

Q231B

DEBT COLLECTION POLICY

Policy Statement

Enhanced Lifestyles (EL) and Lifestyle Assistance and Accommodation Service (LAAS) Debt Collection Policy sets out a clear, equitable, accountable and transparent process that we will follow for debt management and collection practices. The Policy will also aim to ensure that all debts owed to Enhanced Lifestyles and Lifestyle Assistance and Accommodation Service are received by the due date or followed up within specified timeframes.

Enhanced Lifestyles and Lifestyle Assistance and Accommodation Service will ensure that all credit and related debts are managed fairly and equitably. This Policy confirms that parties who incur debts do so on the understanding that the prescribed repayment terms are met.

This document complies with NDIS 2018, standard 2.1 Governance and Operational Management, and ACIS 2013, section 2.1 Governance and Operational Management. This document is readily available to all Customers/Clients and employees of Enhanced Lifestyles and Lifestyle Assistance and Accommodation Service including The Boards.

Policy context: This policy relates to:

Legislation or other requirements

Associations Incorporation Act (SA) 1985 Act

Responsibilities

The Finance team will be responsible for generating invoices and will also be responsible for the recovery of any debts.

Risk Management

Principles of risk management will underpin decisions made in relation to credit and related debt management. To reduce the risk of non-payment of a debt, a structured collection and recovery process will be applied.

Credit Management

Credit terms for all debtors are fourteen days (14) days from the date of the invoice.

Enhanced Lifestyles and Lifestyle Assistance and Accommodation Service reserves the right to suspend services until payment of debt/s has been received.

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Definitions

Credit The purchase and/or provision of goods and services from Enhanced Lifestyles and Lifestyle Assistance and Accommodation Service by a debtor on the basis of a commitment to pay at a future time.

Debt The amount of money owed by a debtor as a result of a transaction with Enhanced Lifestyles and Lifestyle Assistance and Accommodation Service. A debt is expected to be settled within the normal payment terms of trade.

Debtor An individual, organisation or other party that transacts with Enhanced Lifestyles and Lifestyle Assistance and Accommodation Service where goods or services are provided and any other transaction that results in a future payment to Enhanced Lifestyles and Lifestyle Assistance and Accommodation Service. A debtor is an asset for Enhanced Lifestyles and Lifestyle Assistance and Accommodation Service as it gives rise to an anticipated future benefit. The future benefits are cash inflows, which occur when the debt is paid.

Invoice Date The date which the invoice has been raised in the debtor's system.

Risk The possibility of non-payment of the debt by the debtor when the amount is due. The likelihood of non-payment increases with the age of the debt.

Write Off The accounting procedure for cancelling a debt that is no longer collectable resulting in its removal from Enhanced Lifestyles and Lifestyle Assistance and Accommodation Service' Statement of Financial position.

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Methods

Debt Management

1. If payment has not been received within 14 days of the invoice date, a statement will be issued to the debtor by the Finance Team advising of invoices outstanding.
2. If payment has not been received within 21 days of the invoice date, telephone contact and an email (if debtor has email access) is made by the Finance Team with the debtor requesting payment. A note is recorded in CIMS software.
3. If payment has not been received within 28 days of the invoice date, a collection letter will be sent to the debtor by the Finance Team requesting immediate payment.
4. If payment has not been received within 7 days of the date listed on the letter referred as above, a final warning letter will be issued to the debtor by the Finance Team advising that payment must be made immediately otherwise the debt will be referred to a collection agent and all costs associated with this process will be added to the outstanding debt.
5. If payment has still not be received at this stage and/or no attempt has been made by the debtor to resolve the debt or enter into a payment arrangement, suspension of services may occur until the debt has been paid in full (at the discretion of the Chief Executive Officer).
6. The Chief Executive Officer has the discretion to vary steps 1 to 5 subject to delegation limits.
7. Payment arrangements may be negotiated with the Finance Team and/or Chief Executive Officer to increase the likelihood of Enhanced Lifestyles (EL) and Lifestyle Assistance and Accommodation Service (LAAS) receiving any outstanding amounts.

Write Off

Debts will only be written off when all reasonable attempts to recover outstanding amounts have been made or the costs of recovery are likely to equal or exceed the amount to be recovered.

The writing off of a debt and any associated debt recovery or legal costs will be charged to the account where the invoice was originally raised.

All write-offs will be reported to the Finance Sub Committee and Board of Management and will include the amount written off, description of the invoice and reason for write-off.

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Documentation

Documents related to this policy	
Related policies	Q231- Financial Management
Forms, record keeping or other organisational documents	Collection Letters (Attached) Collection Letter 1 Collection Letter 2 Collection Letter 3