POLICY STATEMENT
Centacare Child Care Services (CCCS) aims to provide quality services to families at an affordable price. Individual Service’s fee structures are set by the Regional Coordinator and Coordinator/Director of the Service, in consultation with Centacare Child Care Services Finance Staff. The fee structures are consistent with the Vision, Values and Mission of CCCS and legislative requirements and are set with consideration to quality, sustainability and affordability. The fee structure is reviewed at least annually and reasonable notice (a minimum of 28 days) will be given to parents/guardians of any pending fee changes.

A policy for the payment of fees for enrolment and attendance at all Centacare Child Care Services will ensure that a sustainable service of consistently high quality is provided to families and the wider community. Parents who have fee amounts owing outside of the Centacare Child Care Services Fees Policy terms will be reminded to pay within these agreed terms. This policy for the payment of fees addresses the non-payment of accounts and identifies appropriate action required to recover outstanding monies.

LEGISLATION & REFERENCES
The laws and other provisions affecting this policy include:

- Education and Care Services National Law Act 2010
- Education and Care Services National Regulations 2011- Regulation 168 (2) (n)
- Australian Children’s Education and Care Quality Authority- Areas and Standards 7.3; 7.3.1; 7.3.2

Policies & Forms:
- Debt Tracker
- Payment Plan Agreement
- Stage 2- Outstanding Fees Reminder Letter
- Stage 3- Outstanding Fees Overdue Letter
- Stage 4- Outstanding Fees Final Reminder Letter
- Stage 5- Outstanding Fees Suspension of Enrolment Letter
- Request to Write Off Bad Debt Form

PRINCIPLES & PROCEDURES
1. Fee Setting Provisions

Ratified By -
Developed under National Regulations 2011- June 2012
For Review -
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Providing an education and care service in keeping with the Vision, Mission and Values of the organisation, along with licensing requirements and quality assurance, Centacare Child Care Services does the following:

- Identifies the resources and materials involved in meeting those requirements.
- Assesses the resources and materials that the Service currently has at its disposal.
- Ascertains what is needed by the Service to meet these requirements.
- Quantifies the resources and materials required for the year to achieve these needs.

2. Provision of a Quality Service and the Sustainability of the Service

In providing quality and sustainable education and care services, CCCS Regional Coordinators discuss with Service Coordinators/Directors/Educators the needs of each Service and make recommendations to CCCS Operations Manager/Director in response to the following:

- Often prepare a medium term plan (3-5 years) setting out qualitative and quantitative objectives, goals and benchmarks to achieve over this timeframe, keeping in mind the information obtained at the survey stage.
- Assess any proposed changes or developments in the Service to achieve objectives, goals and benchmarks over this timeframe.
- Assess the sustainability of existing practices and any expected changes in practice.
- Quantify the resources and materials required per year to achieve these changes.

3. Affordability to the Community

The Consumer Price Index (where applicable) is consulted and research industry data and other information provided by the Accountant of CCCS to obtain guidance on the level of fees and fee increases.

- Obtain Fee Structures from similar types of services.
- Estimate the number of similar types of services in the area.
- Compare the maximum Child Care Benefit levels of the Service with the proposed Fee Structure.
- Assess if the amount of debts and fees that are outstanding for over 30 days are reasonable as a proportion of the total fees for the year.
- Assess what is a reasonable level of increase in fees.

4. Fee Setting & Bookings

Regional Coordinators consult with Service Staff/Educators to quantify all the costs associated with Service provision. This may include staff/educator costs, materials and supplies, payroll liability, facility costs, fees and charges, loan repayments, capital provisions, cash flow commitments etc. Regional Coordinators then consult with CCCS Finance Staff about the annual budget and expected cash flow, before getting approval from the Operations Manager/Director CCCS.

- Add the proportion of costs associated with the resources and materials involved in meeting these requirements in comparison to that which the Service currently has at its disposal.
- Compare these total costs with the estimated income for the year.
- Assess the result in comparison with the requirements of the Service.
- Fees are not charged during the two week Christmas closure period.
- In Early Learning Centres and Outside School Hours Care services, fees may be payable during public holidays as these services retain the child’s enrolment space and staff to child ratios.
Families are charged for permanent booking absences regardless of circumstances and when a Service is not informed in a timely manner that the child won’t be attending, a non-communication fee may be charged.

Two weeks written notice must be given in order to change/cancel a permanent booking.

There is a casual booking surcharge for Outside School Hours Care sessions.

Bookings for Vacation Care need to be confirmed at least one week before the commencement of school holidays to enable finalisation of staffing and programming.

Bookings for the Vacation Care period will not be confirmed and processed until fees are up-to-date.

A Late Payment Fee may be applied upon consistent non-payment of outstanding fees and this is introduced at the service coordinator/educator/director’s discretion.

Non-payment of overdue fee amounts can result in suspension of care.

5. Other Fees and Levies (Waiting List, Enrolment, Equipment Levy, etc.)

Other Fees will be set, based on the requirement of the service, and in light of the information relating to resources and materials required and at the disposal of the Service.

These Fees can only be introduced with the authorisation of the Director of CCCS, on the recommendation of the senior management team.

6. Assessment of Total Fee Structure and Identification of Issues and Synergies

By compiling the information obtained from the procedures above and considering how each component is affected by the other, a fair and unbiased fee structure is formulated. To attain this standard service Educators and Regional Coordinators will:

- Consider issues that may affect the fee structure as a whole (e.g. extra cost for casual bookings, government grants, sustainability funding, fundraising, contingencies etc.
- Look at how certain components of the Service complement each other and how fees can be adjusted to minimise the cost to families and the service.
- Document the proposed fees in a Fact Sheet contained in the Annual Enrolment Package which is available to families from the service or from the CCCS website.

7. Review of Fees

Review of the fees is undertaken at least annually or more frequently when required.

This review is conducted by the Coordinator and Regional Coordinator and must include the procedures set out above. If circumstances have not changed in some areas you may use the information from the last review of those areas.

8. Notification to Parents/Guardians

If there is a fee change at the service apart from the annual adjustment parents/families will be notified by letter or email at least 28 days in advance.

- Notification may be in writing; in the form of a memo on the notice board; in a parent newsletter, or electronically.
- Notifications may be placed as a special note on the account statements.

9. Authorisation of Fee Structure and Changes

The Regional Coordinator must notify the Operations Manager of the fee structure and any changes before approval by the Director CCCS and ensuing implementation.
• Approved fee structures will be provided to the QikKids project officer for data entry.
• For fees that are charged for the direct care of the children, such as session fees and excursion fees, the fee structure and any changes shall be authorised by the Regional Coordinator.
• For other fees, such as enrolment fees and levies, authorisation is needed from the Director of CCCS and is based on the recommendation of the Regional Coordinator.

10. Designated Payment Period and Prevention of Outstanding Debts
Responsibilities:
• It is the Coordinator/Director/Administrator’s responsibility to ensure that parent statements are issued at least every 14 days. Outstanding fees are discussed with parents whose account exceeds the 14 day period.

Record Keeping:
• The Coordinator/Director/Administrator keeps all records of overdue accounts. A record of all contact with families to recover overdue funds is maintained on the Debt Tracker sheet. These records include details and dates of statements, letters, phone calls, payment plans, etc.

Preventative Measures:
• Reasonable steps must be taken by the Service Coordinator/Director to ensure that the parents are informed of the Service’s fee structure, terms of payment, adequate notice of expected increases in fees and are notified of outstanding amounts to facilitate payment (e.g. Direct Debit). The Coordinator/Director and Regional Coordinator may decide to put into place an advance fee payment system to ensure that payment is received for services in a timely manner.

11. Designated Payment Period
• The Fees Payment Policy states that fees must be paid in advance. The Designated Payment Period is the day/days the fees should be paid by in light of the criteria below:
  – Booked attendances payment is to be made at least one week in advance (i.e. the Friday before the week that care is provided).
  – Casual attendances/occasional care payment is to be collected on the day the care is provided.
• Written authorisation by the Regional Coordinator to operate outside this policy is required. The payment period can be up to a maximum of 14 days.
• All parents must abide by the designated payment period unless other terms are negotiated with the approval of the Regional Coordinator (e.g. a fee payment plan arranging periodical instalments).
• Notations of these arrangements are made in the appropriate section of Qikkids.
• An account becomes overdue if it is not paid within the designated payment period.

12. Managing Outstanding Debt
When reviewing overdue accounts for each stage of action, consider any special circumstances before proceeding, such as a child at risk of harm or neglect, a family undergoing financial hardship etc. All amounts overdue (i.e. exceeding the relevant payment period) shall be managed as follows:
• Stage 1: Within 7 days
  Within 7 days of a debt being deemed overdue, the parents shall be contacted informally (e.g. face to face or by phone) to allow for the identification of any issues causing the non-payment. If there are circumstances that are preventing the family from paying, the Coordinator/Director must contact the Regional Coordinator to discuss the situation, the Service’s options and if a payment plan is necessary. An account reminder will be issued with the next statement.
• **Stage 2: More than 14 days**  
Where payment has not been received within 14 days after the relevant payment period or a payment plan has been breached, after consultation with the Regional Coordinator, a reminder letter (Stage 2 - Outstanding Fees Reminder Letter) with a statement of account is to be sent to the parents requesting the payment of all outstanding monies highlighted as “Outstanding Fees-Reminder”.

• **Stage 3: More than 21 days**  
Where payment has not been received within 21 days of the relevant payment period expiring, the parents must be advised by letter (Stage 3 - Outstanding Fees Overdue Letter) with a statement of their account, that care may cease to be provided until payment has been received.

• **Stage 4: More than 28 days**  
Where payment has not been received within 28 days of the relevant payment period expiring, the parents must be advised by letter (Stage 4 - Outstanding Account Final Reminder Letter) that if payment in full is not received by the Service within 7 days from the date of the letter, the child’s enrolment is to be suspended and formal recovery action instigated. This must be formally documented and forwarded to the respective person enrolling the child/children.

• **Stage 4: More than 35 days**  
Where payment has not been received within 35 days of the expiration of the relevant payment period, the parents must be advised by letter (Stage 5 - Outstanding Fees Suspension of Enrolment Letter) that their child’s enrolment will be suspended until (dependent on availability of places) payment is made in full, a direct debit/credit card arrangement has been established and paid two weeks in advance and that formal recovery action may be instigated if payment has not been made within 7 days.

13. **Payment Period Extension**  
The Regional Coordinator has the discretion to grant a payment period extension to a family. In considering any extension, the Regional Coordinator shall take into account:

- The length of time the family has used the Service;
- Past payment record (if applicable);
- Relations with the parents/guardians;
- The likelihood that the parents/guardians will pay (if attainable);
- The reasonableness of the requested payment period extension.
- Negotiated Payment Plan
- In some cases outstanding fee practices of the Parish/school could be consulted.

Payment Period extensions must be documented and reviewed by the Coordinator/Director and the Regional Coordinator on a regular basis, taking into account the criteria above.

14. **Formal Recovery Action**  
The Coordinator/Director may take formal recovery action only after consultation with the Regional Coordinator and in keeping with the Parish/school policy and procedures:

- Where applicable, investigate if the formal recovery action can be done in conjunction with the school or parish recovery system. If this is not possible or proves to be unsuccessful, assess whether it is practical to engage a local professional debt collection agency.
• Legal action to recover monies is not a preferred method of recovery, and can be instigated only in cases where the expected amount of legal expenses incurred to recover monies is significantly less than the outstanding monies owed by the client.
• Any further action utilising a debt collection company must be approved by the Director CCCS.
• A review of this situation should include looking at the:
  – Likelihood of payment
  – Expected court fees
  – Likelihood of fees being recouped
  – Other difficulties

15. Writing off Bad Debt
When all fee payment principles have been followed, the outstanding fee may be deemed to be unrecoverable and written off as a Bad Debt. If this is the case, the following needs to apply:
• A ‘Request to Write off Bad Debt’ form should be completed and signed by the Service Coordinator and Regional Coordinator.
• Families with bad debts are permanently noted in QikKids.
• Any future requests for attendance will not be booked until the previous debt is settled and an agreement is made with the Coordinator/Director that all fees are to be paid two weeks in advance.