



# Procedure

## Debt management

### Audience

Department-wide and customers of the department

**Implementation date:** 08/07/2019  
**Version:** 4.0

### 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
- 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 in [information on OnePortal](#) (DoE employees only) in relation to overdue invoices raised by the school.
- 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 Branch 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 Finance Branch for referral to an external debt collection agency.

### Finance Branch

- 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.
  - 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.
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 Finance 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 – refer to [Doubtful Debts – Overview](#) (DoE employees only) for treatment of student-related debts) where an invoice remains outstanding, with no payment arrangement, after 90 days.
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

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

<b>External debt collection agency</b>	An external company or organisation that undertakes debt recovery processes on behalf of the department.
<b>Non-student related debt</b>	A debt incurred that does not relate to a student.
<b>Student</b>	<ol style="list-style-type: none"> <li>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</li> </ol> <p style="text-align: center;">OR</p> <ol style="list-style-type: none"> <li>2. A person who is a pre-preparatory age child registered in a pre-preparatory learning program at a prescribed State school and who is:</li> </ol> <ol style="list-style-type: none"> <li>3. An Australian citizen or permanent resident</li> </ol> <p style="text-align: center;">OR</p> <ol style="list-style-type: none"> <li>4. The child of an Australian citizen or permanent resident.</li> </ol> <p>Department of Education International customers are not classified as students for the purpose of credit provision or debt collection processes.</p>
<b>Write off</b>	A loss resulting from cancellation of a debt that is deemed unrecoverable.

## Legislation

- [Financial Accountability Act 2009 \(Qld\)](#)
- [Financial and Performance Management Standard 2009 – Section 17 – Revenue Management](#)

## Delegations/Authorisations

- [Finance Delegations](#)

## Related policies

- Nil

## Related procedures

- [Management of salary related overpayments](#)
- [User charging](#)

## Guidelines

- Nil

## Supporting information/websites

- [Debt management](#) (DoE employees only)
- [Losses and special payments](#) (DoE employees only)
- [Australian Securities and Investments Commission \(ASIC\) Debt Collection Resource](#)
- [Record retention requirements](#) (DoE employees only)

## Contact

For further information, please contact:

Finance Branch

Email: [debtmanagement.finance@qed.qld.gov.au](mailto:debtmanagement.finance@qed.qld.gov.au)

## Review date

08/07/2022

## Superseded versions

*Previous seven years shown. Minor version updates not included.*

3.0 Debt Management

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