



Bad Debt Policy
Effective date April 2025
Reviewed May 2025

Purpose

This policy outlines the steps Acorn Childcare Centre will take in managing and recovering unpaid childcare fees, and defines when a debt is considered irrecoverable (bad debt).

This policy applies to all families using the services of Acorn Childcare Centre

Payment Terms

Fees are invoiced monthly in arrears and payable within 15 days of receipt. Payment by bank transfer is preferred but cheques, payable to the Acorn Childcare Centre, are also accepted. The Centre prefers not to receive cash but if cash is the only option, a receipt will be issued for all cash received. Cash must only be handed to the Centre office.

Statements and invoices are issued by email to the person(s) named as the Bill Payer on the Admission Form.

Outstanding Fees Procedure

Within 7 Days Overdue: A reminder notice will be sent via email/via billing.

Within 14 Days Overdue: A formal email reminder will be issued.

30 Days Overdue: The child's place may be suspended until payment is received.

Debt Recovery Actions

- If payment remains outstanding after 30 days, the debt may be pursued via small claims court.
- All additional costs incurred in the recovery process will be added to the outstanding amount.

Bad Debt Classification

A debt will be classified as "bad debt" and written off if:

- All reasonable steps have been taken to recover the debt.

- The debtor cannot be traced or is unable to pay.
- Pursuing the debt is not cost-effective.

Record Keeping

All communications and steps taken will be documented. Bad debts will be reviewed and reported at Director meetings.

Policy Review

This policy will be reviewed annually or as needed.