

BASKETBALL MANAWATŪ

DEBT COLLECTION AND WRITE-OFF POLICY



PURPOSE

The purpose of this policy is to provide a framework for the administration collecting debts owed to Basketball Manawatū, the writing off of monies we cannot recover, and operational needs. While always acknowledging the financial strain some individuals/families may be under at difficult times.

SCOPE OF THIS POLICY

This policy applies to all doubtful and bad debts of Basketball Manawatū.

Basketball Manawatū will utilise methods of debt collection where appropriate to maximise cash flow and minimise exposure to bad debt risk. Bad debts will only be written off when all other avenues have been exhausted.

The Board has agreed on the fundamental principles of this Policy and has delegated responsibility for the implementation and monitoring of this Policy to the Basketball Manawatū General Manager.

In the formulation and approval of this Policy the Board has had due regard to the accepted standards of sound financial management and applied these to the Programme. The Board wishes to record that it sought the advice of and consulted with our auditor before approving this Policy.

DEBT DEFINITIONS

- **Doubtful Debt** - a debt that still has the potential to be settled.
- **Bad Debt** – a debt that is acknowledged as being irrecoverable.

PRINCIPLES

Once any of the debt collection activities have been enacted:

1. A provision for the doubtful debt should be made in Basketball Manawatū's financial systems.
2. Where a Player/team is involved in the debt, Basketball Manawatū shall not allow that player or team to take part in any future Basketball Manawatū activities/events until the debt is cleared in full or an agreed repayment plan is instigated.
3. Any unpaid balances may then be written off, as approved by either the Basketball Manawatū's General Manager or Board.

POLICY

Any debt incurred against Basketball Manawatū is never forgotten nor forgiven, i.e. a debt will always remain, even if it has being written off and approved by the Board.

Basketball Manawatū is committed to addressing debtor queries both promptly and satisfactorily, and in a manner to enhance the collection of any outstanding balances.

Basketball Manawatū's General Manager is responsible for monitoring accounts receivables.

He/she shall pursue the payment of overdue accounts receivables where:

1. Reasonable endeavours (including formal letter demanding payment within 10 working days has been sent) to recover the debt have taken place.
2. It has been ascertained that there are no outstanding issues in relation to the accounts receivable balance.
3. The overdue amounts are within his/her delegated authority. If they are outside his/her delegated, they will need to be escalated to the Basketball Manawatū Board.

Where the above criteria have been met, Basketball Manawatū's General Manager is permitted to engage in the following activities to secure payment of overdue accounts receivables:

1. Negotiate and implement payment plan arrangements, where the receipts due under a payment plan outweigh any costs associated with that payment plan.
2. Negotiate and implement payment for services plan arrangements, where the activity is appropriate for the individual and payments outweigh any additional costs associated with that plan, e.g. off-setting any referee or Scorebench duty fees against the debt.
3. Refer the matter to Basketball Manawatū's Board and suggest possible avenues of litigation to retrieve outstanding amounts.
4. Refer the outstanding amount to a debt collector

PRACTICE

Appendix One sets out the Delegated Authority to Write Off an Debt and the practices to be followed

POLICY REVIEW

Basketball Manawatū will monitor and review this policy on an annual basis.

Appendix One

POLICY PRACTICE AND PROCEDURES

Where a Player/team is involved in the debt, Basketball Manawātū shall not allow that player or team to take part in any future Basketball Manawātū activities/events until the debt is cleared in full or an agreed repayment plan is instigated

Where the income remains outstanding and no payment plan has been agreed to the following procedure will be followed:

- For debts greater than 90 days and less than \$100 the debt may be written off, dependent on circumstances, by the General Manager of Basketball Manawātū (in consultation with the Treasurer of the Board). In these situation's the Board shall be advised of the total number of, and amount that has been Written Off, via the Financial Report submitted to the Board each month.
- For debts greater than 90 days and over \$100 but less than \$500 the debt will be referred to the Board for authorisation to write it off. In these situation's the Board shall be advised of the individual amount to be considered for write off, via a Write Off document that will be incorporated into the Financial Report submitted to the Board each month.
- For any debts greater than 90 days and over \$500 will be referred to the Board for authorisation to write the debt off and may be pursued by an appropriate debt collection agency.

In all circumstances mentioned above matters concerning debtors are to be discussed "IN COMMITTEE" to maintain confidentiality of those involved.

A list of historic debtors is to be maintained by the General Manager of Basketball Manawātū. No individual arrangements with other organisation's or debt is to be taken on by Basketball Manawātū that is not directly of its business concern.