

	<i>POLICY</i>
	<i>Date Approved by Board: 8/12/23</i> <i>Updated: 8/12/2023</i>

ST MARTIN'S COLLEGE INC.

DEBT COLLECTION POLICY

Policy Statement

This Policy sets out a clear, equitable, accountable and transparent process that the Company will follow for its debt management and collection practices. The

Policy Objective

To ensure that all debts owed to St Martin's College Inc. are received by the due date or followed up within specified timeframes.

The Policy is in two parts:

- A. Debt Management for Business organisations, and
- B. Debt Management for Residents

A. Debt Management for Business organisations

- If payment has not been received within 30 days of the invoice date, a statement will be issued to the debtor advising of invoices still to be paid.
- If payment has not been received within 60 days of the invoice date, where possible, telephone contact is made with the debtor requesting payment. Another statement is issued indicating payment is overdue.
- If payment has not been received within 90 days of the invoice date, a letter is sent to the debtor advising that debt collection will commence if the invoice is not paid in full within 7 business days and all costs associated with this process will be added to the outstanding debt. The Head of College may negotiate a financial arrangement with debtor depending on the circumstances.
- If payment is not received within 7 business days of the date listed on the letter,

depending on the circumstances as determined by Head of College the debtor's contact details may be provided to a debt collection agency, who will issue a demand letter requesting payment within 7 business days.

- If payment is not received within 7 business days of the date listed on the demand letter, another demand letter is sent to the debtor requesting payment within 7 business days. The letter will also state that the Company may issue an Intention to Sue letter if payment is not made within this timeframe.
- If payment is not received within 7 business days of the date of the second demand letter, the debt collection agency will issue an Intention to Sue letter, which requires payment within 4 days.
- If payment is not received within 4 business days as dictated in the intention to Sue letter, Employees will liaise with the relevant debt collection agency as to how to proceed.
- Payment arrangements may be negotiated to increase the likelihood of the Company receiving any outstanding amounts.
- The Board has the discretion to vary these steps,

B. Debt Management for Residents

Residents sign a legally binding contract for a set number of weeks and pay the Refundable Security Deposit upon acceptance of their room offer. It is expected if the contract is signed that the resident will stay in room for the whole period of the contract.

Fees must be paid in accordance with the contract payment schedule. Residents are given the option to pay annually, quarterly, or fortnightly and are deemed "behind in payment" if payments are a month behind the due date of the payment schedule they have selected.

The College will seek to work closely with residents who are experiencing financial difficulty and is willing to put deferred payment plans in place after discussion with the residents about their financial situation. However, residents are responsible for the debt and will be asked to ensure full payment is made.

The Head of College will contact residents who are "behind in payment" within two weeks of the residents getting behind to discuss the situation. Residents will initially be asked to make "catch up payments" at a manageable level to get the payments up to date.

If a resident is more than one quarter behind in the payment schedule the College reserves the right to ensure that the resident moves out at the end of that term to avoid the debt increasing to unmanageable levels. This action will be taken if the resident can not prove they have a plan in place to ensure the debt can be paid off by the end of the calendar year.

The Refundable Security Deposit will be kept by the College to reduce the debt owing after the resident moves out. It can not be used for debt mitigation while a resident is still in

room.

Residents who depart owing money will be followed up regularly to ensure the College receives the payment owing.

Rental references issued will reflect late payments or debts owing.

Provision for Doubtful Debts

- Where the recovery of debt is unlikely prior to completing all steps listed above (ie where the debtor is bankrupt or in liquidation or other exceptional circumstances), a provision for doubtful debt shall be made in accordance with the Debt Provision Policy.

Write Off

- Debts will only be written off when all reasonable attempts to recover outstanding amounts have been made or the costs of recovery are likely to equal or exceed the amount to be recovered. Debts will only be written off after a decision made by the Board.
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