



5.6 Collection of Parent Payments / Debt Collection Policy

Policy number: 5.6
Date last reviewed: June 2023
Reviewed by: Child Care Team

This policy relates to	
Australian Government Department of Education	
National Quality Standards Early Childhood Education & Care	
Child Care Provider Handbook	

Purpose

The purpose of this policy is to ensure all families and educators are aware of their rights and responsibilities regarding the payment and collection of Family Day Care fees.

Policy

To ensure the Service, Educators and families meet all accountability requirements in regard to payment of fees and provision of a statement of fees charged by the Service, in line with the Australian Government’s Child Care Subsidy System and the Child Care Provider Handbook.

That educators are paid for the education and care that they provide, this is delivered in two parts; CCS payments that are paid by the Government to the service and then transferred to the educators weekly, and, gap fee paid by the parents directly to the educator via Electronic Funds Transfer (EFT).

Procedure

- The responsibility for collection of fees from families is delegated to the Educator acting as an agent on behalf of Beaucare Family Day Care.
 Fees will be discussed with families at interview to ensure the legal requirement of payment is clearly understood and adhered to by both family and educator. Families using childcare must pay the gap fee using EFT via the HubWorks direct debit platform, iPay
- Families who receive CCS must make a co-contribution to their child care fees. This is a requirement under Family Assistance Law. This is done by paying the difference between the provider’s fee and the CCS amount, known as the gap fee. In accordance with Family Assistance Law, this payment **must** be paid via EFT.
- Evidence of payment of gaps fees, as well as evidence of payment being made via EFT, is required under Family Assistance Law. Use of iPay to process direct debits meets these requirements; however Educators may also be required to provide

additional evidence such as bank statements, etc by request and/or as part of an audit process

- It is recommended that fees are paid weekly to align with weekly Child Care Subsidy processing and statements/invoices issued. Fees will be paid via direct debit using the iPay facility
- Fees will be charged in arrears. Educators (acting as agents for the FDC Service) will invoice families for the “gap” payment at the end of each week of care, once Beaucare Family Day Care has submitted attendance data and the fee subsidy calculations have been completed by the Child Care Subsidy System.
- Educators are responsible for issuing receipts to each parent/guardian through Hubworks software program for any fees or costs collected on behalf of Beaucare Family Day Care. Receipts will be issued by the Educator (on behalf of Beaucare) upon payment.
- Penalties may be applied as per the “ Educator Fee Schedule” as outlined upon enrolment for payments that are classed as overdue and payment plan has not been adhered to..
- If fees are not paid, child care subsidy may be revoked and will be required to be paid back in full.
- Any account falling into arrears will trigger the following procedure:
 - Educators will advise the Beaucare Finance Officer in writing if a parent should fall behind in payment of the agreed upon fees outlined in the care arrangement.
 - Three attempts will be made to bring the account up to date:
 - Educators will issue a reminder invoice along with a request to bring account up to date within seven days. (staff will assist Educator)
 - Email/letter will be sent to outline the debt collection process that will occur if the account is not brought up to date and may offer to discuss a payment plan to resolve outstanding fees. Payment plans must be in writing and signed by both the educator and parent and must bring the account up to date within a reasonable amount of time (not more than one month).
 - The payment plan, if implemented, is to be confirmed in writing to ensure that parents are fully aware of their obligations. A copy of the payment plan is to be retained by the educator who will continue to assume responsibility for accepting payment. A copy will be sent to Beaucare Family Day Care Manager for the service records
 - If the contact methods outlined above fail, a letter of demand will be issued informing that if account is not paid in full within 14 days of date of letter the account arrears will be passed to a Debt Collection Agency and the child will be unable to attend (staff will assist Educator)
- Educators are advised to purchase additional cover through Family Day Care Australia for debt collection - this will provide the educator with a debt collection service to use.
- Educators are mandated to require parents to pay their gap fee as per legislation requirements. Non-payment is monitored through regular audits and government



compliance departments. Non-payment of fees will result in child care subsidy revoked and debt incurred from non-payment.

- Fees are payable irrelevant of a change to family subsidy eligibility and entitlement. If a family wishes to change booked hours due to subsidy change, this needs to be immediately discussed with the service.
- It is essential that the educator, acting as the agent on behalf of the service, keeps accurate accounting records at all times to ensure that there are no discrepancies. The service will only assist in debt collection communication/procedures with the parent if the educator accounts are current and accurate.
- Beaucare will not pursue debts for notice periods, late fees or absences that were after the last day of actual care. These situations must be communicated clearly by the educator to the parent at interview and upon enrolment. These are part of the “ Educator Fee Schedule” and “ Care Arrangement “
- It is the responsibility of the Educator (acting as agent) to contact and incur costs when engaging debt collection service. The Manager will assist with communications with families to support the educators attempts to recover fees owed
- Educators have the ability to charge a security deposit (bond) equivalent to two weeks’ full fee for booked days, which is refundable on leaving care, less any outstanding fees. This money will be receipted as bond in Hubworks. Bonds can be paid off over a number of weeks as agreed to by the educator when care starts or with existing families can be implemented with notice given to the families.



Associated Beaucare Policies and Documents

[Appendix A Legislation](#)

[Appendix D Privacy and Communication](#)

[Appendix F QIP and Compliance](#)

Relevant Legislation

Child Care Provider Handbook May 2023