



Bad Debt Policy  
Effective date April 2025  
Reviewed April 2026

## **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.

## **Invoicing and Payment Terms**

Fees for all wraparound sessions are invoiced monthly in arrears and must be paid within 15 days of the invoice date.

Effective from **1st September 2025**, all nursery session fees will be invoiced **in advance**.

Children who are registered in the nursery **prior to 1st September 2025** will continue to be invoiced **in arrears** in line with the existing arrangement.

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.

Acorn accepts payment via childcare vouchers. However, please be aware that voucher payments may take several days to be processed and received by Acorn. To avoid late payment issues, parents and carers are advised to initiate all voucher payments well in advance of the invoice due date.

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:** In cases of non-payment, the child's place may be suspended until the outstanding balance is settled. Where a payment plan has been agreed with the

setting, the child may resume attending sessions. However, payment for any additional sessions must be made in advance.

### **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.

<b>This policy was adopted on</b>	<b>Signed on behalf of the nursery</b>	<b>Date for review</b>
<i>April 2025 Reviewed December 2025 – LH Reviewed April 2026 - SK</i>	<i>Lorna Hodgett</i>	<i>April 2027</i>