



Accounts Receivable Policy

Rationale & Context:

Effective management of accounts receivable is essential for maintaining the financial stability and operational capability of Gulfview Heights Primary School. By systematically collecting fees and managing outstanding payments, we can ensure ongoing funding for student programs, facilities, and resources. This policy aligns with the Department for Education's commitment to transparency, equity, and compliance in public school financial management, fostering trust within our community and supporting the school's objectives.

Objectives

The primary objectives of this policy are to:

1. **Ensure Efficient Collection of Funds:** Systematically and promptly collect payments due to Gulfview Heights Primary School to support educational programs and school activities.
2. **Promote Equitable Billing and Collection Processes:** Ensure fair, consistent procedures in managing invoices and debt recovery for all stakeholders.
3. **Adhere to Legislative Requirements:** Comply with South Australian laws and departmental guidelines, including GST obligations and invoicing requirements.
4. **Maintain Transparency and Accountability:** Document and make accessible all financial transactions related to invoicing, debt collection, and reporting, ensuring accountability to the school community and governing council.

Legislation

This policy is governed by relevant state and federal legislation, including:

1. **Education and Children's Services Act 2019 (SA)** – Governs the operations and financial management of public education entities in South Australia.
2. **South Australian Department for Education Financial Policies** – Ensures compliance with financial management standards for public schools.
3. **Australian Taxation Office (ATO) Requirements** – Enforces GST compliance, requiring schools to issue tax compliant invoices where necessary.
4. **Privacy Act 1988 (Cth)** – Protects personal information, ensuring confidentiality in handling debtor information.

Compliance with these legal requirements reinforces the policy's integrity and supports effective financial administration.

Procedures

Invoicing Process

The Principal/Delegate is responsible for ensuring that the invoicing process is:

1. **Regularly Scheduled and Documented:** Invoices should be issued regularly based on school defined billing cycles. All new school years, the M & S charges will be invoiced and emailed in week 0 Term 1. All invoicing procedures must follow the guidelines in the Invoicing & Debt Collection Procedure Flow Charts.
2. **Approved by Authorised Personnel:** Invoices issued to students and families require approval from the principal or an authorised delegate.
3. **Compliant with Tax and GST Requirements:** Use GST compliant systems to generate invoices, including tax details as required.
4. **Transparent and Detailed:** All invoices must clearly identify the debtor, describe services or items provided, and list supporting documentation.

Additional Requirements: Queries from debtors should be addressed promptly, and income must be correctly allocated to the relevant accounts.

Producing Tax Compliant Invoices

For any sale above \$82.50 (GST inclusive), provide a tax-compliant invoice containing:

1. The term "Tax Invoice" prominently displayed.
2. School name (Gulfview Heights Primary School) and ABN.
3. Date of issue, item description, quantity, price, GST amount, and whether the item is taxable or GST free.
4. For sales over \$1,000, include the buyer's ABN or identity.

Note: Follow the GST checklist provided by the South Australian Department of Education for compliance.

Credit Notes

A credit note can be issued if:

- Goods are returned or services cancelled.
- An error in invoicing needs correction.
- An overcharge requires adjustment.

Credit notes must be approved by the principal, documented, and tracked similarly to invoices.

Manage Unpaid Debts

Debtor Management – Handling Unpaid Invoices

Managing unpaid debts requires clear steps to ensure optimal recovery:

1. **Verification:** Confirm that all debts are legally recoverable before pursuing collection.
2. **Timely Reminders:** Send reminders twice in term 1, every 2 weeks in term 2.
3. **Communication:** Engage with debtors via calls or emails in addition to written reminders.
4. **Final Notice:** Issue a final demand for payment if unpaid after term 2, by week 4 term 3, with a 14-day window for payment.
5. **Approval:** Both the principal and governing council must approve all accounts sent to debt collection.
6. **Record-Keeping:** Document all communications and actions taken.

[See Procedure Flow Chart on page 4 for more detailed information](#)

Repayment Plan/Direct Debit

If a debtor is unable to pay in full, a repayment plan or our direct debit system must be used. Assess the debt amount, previous payment history, and feasibility of regular payments. Any agreed plan must be signed electronically or in writing and approved by the principal/delegate. If the debtor enters a repayment plan, any missed payment/s will enforce the next step of debt recovery (see below) or a decision can be made by the principal/delegate to reenter another payment plan commitment.

Direct debit fees could be payable by the debtor, dependant on the principal/delegates decision of how best to recoup this debt. A debtor entering into a direct debit arrangement must be provided with all the costs applicable to using this system. Any payment that is forfeited will incur a charge from the direct debit system, if the second consecutive payment is rejected this will then initiate the debt recovery process (see below).

Debt Recovery

For debts remaining unpaid beyond Term 2 or when an arranged payment plan/direct debit has failed (as per the repayment plan/direct debit section):

1. **Principal Approval:** The delegate must meet with the principal and present all unpaid debtors at the end of week 10 Term 2 or shortly thereafter. Create a list of all debtors going to debt recovery which have been approved or not approved by the principal and provide this list to the finance manager, who will summarise for discussion at the next finance committee meeting.
2. **Council Approval:** The finance committee is to obtain governing council consent of the approved debt recovery list (summary). Table this report for approval at the week 3 governing council meeting in Term 3 and minute.
3. **Email Debtors:** Email the approved debtors a final notice and statement by the end of week 4 Term 3.
4. **Legal and Collection Processes:** The delegate will initiate recovery for all approved and legally recoverable amounts through the Central Debt Collection System. If necessary, the principal or delegate may engage a debt collection agency or pursue legal action, in accordance with the department's guidelines for civil claims.
5. **Unrecoverable Debts:** The governing council and principal may write off debts deemed unrecoverable. Document and minute all relevant information, including debt amount, debt details and actions taken, but not the debtor's identity. Finance to write off the debts in EMS after approval is granted, in the current calendar year.
6. **Waiving or Reduction of Fees:** The principal is authorised to waive or reduce the charge. This could happen when a family experiences financial hardship, but does not qualify for School Card. This is to be dealt with confidentially between the principal and the parent, caregiver or independent student. Allow parents, caregivers and independent students to perform tasks at the school as an 'in-kind' contribution towards the materials and services charge, if they offer. Should this occur, care must be taken to ensure that the GHPS is not exposed to any undue risk. The charge can be refunded if the parent, caregiver or independent student experiences financial hardship after paying the charge. The refund is to be dealt with confidentially.

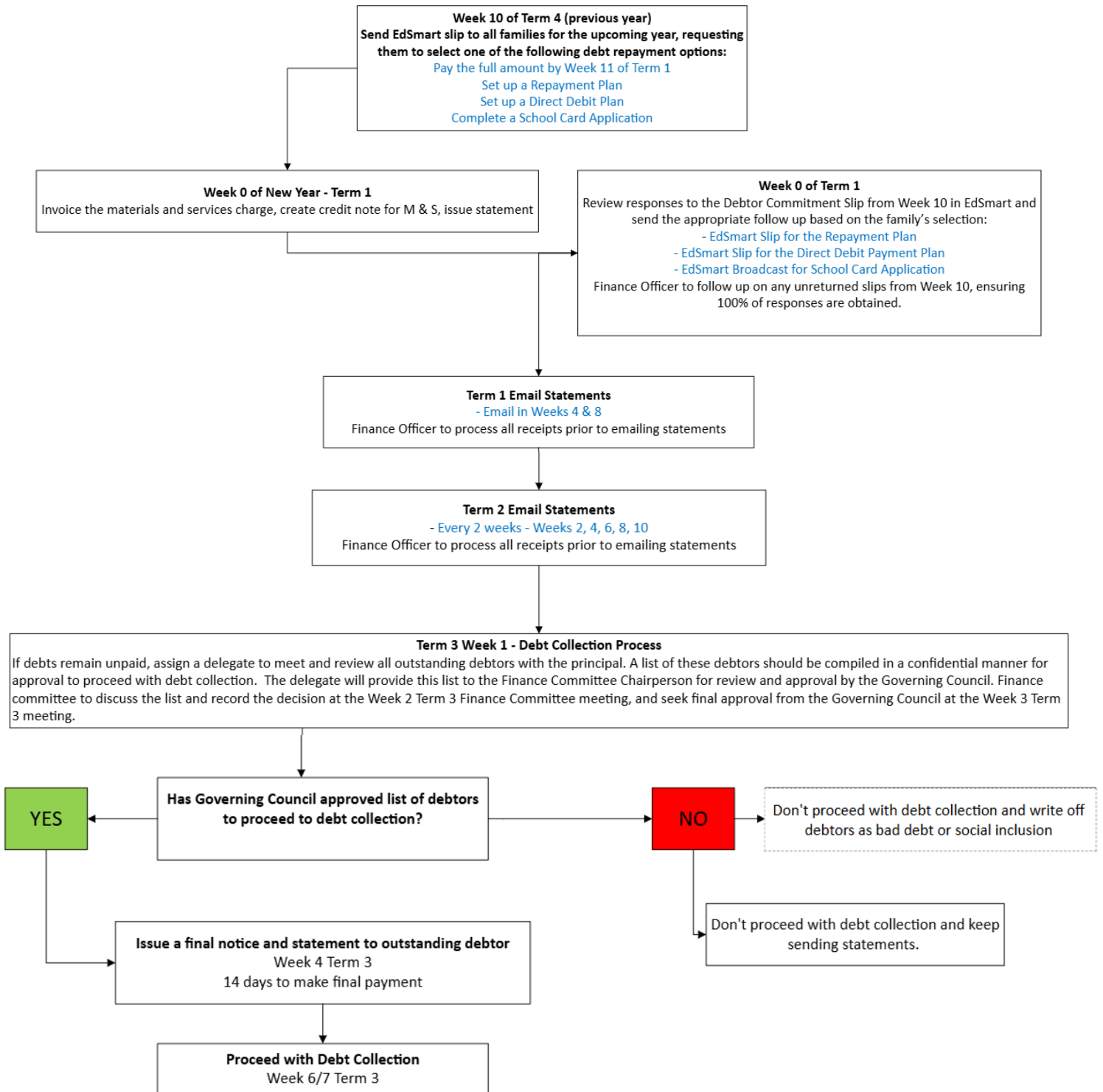
Reporting Debts

Each term, the principal and/or delegate will review debt reports to track unpaid debts, repayment plans, and any potential write-offs. These reviews are shared with the finance committee and governing council in a confidential manner to maintain privacy.

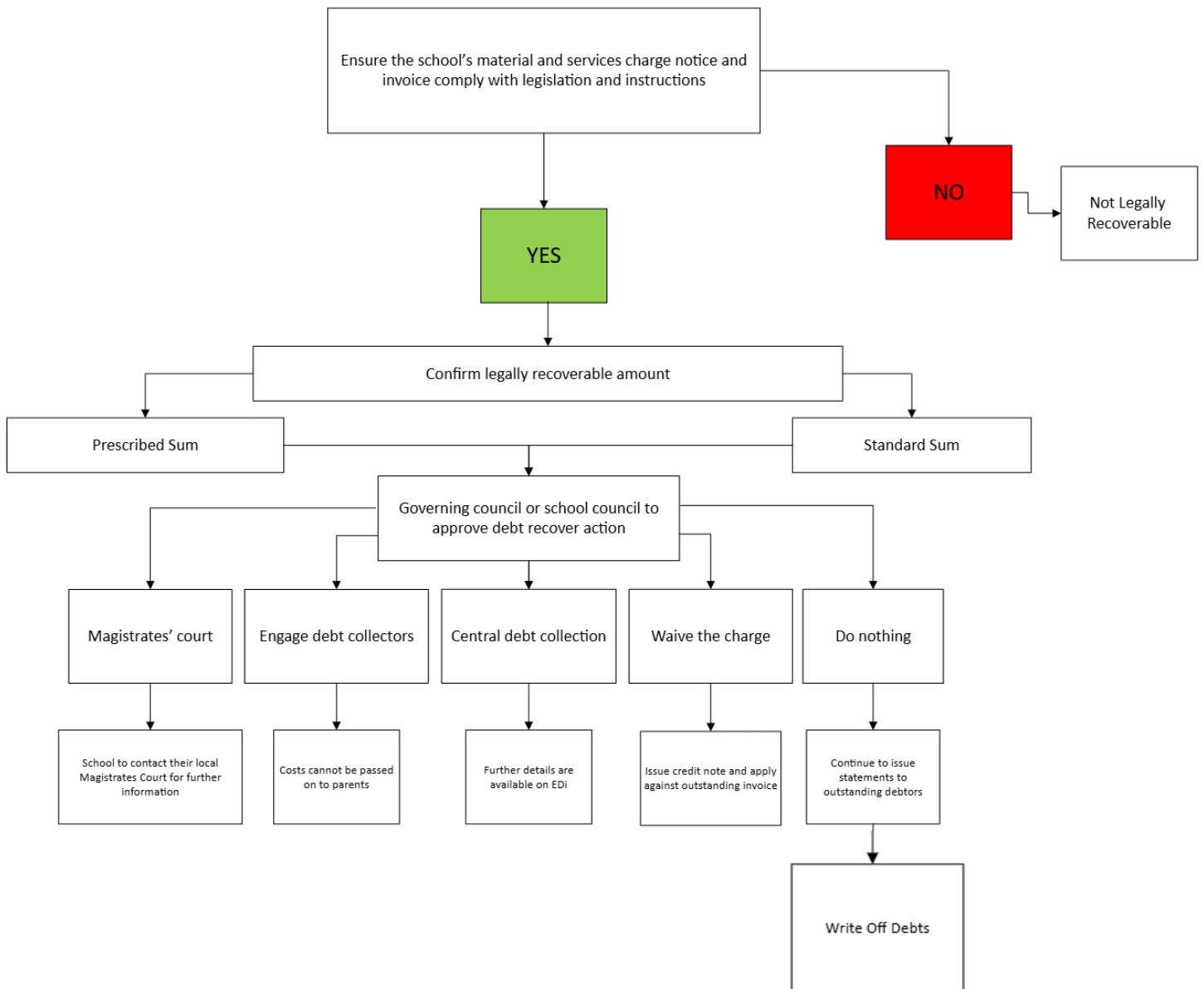
Goods and Services Tax (GST)

All applicable transactions must comply with GST regulations. Use the GST Guide for Schools to ensure invoicing practices align with ATO standards.

Invoicing & Debt Collection Procedure



Debt Collection Procedure



Policy review

This policy will be regularly reviewed to ensure compliance with updated legislative requirements and best practices in Accounts Receivable. This policy was created 12-11-2024