

DEBT RECOVERY POLICY AND PROCEDURE

1.1 PURPOSE

Woomera Aboriginal Corporation (WAC) has a responsibility to recover monies owing to it in a timely and efficient manner to finance its operations and its objective to provide quality services to the community.

1.2 SCOPE

This policy applies to all Woomera Aboriginal Corporation (WAC) housing employees, Team Leader, and Management.

1.3 POLICY

The objective of this policy is to provide a framework within which procedures for the recovery of outstanding debts can be developed, namely:

- To ensure all debts owed to Woomera Aboriginal Corporation (WAC) are paid by the due date and followed up within specified timeframes.
- To ensure a strategic, equitable, accountable, and transparent approach to debt management, collection decisions and practices.
- To ensure the efficient and effective recovery of outstanding debts while maintaining a quality customer service

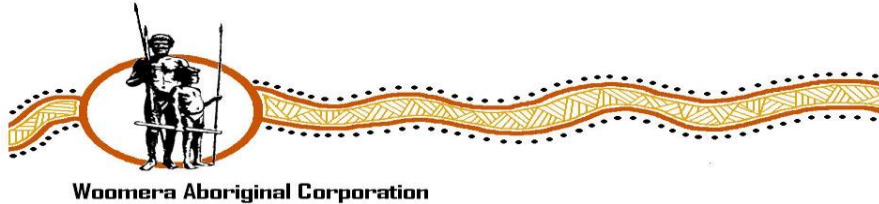
Procedures for the recovery of debts in each business stream will be developed and responsible staff will be expected to take the appropriate steps to recover outstanding debts according to those established procedures.

1.4 PROCEDURES

Debt Management

The Team Leader and Housing Officer are expected to apply prudent debt management practices which includes:

- raising invoices – ensuring debt is raised in accordance with services provided, account details are correct and GST provisions are applied.
- the issuing of monthly statements to overdue debtors at the end of each month.
- negotiating repayment plans and monitoring adherence to the plans.
- reviewing aged debtor reports monthly.
- keeping in regular contact with debtors.



-a systematic debt recovery approach based on 30-day, 60-day and 90-day timeframes.

-issuing follow-up letters to debtors

-consulting with the CEO regarding possible negotiated waivers or exemptions based on the nature of the debt and debtors, e.g., personal circumstances, income

-reporting bad debts and/or doubtful debts to the CEO on a regular basis.

-recommending write off debtors when all avenues of recovery have failed, or it is considered uneconomical to proceed recovery process.

-as directed, referring aged debtors to debt collection agency who may issue letters of demand for seven days payment prior to instigation of legal action (generally the legal action starts with a letter or contracted Debt Recovery Agency).

Provision for Doubtful Debts

Aged debts greater than 90 days shall be reviewed by the CEO and the Management Board and may be provided for as a doubtful debt, following an assessment which has regard for –

- the size and nature of the debt.
- the debtor in question.

Likewise, aged debts less than 90 days may be provided for as a doubtful debt if the recovery of the debt is known to be unlikely and the CEO or the Management Board approves such action.

Any adjustments to the provision of doubtful debts shall be made annually and will be charged to a bad debt expense account.

Write Offs

A record will be kept by the Team Leader stating:

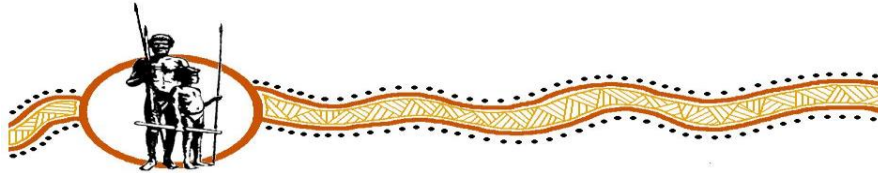
- the name of the person whose debt is being written off.
- identifying the account concerned; and
- specifying the amount of the debt.

Debts shall be written off only when all reasonable attempts at recovery have been taken and:

- if the debt is not lawfully recoverable; or
- because of a decision of a Court; or
- the Team Leader/Programs Manager makes a recommendation to the CEO, or the Management Board and approval is given based on reasonable grounds that an attempt to recover the debt would not be cost effective

Recommendations for write offs <\$1000 shall be made by the Team Leader to the CEO

Recommendation for debts >\$1000 will be referred to the Management Board.



Woomera Aboriginal Corporation

Debts that are considered irrecoverable, or where the cost of recovery is uneconomic, shall be written off as a bad debt against the debtors account and the provision for doubtful debts according to the appropriate delegated authority.

The fact that a debt is written off under this clause does not prevent WAC from taking legal proceedings to recover the debt.

Delegated Authorities

The CEO has delegated authority to write off any bad debts considered irrecoverable to the limit of \$1000.

Any amount more than \$1000 to be written off will require the approval of the Management Board.

1.5 RELATED POLICIES AND PROCEDURES

Housing Policy

Financial Management Policy

Delegation Policy

Policy Area: Social Programs - Housing		
Policy Number:	Version: 3	Pages: 3
Updated by: Melissa Muir		
Approved by: Management Board		
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