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LONGBURN ADVENTIST COLLEGE DEBTORS POLICY (NAG 4)

An efficient and transparent management of finances is essential to the fiscal health and smooth operation of the College. The recovery of accounts receivable is an integral part of contemporary business practice that directly impacts on the fiscal resourcing capacity of the College. It is the responsibility of the College's Finance Committee to oversee the financial arrangements relating to accounts receivable.

PURPOSE:

1. To ensure that monies due to the College are collected in a timely and systematic manner.

POLICY:

1. Parents and caregivers will be encouraged to make prompt payment of fees, charges and 'donations' and will be notified which charges and fees are compulsory and optional for the continued enrolment of their child.
2. Attendance dues, as a legal requirement, are payable to the proprietor, NZSDA Schools Association, and enrolment at LAC is contingent upon attendance dues being paid. LAC reserves the right to remove any students whose attendance dues are not paid.
3. All students must make satisfactory financial arrangements at the time of their enrolment.
 - a. For New Zealand equivalent day students no deposit is required.
 - b. All fee payers must have payment arrangements made for any applicable day, boarding, international and other fees, whether by up-front payment or automatic/direct debit payments, before the start of the academic year. These arrangements must be reported to and approved by the Finance Committee of the College within the first four weeks of the academic year.
 - c. For New Zealand equivalent boarding students, not on a LAC Boarding Scholarship, a non-refundable \$NZ 1000 deposit is required to be paid before the commencement of the new academic year. This is the last stage of the enrolment procedure and is \$NZ 1000 towards your fees.
 - d. For students on a LAC Boarding Scholarship, a non-refundable \$NZ 1000 deposit is required to be paid by the fee payer before the commencement of the academic year. This is the last stage of the enrolment procedure and is \$NZ 1000 towards your fees. The Scholarship amount will be credited to the students account in the fourth term of the academic year.
 - e. For international students fees must be paid one year in advance six weeks before the term commences. In the situation of financial difficulty, term-by-term payment may be requested from the principal or business manager, eligibility is at their discretion. Early payment of fees ensures compliance with the New Zealand immigration regulations regarding the acceptance of international students into New Zealand educational institutions with a current New Zealand study visa.
 - f. All applicable day, boarding, international and other fees must be cleared by the conclusion of the academic year, whether by up-front payment or automatic/direct debit payments. All such arrangements must be made before the start of the academic year. These arrangements must be

reported to and approved by the Finance Committee of the College within the first four weeks of the academic year.

- g. Any fee payer of a boarding student, who falls behind on their scheduled automatic/direct debit payments, as approved by the Finance Committee, is officially in debt. The fee payer will be contacted by College Management and if arrangements cannot be made to catch up the payment a debt collector will be contacted. If no satisfactory arrangement is made with the debt collector, the student will be removed from boarding.
 - h. Any fee payer of a Year 7–12 day student who has not paid the compulsory fees, including the NCEA fee (Year 11 to 12 only) by the conclusion of the academic year is officially in debt. They parent/caregiver/third party will be contacted by College Management and if arrangements cannot be made to catch up the payment a debt collector will be contacted.
 - i. Any fee payer of a Year 13 day student who has not paid the compulsory fees, including the NCEA fee by the conclusion of the academic year is officially in debt. They parent/caregiver/third party will be contacted by College Management and if arrangements cannot be made to catch up the payment a debt collector will be contacted.
 - j. If any boarding student leaves before the end of a term, the fee payer is liable for all the fees up to and including the week that the student left. No refund will be paid for the \$1000 deposit that was paid at the beginning of the year.
 - k. If any boarding student is temporarily or indefinitely suspended/ stood down, the fee payer is to continue paying the students boarding fees, unless the student is permanently withdrawn from the boarding department in which case the fee payer is liable for all the fees up to and including the week that the student left. No refund will be paid for the \$1000 deposit that was paid at the beginning of the year.
 - l. Year 13 students must have all outstanding debts paid before they can join the graduation ceremony at Longburn Adventist College.
4. Every Finance Committee meeting will consider a standing agenda item that details all outstanding accounts receivable.





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IMPLEMENTATION:

1. The Business Manager is responsible for keeping an accurate and up to date record of accounts receivable and identifying outstanding accounts. The Business Manager is also responsible for ensuring that all correspondence relating to accounts receivable is processed according to this policy.
2. The Finance Committee is responsible for reviewing and approving financial arrangements relating to accounts receivable.
3. Letters giving notification of removal of attendance, access to non-day school facilities and services, or sending of account details to credit agencies must be approved and signed by the Principal.
4. The standard term-by-term procedure for the Finance Committee review process of student fee payments is:
 - a. At the beginning of term, the Business Manager is to ensure that:
 - All International students have paid their current term fees (minimum) and have a current study visa.
 - All day students have organised their payment arrangements for the current academic year.
 - All boarding students have paid their \$NZ 1000 deposit (term 1 only) and have organised their payment arrangements for the current academic year.
 - b. In week 4, the Finance Committee will review pre-organised payment arrangements. They will:
 - Approve or amend the existing payment arrangement.
 - Monitor the payments that have been made.
 - Identify any default payments. Default payees will be contacted by a letter that outlines the contract breach and how it can be amended; all amendments need to be made with the Business Manager.
 - c. In week 6, if default payments continue to be outstanding a debt collector will be contacted.
 - d. In week 8, if no satisfactory repayment arrangements have been made between the school, debt collector and default payee the student will be removed from boarding.
 - e. For a student to re-enter the Longburn Adventist College boarding facilities, all outstanding payments must be cleared.

File Title: 2011 LAC Debtor's Policy	Date Adopted: 17 September 2010
Date draft presented to BOT: 16 September 2010	Date last reviewed and by whom: Carl Hergenhan & Janita Bond, 14 September 2010
Up for Consultation Date: August 2011	Next review date: August 2011

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APPENDIX

PAYMENT SCHEDULE

There are 3 methods of payment:

1. Financial clearance – an up-front payment at the start of the school year (this may be encouraged by a % Discount)
2. Term-by-term installments
3. Fortnightly installments

YEAR 9 – 12

Before academic year commences

\$NZ 1000 deposit to be paid towards the fees

TERM 1

- Week 4** – Letter sent to parents/caregivers who have outstanding fees
- Last Week** – 25% of fees paid
– Letter sent to parents/caregivers outlining their fee payments to date

TERM 2

- Week 4** – Letter sent to parents/caregivers who have outstanding fees
- Last Week** – 50% of fees paid
– Letter sent to parents/caregivers outlining their fee payments to date

TERM 3

- Week 4** – Letter sent to parents/caregivers who have outstanding fees
- Last Week** – 75% of fees paid
– Letter sent to parents/caregivers outlining their fee payments to date

TERM 4

- Week 4** – Letter sent to parents/caregivers who have outstanding fees
- Last Week** – 100% of fees paid
– Letter sent to parents/caregivers outlining their fee payments to date

YEAR 13

Before academic year commences

\$NZ 1000 deposit to be paid towards the fees.

TERM 1

- Week 4** – Letter sent to parents/caregivers who have outstanding fees
- Last Week** – 34% of fees paid
– Letter sent to parents/caregivers outlining their fee payments to date

TERM 2

- Week 4** – Letter sent to parents/caregivers who have outstanding fees
- Last Week** – 67% of fees paid
– Letter sent to parents/caregivers outlining their fee payments to date

TERM 3

- Week 4** – Letter sent to parents/caregivers who have outstanding fees
- Last Week** – 100% of fees paid
– Letter sent to parents/caregivers outlining their fee payments to date