed necessary.

After consultation, if the Finance Manager is of the opinion that there is merit in proceeding with the case the Finance Manager will be asked to make a formal application to the Board of Mercy Education to commence proceedings on behalf of the school. This application will need to include the name and address of the person or persons against whom the proceedings will be instigated.

If the Board approves the commencement of legal proceedings the Finance Manager will inform the Institute Leader of the Board’s decision and will liaise with the Board’s legal advisor and the school to further the case.

Each College will report details of their total debt and aged debt to the Board of Mercy Education on an annual basis.

Colleges are expected to be mindful of the significant financial and emotional stresses affecting families when parents are separating.

a) The general approach in this instance would be to obtain new enrolment and payment authorities from both parents to charge any future fees half to each party.

b) Where one parent refuses to contribute to any future fees the remaining parent must sign a new enrolment authority accepting full responsibility for fees. Colleges should be mindful that this may trigger a requirement for financial assistance.

c) Subject to agreement of both parents, and the College, any fee debt accrued prior to the separation may be divided up between the two parents. In such cases the parents are no longer “jointly and severally liable”.

d) Where no agreement can be reached regarding prior debt then a separate account should be maintained in the names of both parents and action should continue to be taken against both parents for payment.
Review History
Approved May 2014
Revised November 2015

Next Review
2017