

Policy and Procedure Register updates – Summary of changes to:

Debt management procedure

1. Reason for new/updated policy or procedure <i>(select all that apply)</i>		
<input type="checkbox"/> Change of policy/procedure requirements	<input type="checkbox"/> Audit/review recommendation	
<input type="checkbox"/> Change to legislation/delegations	<input type="checkbox"/> Due for review	<input checked="" type="checkbox"/> Other
<p>This update is to ensure the procedure reflects advice from Crown Law about when principals can lawfully decide to exclude students from optional, extra-curricular activities on the basis of an unpaid student related debt to the school (exclude students).</p> <p>The update means that principals can only exercise their discretion to use exclude students where other debt collection processes are not reasonably available.</p>		
2. Summary of changes		
<p>The principal's responsibilities section of the procedure will state <i>"If other debt collection processes are not reasonably available, [Principals] may use discretion to exclude students from optional, non-curricular activities where a parent has an outstanding debt with the school."</i></p> <p>Step 2 of the process section will also include the following: <i>"Note: A student can only be excluded from an optional, non-curricular activity in circumstances where other debt collection processes are not reasonably available. For example, if other less drastic debt collection methods in this procedure were pursued and unsuccessful."</i></p>		
3. Impacts to roles and responsibilities		
Does the new/updated content change staff roles/responsibilities <i>in any way?</i>		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<i>If yes, select the type of change: (select all that apply)</i>		
<input checked="" type="checkbox"/> Revised responsibilities <input type="checkbox"/> New/additional responsibilities <input type="checkbox"/> Removed responsibilities		
Position title	Summary of change	Page #
Principals	Principals can only exercise their discretion to exclude students from optional, non-curricular activities in circumstances where other debt collection processes are not reasonably available.	2 and 3
4. Communication and support for implementation		
<p>Finance, Procurement & Facilities will collaborate with Schools and Student Support to develop appropriate messaging on the update, and distribute it to principals and schools through multiple channels and networks. This may include</p> <ul style="list-style-type: none"> • DoE news message • Bulletin board message • OneSchool message • Relevant regional staff who regularly communicate and advise schools (for example, Financial Advisory Services regional staff) • Formal communication with principal and business manager associations. • Publishing the procedure as upcoming on the policy and procedure register. 		

For further assistance, please contact:

Financial Operations

Email: debtmanagement.finance@qed.qld.gov.au



Procedure

Debt management procedure

Version: 4.2 | Version effective: 23/01/2023

Audience

Department-wide and customers of the department

Purpose

To communicate to the Department of Education's (the department's) staff and customers departmental debt management processes to ensure that the department: recovers amounts owing to it to maximise its revenue base and therefore the services that it can provide to customers, and; complies with all statutory obligations.

This procedure applies where invoices are issued and not paid by the due date. It does not apply to fees that are required to be paid in advance of services being delivered (e.g. international student tuition fees).

Overview

Debt collection options available to the department may include:

- contacting the debtor by telephone, email or other methods available
- issue of overdue notices
- repayment agreements
- withdrawal of credit facility (temporary or permanent)
- referral to Integrity and Employee Relations Unit (current DoE employees only)
- referral to an external third party collection agency
- referral for legal action.

Responsibilities

Principals

- Ensure that invoices are accurately recorded in the school finance system and can be substantiated.
- Follow the debt management process outlined below and the [information on OnePortal](#) (DoE employees only) in relation to overdue invoices raised by the school.

- If other debt collection processes are not reasonably available, and only as a last resort, may use discretion to exclude students from optional, non-curricular activities where a parent has an outstanding debt with the school.
- Approve write off of debts as per the [finance delegations](#).
- Maintain records and supporting documentation for the written off debts.
- Request approval from the Regional Director before submitting non-student related debts to Finance, Procurement & Facilities Division for referral to an external debt collection agency.
- If the debt is approved for referral, approve costs associated with external debt recovery or legal action; to be borne by the school.

Regional Director

- Approve requests from principals to submit non-student related debts to Financial Services Branch for referral to an external debt collection agency.

Financial Services Branch (Finance, Procurement and Facilities Division)

- Follow the debt management process outlined below for invoices raised in the corporate finance system.
- Refer disputed invoices to relevant business units for timely resolution.
- Request approval from relevant business units for costs associated with referring debts to an external debt collection agency.
- Request approval from delegated officers to pursue legal action if applicable.
- Manage the referral of debts to external debt collection or legal action on behalf of schools and business units, including Department of Education International (DEi).
- Request approval from relevant delegated officers and committees to write off debts.
- Maintain records and supporting documentation for the written off debts.

Business Units

- Ensure that invoices are accurately recorded and can be substantiated.
- Resolve any disputes over invoices in a timely manner.
- Approve any costs associated with referring debts to external debt collection agency or legal action; to be borne by the business unit.
- Approve write offs as per the finance delegations.

Process

1. Monitor unpaid and partially paid invoices passed the due date, at least monthly.
2. Follow prescribed debt management processes which include:
 - issuing overdue notices to debtors for unpaid invoices
 - recording and documenting all conversations and correspondence with a debtor during the debt recovery process

- resolving any disputes regarding payment of invoices in a timely manner and notifying the debtor of any resolution or outcome
 - negotiating a payment plan for debtors that are unable to pay their invoice, in total, by the due date, after assessing their ability to pay
 - Principals exercising discretion when determining whether to exclude a student from an optional, non-curricular activity where a parent has an outstanding debt with the school. Note: A student can only be excluded from an optional, non-curricular activity in circumstances where other debt collection processes are not reasonably available, and only as a last resort. For example, if other less drastic debt collection methods in this procedure were pursued and unsuccessful.
3. Payment plans must be in writing (email is sufficient) and be approved by:
 - an officer designated as 'Director' or above in central office
 - an officer designated as 'Manager' or above in DEi
 - an AO4 officer or above in the Accounts Receivable and Banking team in the Financial Services Branch
 - a Regional Director or Deputy Regional Director
 - a Principal or Business Manager in a school.
 4. Refer debts to an external debt collection agency for recovery (non-student related debts and debts relating to fee-paying international students only).
 5. Pursue legal action for non-student related debts if applicable, where debt collection options have been exhausted or in the case of deceased estates.
 6. If the debtor is also a vendor, the department may, with the debtor's written permission, offset any doubtful debts against the amount payable.
 7. Regularly review older debts and potential bad debt. Write off debts older than 180 days that are deemed uncollectable in accordance with the [finance delegations](#).
 8. Retain records and supporting documentation for the written off debts as per the department's [Records Retention and Disposal practices](#) (DoE employees only).

Definitions

Term	Definition
Business units	Departmental units in central and regional offices excluding schools.
Debt	A sum of money that is owed or due.
Debt recovery	The process for making people or organisations pay the money they owe to the department.
Debtors	A person or organisation that owes money.

Term	Definition
External debt collection agency	An external company or organisation that undertakes debt recovery processes on behalf of the department.
Non-student related debt	A debt incurred that does not relate to a student.
Student	<ol style="list-style-type: none"> 1. A person enrolled at a state school but not a person who is also enrolled at a non-state school unless the person's enrolment at the state school preceded the person's enrolment at the non-state school; <p>OR</p> <ol style="list-style-type: none"> 2. A person who is a pre-preparatory age child registered in a pre-preparatory learning program at a prescribed State school; <p>and who is:</p> <ol style="list-style-type: none"> 3. An Australian citizen or permanent resident; <p>OR</p> <ol style="list-style-type: none"> 4. The child of an Australian citizen or permanent resident. <p>DEi customers are not classified as students for the purpose of credit provision or debt collection processes.</p>
Write off	A loss resulting from cancellation of a debt that is deemed unrecoverable.

Legislation

- [Financial Accountability Act 2009 \(Qld\)](#)
- [Financial and Performance Management Standard 2019 \(Qld\)](#) (s13)

Delegations/Authorisations

- [Finance Delegations](#)

Policies and procedures in this group

- [Revenue policy](#)
- [Requests for Voluntary Financial Contributions procedure](#)
- [Student Resource Scheme \(SRS\) procedure](#)

Supporting information for this procedure

- Nil

Other resources

- [Management of salary related overpayments procedure](#)
- [User charging procedure](#)
- [Debt management](#) (DoE employees only)
- [Australian Securities and Investments Commission \(ASIC\) Debt Collection Resource](#)
- [Record retention requirements](#) (DoE employees only)

Contact

For further information, please contact:

Financial Operations

Email: debtmanagement.finance@qed.qld.gov.au

Review date

8/07/2022

Superseded versions

Previous seven years shown. Minor version updates not included.

2.0 Debt Management

3.0 Debt Management

4.0 Debt management

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