

COLLECTIONS POLICY

Y-Central is dedicated to providing social and recreational services for kids, whānau and local communities in the lower North Island. In order to fund these services on a continuing basis, the Y needs to generate sufficient cash flow to pay all service costs and provide suitable equipment for the safety and enjoyment of all.

Our main sources of income come from:

- ▶ Charging customers affordable rates for the services they use
- ▶ Government subsidies to cover otherwise loss making programmes
- ▶ Donor community generosity to fund infrastructure and fee assistance

Our margins are tight and, as 70% of our funding comes from customers, we rely on you to pay your bill promptly. Our ability to provide extended credit to our customers is extremely limited. Consequently, we must enforce a strict payments regime, followed by an active overdue collections policy.

BILLING AND PAYMENTS

Enrolment fee:

Y-Central reserves the right to charge a deposit in advance to cover any expected WINZ arrears. This deposit will be credited to your account once WINZ arrears are cleared.

Direct debits

Y-Central has a relationship with Ezidebit for direct debiting services. A direct debit is established at the time of making your first booking and payments will come out your account fortnightly (after the care has been given). The direct debit amount may alter dependent on the cost of care owing and any WINZ subsidy payments received by Y-Central. Please note some banks may charge additional fees for establishing a direct debit.

We provide services to our customers (on credit) on the basis, i.e. they pay their account balance each fortnight via direct debit.

- ▶ If the direct debit is not paid:
 - we assume there is an unresolved billing issue, or a temporary lapse from our customer. In this situation we provide a “reminder” requesting prompt action.
- ▶ If direct debit payment is unpaid for two payment periods:
 - we will contact the customer via letter and email to ask for prompt payment of the account
- ▶ If a third payment is unpaid and we have not received payment for up to 6 weeks:
 - further contact will be made with the customer via letter to advise them that prompt payment is required and their account will be suspended
- ▶ If no contact is received from the customer after 7 days of the letter being sent
 - contact will be made via phone call, text message and email to arrange payment
- ▶ If no contact is received within 7 days of the phone call:
 - the account will be suspended, and formal collection process will commence.

- ▶ Formal collection proceedings can include referral to an external collection agency.
- ▶ The collection agency costs will be passed on to the parent or caregiver to pay.

Payment Plans:

When a parent/caregiver contacts the Y support office regarding their inability to pay their outstanding debt, a payment plan may be established:

- A payment plan can be negotiated between the customer and the Debt Recovery Assistant and/or the Children's Services Administrator, with oversight from the Finance Manager.
- Payment plans must be of an amount that ensures the debt reduces within a reasonable amount of time. This amount of time may vary according to individual circumstances, but can be over 3-months (no more than between 2 terms).
- Customers who continue to use our services while being on a payment plan, must pay enough to cover the ongoing cost of care while still paying off the debt.
- Customers with outstanding debt greater than \$1500 will be reviewed as to whether they can still attend our programme. This review will be undertaken by the Finance Manager in conjunction with the Senior Leadership Team. Consideration will be given to the length of time of the debt, number of children at the programme and other contributing factors.
- If a payment is missed, then the debt recovery assistant will contact the customer to alert them of the missed payment.
- If a second payment is missed, then a letter and email will be sent asking for prompt payment.
- If a third payment is missed, a letter will be sent to the parent advising payment to be expected in 7-days or debt collection proceedings will commence
- A monthly meeting will be undertaken to review the debt that is concerning by Finance Manager, Debt Recovery Assistant, Children's Service Administrator and Oscar Manager within the week after financial month end closure. This is to help collecting debt more efficiently.

VERSION CONTROL

| Version | Date Approved | Approved by | Description of Updates |
|---------|---------------|---------------|--|
| 1.0 | Oct-19 | Brendan Owens | Merging of process between GW & Central, formatting update |
| 2.0 | Feb-20 | Ben Keat | Update logo |