



## Policy for CBC Mount Edmund: Overdue Accounts

### 1. Purpose

To standardise the procedure for the collection of outstanding accounts.

### 2. Credit checks

- 2.1 CBC Mount Edmund carries out a credit check as part of the enrolment process as well as a reference check with the transferring school. The College at its discretion may carry out credit checks after the child has enrolled should problems be experienced in the payment of accounts.
- 2.2 Where a family wishes to enrol a sibling, the payment record with the other sibling will be taken into account.
- 2.3 It should be noted that any debt relating to a child having left the College will form part of the enrolled sibling's account for which that same parent is accountable.

### 3. Fee Collection Procedures

- 3.1 Parents will be invoiced for fees monthly. Parents have the option of paying annually on/by the 1<sup>st</sup> February to enjoy a 5% discount. In such a situation, the annual amount will be billed to the account. Statements will be sent on a monthly basis.
- 3.2 The full fees for the month are payable in advance on or before the first day of the month.
- 3.3 If the account is outstanding at the start of the 11<sup>th</sup> day of the month, an **sms or courtesy call** as a reminder will be sent. After 7 days, a **first warning letter** will be sent should the fees still be outstanding. The letter will warn parents that they are in arrears and that they have **7 days** from the date of the letter to settle their account.
- 3.4 Should the account remain unpaid after the **7 day** period stated above, parents will receive a **second letter** advising them that the learner will be excluded in **7 days** as a consequence of the breach of contract and that the learner should not return to school after 7 calendar days unless and until the account has been fully settled.

- 3.5 If the fees are still outstanding after two letters of warning the school will insist that the parents keep their child at home. If the child is sent to school, the respective principal will remove the child from class and place him/her under supervision in a designated area. The parents will be phoned and asked to collect their child soonest from the designated area.
- 3.6 Reports (of any nature) will not be issued to parents with outstanding fees.
- 3.7 A child will not be eligible to attend a tour or special event requiring additional payment (e.g. Matric Dance), if there are fees outstanding.
- 3.8 Should the account remain unpaid, a month's notice will be given in terms of the contract that such contract will be terminated and the school will award that place to any learners on the waiting list. Alternative arrangements should be made by the parents for the education of the learner in question.
- 3.9 Once the contract has been cancelled and the learner excluded from school, the account will be handed over to a debt collection agency, the College's attorneys, or another suitable agency, for the collection.

#### **4. Communication**

- 4.1 All procedures and communications concerning the collection of fees will be conducted by the Bursar's department.
- 4.2 Parents are advised to contact the Bursar's or the Principal's office in good time to make a mutually agreeable payment plan, should they foresee that they will experience difficulties with the fee payment commitments.

#### **5. General**

- 5.1 All communication with parents will be recorded on a data collection system. The College reserves the right to record any conversations with any parents.
- 5.2 All communications concerning arrangements for the payment of outstanding accounts will be confirmed in writing by the College. An Acknowledgement of Debt (AOD) will be signed for any accounts in arrears with an acceptable payment plan.
- 5.3 Collections will be allocated against the accounts in the following order:
  - 5.3.1 Collection costs/legal fees
  - 5.3.2 Extras (if applicable)
  - 5.3.3 Tuition fees
- 5.3 Credit balances on an account of a learner who has left the College will be refunded to the person(s) responsible for the account two months after the learner has left the College.