



Water Polo
SOUTH AUSTRALIA

Debt Collection Policy

Creation: 01/01/2017 by Director of Finance.

Responsible Officer: Finance Officer / Executive Officer

Date of Adoption: 02/02/2017 (amended 21/07/2017)

Date of Review: -

Purpose

This Policy sets out a clear, equitable, accountable and transparent process that Water Polo SA (WPSA) will follow for its debt management and collection practices. The Policy will also aim to ensure that all debts owed to WPSA are received by the due date or followed up within specified timeframes.

Introduction

WPSA requires significant levels of income to provide a range of services to the water polo community and receives this income from clubs, and players. This income is received for different purposes such as wages, facilities use and pool hire, and other running costs of WPSA. To assist in delivering these services effectively and efficiently, WPSA should receive this income in a timely manner.

Strategic Plan Link

This Policy has the following link to WPSA's Strategic Plan 2016-2021:

Governance

- Implement policies and procedures that are consistent and effective

Financial Sustainability

- Generate income to support all water polo activities
- Maximise the benefit of resource utilisation (financial & human)

Principles

Decisions relating to collection of outstanding debts will be considered in the context of:

Accountability and Transparency

WPSA's practices and decisions will be made in accordance with the relevant accepted conventions. Employees will ensure that internal controls are applied when dealing with outstanding debts.

Fairness and Equity

WPSA 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.

Responsibilities

Finance will be responsible for completing the documentation required for an invoice to be generated, for raising the invoice, and the recovery of any debts.



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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 debt, a structured collection and recovery process will be applied.

Definitions

Credit

the purchase and/or provision of goods and services from WPSA by a debtor on the basis of a commitment to pay at a future time.

Debt

the amount of money owed by the debtor as a result of a transaction with WPSA. A debt is expected to be settled within the normal payment terms of trade.

Debtor

an individual, organisation or other party that transacts with WPSA where goods or services are provided, or use of facilities are made available, and any other transaction that results in a future payment to WPSA. A debtor is an asset for WPSA, 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 accounting system.

Provision of Doubtful Debts

the accounting procedure for recognising the estimated value of debts that may end up being uncollectable.

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 WPSA's Statement of Financial Position.



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Policy

Finance Employees will maintain procedures that support the administration of this Policy

1. Credit Management

1.1 Credit terms for all debtors are either thirty (30) or fourteen (14) days from the date of invoice.

1.2 Where appropriate, prepayment, bonds or deposits will be required prior to WPSA commencing the supply of goods or services. (eg. Payment prior to competitions)

2. Debt Management

2.1 If payment has not been received within 30 days of the invoice date, a statement will be issued to the debtor advising of invoices still to be paid.

2.2 If payment has not been received within 60 days of the invoice date, where possible, telephone contact is made with the debtor requesting payment. Another statement is issued with an overdue stamp. At this point in time, the contacting officer is required to ascertain any special circumstances regarding repayment (eg Financial difficulty – section 2.2.1 and 2.9).

2.2.1 If the debtor is in financial difficulty, a payment plan will be implemented by direct debit, and where possible. (See Financial Difficulty form)

2.3 If payment has not been received within 90 days of the invoice date, or the debtor has not entered into a payment plan, a letter is sent to the debtor advising that debt collection will commence if the invoice is not paid in full within 7 business days and all costs associated with this process will be added to the outstanding debt.

2.4 If payment is not received, or the debtor has not entered into a payment plan, within 7 business days of the date listed on the letter referred to in Section 2.3, the matter will be brought to the attention of the Finance Committee at the next applicable committee meeting, and a decision will be made to provide for doubtful debt, and if to refer the matter to WPSA's debt collection agency, who will issue a demand letter requesting payment within 7 business days.

2.5 If payment is not received within 7 business days of the date listed on the demand letter (2.4), another demand letter is sent to the debtor requesting payment within 7 business days. At the discretion of the finance committee, the letter will also state that WPSA may issue an Intention to Sue letter if payment is not made within this timeframe.

2.6 If payment is not received within 7 business days of the date of the second demand letter (2.5), the debt collection agency will issue an Intention to Sue letter, which requires payment within 4 days.

2.7 If payment is not received within 4 business days as dictated in the intention to Sue letter, Employees will liaise with the relevant debt collection agency as to how to



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proceed. This resulting action will be determined on a case by case basis taking in to consideration the principles of this Policy.

2.8 The Executive Officer has the discretion to vary steps 2.1 to 2.7 subject to delegation limits.

2.9 Payment arrangements may be negotiated to increase the likelihood of WPSA receiving any outstanding amounts.

2.9.1 Payment plans shall be monitored by the Finance Officer / Executive Officer for any difference from the plan, which will subsequently revert to the debt collection steps above if deemed necessary.

2.10 If members of the state teams or other teams organised by WPSA have debts over 30 days, and have not engaged in payment plans, they shall not be eligible to participate in any competing teams until the matter of the debt is addressed or repaid.

2.10.1 All payments for trips to be finalised 10 Days prior to the trip.

2.10.2 Any cancelation after the 10 Day cut off period, will incur an administration fee equating to 100% of costs, unless exception circumstances exist.

2.10.3 Exceptional circumstances are to be determined on an individual basis, and at the discretion of the Executive Officer.

2.10.3.1 Exceptional circumstances will incur a fee equating to 100% of fixed costs for the trip (eg. Administration fees, and air fares), plus 50% of variable costs.

3. Provision for Doubtful Debts

3.1 Debts greater than 12 months old shall be provided for as doubtful by the finance officer, unless agreed to by the Finance Committee.

3.2 Where the recovery of debt is unlikely prior to completing all steps listed in Section 2 (ie where the debtor is bankrupt or in liquidation), a provision for doubtful debt shall be made.

4. Write off

4.1 Debts to be written off will highlighted and brought to the attention of the Finance Committee, along with a corresponding reason for the un-collectability.

4.2 The Finance Committee shall review debts below \$5,000 and confirm the debt as uncollectable prior to the debt being written off. Once reviewed and considered to be uncollectable by the Finance Committee, the Finance Office / Executive Officer will perform the necessary journal to write off the debt.

4.3 Debts to be written off over \$5,000 will also be brought to the attention of the WPSA Board for approval.

4.3 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.



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4.3 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.

4.4 The thresholds contained in WPSA's Delegations Register will be applied when approving the write-off of an existing debt.

4.5 All write-offs will be reported to Board on a quarterly basis and will include the amount written off, description of the invoice and reason for write-off.

Review & Evaluation

This Policy will be reviewed annually. The Executive Officer will report to WPSA on the outcome of the review and make recommendations for amendment, alteration or a substitution of a new Policy if considered necessary.

Availability of the Policy

This Policy will be available for inspection at WPSA's principal office during ordinary business hours and at WPSA's website www.waterpolosa.com.au
Copies will also be provided to interested members of the community upon request.