

Centre for Inclusive Supports, Inc. Debt Management Policy and Procedures



1. Policy

The Centre for Inclusive Supports, Inc. (***Inclusive Supports***) aims:

- to implement financial processes that support customers to avoid or limit their debts to Inclusive Supports.
- to manage customers who are debtors to assure Inclusive Support's financial sustainability
- to have appropriate separation of duties in relation to writing-off debt
- for supports delivered under NDIS, to comply with the NDIA's NDIS Price Guide, including:
 - prohibition of late payment fees, and
 - processes for withdrawal or termination of services.

2. Procedures

Definitions

Definitions of terms used and their meaning within the context of this Policy are listed below.

- **Plan Management Provider:** For NDIS, a third-party registered provider which assists the participant to manage the funded supports in their plan. Inclusive Supports invoices the Plan Management Provider, which then pays Inclusive Supports.
- **Self-managed:** For customers who are NDIS participants, a method of managing supports in a plan whereby the customer is responsible for managing their supports and paying Inclusive Supports directly.

Debt prevention and limitation

The Accounts Manager is responsible for establishing effective billing processes and efficient payment collection methods.

Effective billing processes

- NDIS-funded supports
 - Plan Management Provider: Invoice to Plan Management Provider; fortnightly.
 - Self-managed: Invoice to customer; fortnightly.

Efficient payment collection methods

Inclusive Supports accepts the following payment methods.

- NDIS-funded supports
- Plan Management Provider: bank transfer
- Self-managed: bank transfer

Debtor management

Inclusive Support's business processes will ensure that all payments are recorded in Xero on a fortnightly basis via bank reconciliation.

Outstanding debts are reviewed on a monthly basis by the Accounts Manager, in consultation with the General Manager, who decides on the appropriate action to be taken.

Records of all interactions with outstanding debtors are maintained in SharePoint and invoices are kept in Xero.

The following processes apply.

- 14 days after issue of invoice: Payment due.
- 17 days after issue of invoice: Payment received in our bank account.
- 18 days after issue of invoice: Payment information entered in Xero
- 19 days after issue of invoice: Accounts Manager runs debtors report in Xero. Calls customer/carer. If successful in speaking to customer/carer and in gaining assurance of prompt payment, records the promised date for payment in a spreadsheet and emails customer reminder. If not successful in gaining assurance of prompt payment, emails letter saying services might be withdrawn/terminated if invoice not paid in 5 days.
- 26 days after issue of invoice:
 - Accounts manager runs debtors report in Xero. Calls customer/carer. If successful in speaking to customer/carer and in gaining assurance of prompt payment, records the promised date for payment in Xero and emails customer reminder. If not contactable, checks SharePoint and speaks to General Manager to check if customer/carer is overseas, in hospital, etc. If no acceptable reason for non-payment, consider withdrawing/terminating services with immediate effect. If so, inform customer in writing and advise General Manager and Directors.

- If the customer has an NDIS Plan and is self-managing and there are doubts about the participant's capacity to self-manage, contacts NDIA.
- Emails Final Demand Letter requiring payment in 5 days, and stating that unless payment is received in that timeframe, recovery will commence through a debt collection agency without further notice.
- 33 days after issue of invoice (unless customer/carer known to be overseas, in hospital, etc.): if debt not paid, ensures that services withdrawn/ terminated with immediate effect if this has not already occurred. Informs customer in writing and advises General Manager and Directors.
 - Provides latest relevant information to General Manager.
 - Accounts Manager, in conjunction with General Manager decides action to be taken (for example, arrangements for debt collection. Make recommendation for further action in writing to Directors.

Finalising debts

In the event of a payment default the full amount of the debt will become due for payment and will be referred to the Centre for Inclusive Supports's debt collector.

Prior to referring a debt to a debt collection agency, the General Manager and the Accounts Manager will confer about whether it is uneconomic to finalise recovery action, for example, if the debt is of relatively small value. If so, a recommendation shall be made to the Directors who holds the delegation to write-off debt.

Reporting to Executive and Board on debts

As part of the standard financial reports, the Accounts Manager shall provide a written report to the Executive management team and to the Board each month on the amount and age of debts, the action taken, and the rationale for the any write-off of debt.