

OVERDUE FEE PAYMENT PROCEDURE

Our Service is committed to providing quality education and care to all children at an affordable fee for families. Our Service aims to ensure families understand the fee schedule and payment process required for education and care to be provided for their child.

Working in conjunction with the *Payment of Fees Policy*, this procedure explains the process of fee payment and the necessity of ensuring children's fees are paid on time and consequences for failure to pay fees on time.

Education and Care Services National Law or Regulations (R.168 and 172) NQS QA 2: Element 7.1.2 and 7.1.3 Governance practices and procedures

Related Policy: Payment of Fees Policy

OVERVIEW		
1	Fees are charged for each session of care and vary depending on the age of the child in care and the family's eligibility for Child Care Subsidy (CCS).	
2	CCS is paid directly to the Service and this is used as a fee reduction (visible on a family's statement)	
3	Families are required to pay the difference between the fee charged and the subsidy amount- the 'gap' amount	
4	Fees must be kept in advance of a child's attendance	
5	Fees are to be paid fortnightly through a direct debit system. If families wish to pay fees on a weekly or monthly basis, it is a requirement that the family pay in advance and are not in arrears	
6	Families are to advise the Director/ Nominated Supervisor at the earliest opportunity if they are having financial difficulties paying childcare fees	
7	A payment plan may be entered into for families experiencing financial difficulties	
8	If a family fails to pay the required fees on time, a reminder letter will be issued after one week and then again, after two weeks if the fees are still outstanding	

FIRST WARNING- 1 WEEK OVERDUE		
1	Families will be contacted via email to advise their payment is 1 week overdue and payment is due immediately	
2	Families will be reminded of fee contribution agreement and fee policy guidelines	
3	A copy of the fee policy and account will be attached to the email sent to families	

4	At any time of the debt recovery process the family will be encouraged to enter a debt agreement with the service to repay outstanding fees. A written contract will be provided for the family to sign outlining repayment plan details. The repayment plan will provide information as to the duration and amount of the repayments as well as steps that will be taken if the repayment plan is not adhered to.	
5	Children will not be able to pick up additional or extra days whilst fees are outstanding, or a payment plan is in place.	
6	The Director/ Nominated Supervisor will provide information to families regarding additional childcare subsidy claim for financial hardship if applicable	
7	See <i>Non-Payment of Fees letter – 1st warning</i>	

SECOND WARNING- 2 WEEKS OVERDUE

1	Families will be contacted via email and also phone call to advise their payment is 2 weeks overdue and payment is due immediately	
2	Families will be advised their child's placement is at risk of termination	
3	Families will be reminded of fee contribution agreement and fee policy guidelines	
4	A copy of the fee policy and account will be attached to the email sent to families	
5	At any time of the debt recovery process the family will be encouraged to enter a debt agreement with the service to repay outstanding fees. A written contract will be provided for the family to sign outlining repayment plan details. The repayment plan will provide information as to the duration and amount of the repayments as well as steps that will be taken if the repayment plan is not adhered to.	
6	See <i>Non-Payment of Fees letter – 2nd warning</i>	

PAYMENT PLAN

1	Families can request a payment plan at any time by meeting with the Director/ Nominated Supervisor	
2	At any time of the debt recovery process the family will be encouraged to enter a debt agreement with the service to repay outstanding fees	
3	A written contract will be provided for the family to sign outlining repayment plan details	
4	The repayment plan will provide information as to the duration and amount of the repayments as well as steps that will be taken if the repayment plan is not adhered to	

5	The payment plan is to consider regular fee payments and clear the outstanding amount within a set period of time	
6	Each payment will be individualised for each family by the Director/Nominated Supervisor	
7	A copy of the payment plan will be placed in the child's enrolment file and provided to the family.	
8	<i>See Payment plan letter</i>	

TERMINATION OF ENROLMENT FOLLOWING NON-PAYMENT OF FEES

1	A child's position will be terminated if payment has not been made after three weeks, for which the family will receive a final letter terminating the child's position	
2	The family will be contacted to arrange a meeting regarding non-payment of fees and to discuss termination of enrolment. The child will be unable to return to the service until account is paid in full. Documentation of this meeting is to be completed with the account and/or payment plan attached. An email will be sent to families as notification of the meeting.	
3	If the family does not attend the meeting, a phone call will be made to families advising the child's enrolment is terminated due to non-payment of fees. An email will be sent to families as a notification of phone call.	
4	The Service will initiate its debt collection process, following privacy and conditional requirements	
5	Any fees associated with debit recovery will be passed onto families	
6	Families will be offered a payment plan to arrange payment of outstanding fees over a nominated period of time	
7	<i>See Termination of enrolment letter</i>	

EXAMPLE NON-PAYMENT OF FEES LETTER – 1ST WARNING

Date [insert date]

RE: NON-PAYMENT OF FEES – 1ST WARNING

Dear: [insert parents name]

Just a friendly reminder your fees are currently outstanding. As per our *Payment of Fees Policy*, all accounts are to be 2 weeks in advance at all times.

It is a condition of enrolment that fees are payable in full by the due date on your statement.

Currently the BALANCE OUTSTANDING as of [date]: \$amount

We note the last payment received was on the [date] for \$amount

Your weekly fees are \$amount

Should you wish to discuss the account or put a payment plan in place, please do not hesitate to contact the Director to organise a time to meet with you to discuss payment options.

Yours sincerely

Director

Director Name

Service Name

EXAMPLE NON-PAYMENT OF FEES LETTER – 2ST WARNING

URGENT ACTION REQUIRED

Date: [insert date]

RE: NON-PAYMENT OF FEES – 2ND WARNING

Dear [insert parents name]

This letter is to request immediate payment for the outstanding amount of your account. As per our *Payment of Fees Policy*, all accounts are to be **2 weeks in advance** at all times.

Outstanding balance \$**amount** as of [date]

It is a condition of enrolment that fees are payable in full by the due date on your statement.

To avoid further action, please forward your payment directly to the centre, for the full amount of the debt, within 7 days from the date of this letter.

If payment is received within 7 days, no further action will be taken. However, if payment is not received, our instructions are to refer the matter to our 3rd Party debit collection agency.

If you have any issues about this debt or have paid it prior to receiving this letter, please contact the centre within the 7 days to discuss this.

Yours sincerely

Director

Director Name

Service Name

EXAMPLE PAYMENT PLAN LETTER

Date: [insert date]

RE: PAYMENT PLAN

Dear: [insert parents name]

Your account is currently in excess of **2 weeks** in arrears. This is a clear breach of our *Payment of Fees Policy*. Your child's position at our service is at risk of being terminated. We would like to assist you to bring your account back up to date by providing a payment plan to help you.

Currently the **BALANCE OUTSTANDING** as of [date] is \$amount

Weekly fees	\$amount
Payment Plan Term	
Agreed amount	\$amount
Frequency	

From [date] on an amount of \$amount will be due for [term of plan] each [frequency] to bring your account up to date.

I agree to the above conditions as stated in this payment plan. I understand that if I fail to make nominated payments as agreed to, my child's enrolment will be terminated.			
Parent/ Caregiver Name		Date	
Signature			

Director Name		Date	
Signature			

EXAMPLE PAYMENT PLAN LETTER

Date: [insert date]

RE: TERMINATION OF ENROLMENT

Dear: [insert parents name]

We wish to advise that effective of [insert date], care provided to [insert child's full name] will be terminated. The reason for your child's termination of enrolment is due to

[Insert reasons]

Your child's last day will be [insert child's last day].

Your final fee payment will be [\$ insert final outstanding amount] which will need to be finalised by [insert date].

Yours sincerely

Director

Director Name

Service Name