



8.12 Client & Customer Invoicing and Terms of Trade

ACCOUNTABLE:	Board (Finance subcommittee)
RESPONSIBLE:	<i>CEO and Finance Manager</i>
NEXT REVIEW DATE:	<i>19 December 2018</i>

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POLICY STATEMENT

Bayley House provides a number of different services to both clients and outside businesses (customers) which are required to be invoiced for goods or services.

This requires a formal process, ensuring our terms of trade, fee setting and hardship procedures are clear and transparent, as well as in line with current business practice.

Care and consideration is taken when setting all Bayley House fees, the fees are designed to be affordable within the disability support pension and supplements.

SCOPE & PURPOSE

This policy is applicable to all stakeholders of Bayley House who in the course of normal business will be billed for services provided by the organisation.

DEFINITIONS

Accommodation Fees – charges billed for permanent accommodation provided in Bayley House residential homes, including rent and board including meals.

Accommodation Services are those services which provide support, if required, on a 24 hour basis and where the property is owned, leased or acquired through another arrangement by Bayley House.

Clients – Bayley House uses this term in reference to service users

Contract work – as undertaken at Noyes St and Middle Crescent. Works include, but are not exclusive to, mailing, packaging, plant watering and other services billed on a monthly basis.

Day Services- includes all clients who receive day support activities

Day Service Fees – charges billed for services provided at Middle Cres and Noyes St.

Financial records includes – bank statements, tax returns and/or financial statements, showing annual income and expenditure, pay slip or Centrelink benefit or other relevant information to demonstrate a change of circumstances.

Transport Fees – charges billed for transporting clients to & from Bayley House properties that are providing services.

Payment Terms - the number of days from the date of invoice which an invoice must be paid by.

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Private Accommodation Contribution Fees – charges billed to clients making a contribution to the cost of their accommodation (Roxburgh House).

Residential Services are those services which provide support on a 24 hour basis and where the property is owned or leased by Bayley House. This includes respite and semi-independent living.

Respite Fees – charges billed to clients for temporary daily and overnight accommodation and support required at 31 Lonsdale Ave Hampton East.

Tax Invoices – the documentation required under GST legislation for businesses to be able to claim GST credits and Bayley House to pay to Australian Taxation Office.

RESPONSIBILITIES

The **CEO** and **Finance Manager** are responsible for the implementation and adherence to this policy.

The **Finance Sub-Committee** will review fees and charges for service arrangements and recommend to the **Board of Bayley House** who will ratify the fees and charges for service arrangements.

In addition, the **Program Managers** are responsible for the implementation of this policy within their sphere of control.

All staff and volunteers are responsible for adhering to this policy.

PROCEDURES

8.12.1 TERMS OF TRADE

8.12.1.1 **Payment Terms**

Bayley House payment term are 14 Days from date of invoice, for all invoices.

8.12.1.2 **Invoicing**

Tax Invoices are to be produced and sent to clients and/or businesses on a cyclical basis. These are:

Day Service Fees:	Every 14 days, in advance, the day before pension day.
Transport Fees:	Every 14 days, in advance, the day before pension day.
Accommodation Fees - Rent:	Every 14 days, in advance, the day before pension day.

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Accommodation Fees – Meals:	Every 14 days, in advance, the day before pension day.
Private Contributions:	Every 14 days, in advance, the day before pension day.
Respite Fees:	Once a month, in arrears, last day of the month.
Commercial:	As and when the services is provided.

Where clients incur charges for more than one service, one invoice will be produced on a 14 day cycle for all services provided. Multiple invoices per period will not be issued; nor will multiple client/customer accounts be available, there is to be only 1 account per client.

Clients may request to pay their account outside the 14 day payment cycle. In these instances, a full receipt will be issued for payment of account and invoices will continue to be raised every fortnight to ensure income is allocated to the correct period.

8.12.1.3 Correspondence

Clients and businesses correspondence will automatically be emailed to the email address supplied to reduce administration costs. If no email address is available, a copy will be posted only once staff have attempted to obtain an email address. Finance will peruse clients on a regular basis to provide an email address.

8.12.1.4 Increase to Fees

Clients and customers will be provided with information at Intake and as circumstances change. It is a requirement of the Disability Services Act (2006) that **60 days' notice** of any fee increase is provided. All fee increase will be notified in writing to families, carers and trustees.

8.12.1.5 Payment Options

Bayley House's preferred method of payment is via Direct Debit, invoiced amounts are deducted fortnightly from a client's bank account and coincides with the Centrelink pension payment dates to assist clients in managing their finances. On entry to a Bayley House service, a new client should fill out a direct debit request form.

Bayley House also accepts BPAY and Credit/Debit card payments via our website, Bayley House does not accept American Express. Bayley House can assist you to set up a direct debit facility.

No cash, cheques or payments are taken on site.

8.12.1.6 Credit Note/ Invoice Write Offs

An Invoice Credit Note/Write off request form must be completed by the relevant manager responsible for the budget area prior to finance raising the credit note on the financial system.

A copy of the form is available in the forms section of the Quality Management System.

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8.12.1.7 *Ending/Changing a Contract*

A notice period of 60 days is required to cease Bayley House services. This must be in writing (including email) to the CEO.

8.12.1.8 *Credit Limits*

Client accounts will have a Credit limit set of no more than 3 months worth of invoices. Customer Accounts (for Noyes Street work) will have no more than \$5000, if the account reaches it's limit, the organisation has the right to take legal action to obtain the outstanding amount.

Reminders will be issued at the following periods:

- 1 month – statement will be issued
- 2 months – first reminder
- 3 months – second reminder
- 4 months – third reminder
- 5 month – final reminder prior to obtaining legal action

Examples of the letters can be found in the References section of the Quality Management System.

8.12.1.9 *Penalties for late and non-payment of invoices*

To enable Bayley House to provide maximum quality of service, it is important that all invoices are paid on time and in full. Bayley House will refer all invoices unpaid after 150 days to debt collection for collection unless an arrangement has been made with the Finance Manager.

If a payment schedule is put in place it must be by direct debit and be strictly adhered to.

8.12.1.10 *Inability or difficulty in payment*

No individual will be refused service on the basis that they are unable to pay their general fee on a temporary basis. Where such a circumstance arises, Bayley House's Financial Capacity & Hardship process will be implemented. The onus is on an individual's family/carer to discuss the need to be considered under the hardship process.

8.12.1.11 *Management of Bad Debts*

On a monthly basis – overdue debtors by category i.e. Accommodation, Day, Vocational will be distributed to responsible managers for verbal follow up calls.

The Finance Manager will write off bad debts in accordance with the Credit Note/Write off request form. These will be reported at Bayley House Leadership Team meetings and Finance Sub Committee meetings.

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8.12.2 CLIENT FINANCIAL CAPACITY AND HARDSHIP

The Board of Bayley House is committed to facilitating a fair and equitable way of assessing any downward or discounted adjustment to fees, levies and charges (for instance, residential, respite, transport, day service) due to financial constraint or incapacity to pay.

It is recognised that the personal financial circumstances of clients and residents can change due to a number of circumstances and the client's representative must be prepared in the strictest confidence to demonstrate through financial records and personal representation.

An annual review will be sort by management to reassess the financial capacity.

8.12.2.1 Claims for consideration of hardship

It is the clients' representative responsibility to contact Finance Manager or CEO and arrange an appointment to discuss their financial position. The client's representative is required to bring all relevant financial information to the appointment

8.12.2.2 Consideration of claims

The CEO and/or the Finance Manager will review the financial position in the strictest of confidence and will be completely honest and impartial in their dealings with clients.

The client's representative and Management will agree to a discounted fee that is within the capacity of the client to pay and sign the bottom of the notes taken to show their agreement. The client's representative will receive a copy and the original will be retained by management together with the financial information obtained and notes taken during the meeting in a secure location.

Both the client's representative and the CEO/Finance Manager will agree on the appropriate discount on fees and a date no later than 12 months for review for changes in circumstances.

Both parties will sign, date and agree to the discount the assessment notes taken by management and the client representatives.

8.12.2.3 Security and filing of documents

All papers retained in a sealed envelope initialled by all parties and will be locked in a secure cabinet not available to any other staff.

8.12.2.4 Review of agreement

A review will be conducted after twelve months where the relevant financial information should again be produced otherwise fees will revert back to the full amount.

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8.12.3 SETTING AND REVIEWING CLIENT FEES

Bayley House will annually set and review fees for the day, residential and respite services it operates.

8.12.3.1 Residential

The Residential Service fee is made up of the two components:

- Rental Component:
 - (a) 100% of Rental Assistance
 - (b) 25% of Disability Pension including all supplements.
- Services Component
The Services Component is based on the actual costs of providing Utilities, Food, General Household consumables, and transport for weekend activities (and not transport to Bayley House) as set out in the Residential statement supplied to Residents.

Fee increases are timed for the end of a financial year and calculated on the March Indexed Disability Pension rates.

Pension increases occur in the months of March and September each year and fees will be adjusted from 1st August, every year, in line with the increase in the Pension.

The residential invoices are exempt from GST.

8.12.3.2 Respite Service

Fees for respite services cover the following:-

- overnight stay
- day time stay
- meal/s

Respite fees will be reviewed as part of the yearly budget process.

The respite service invoices are exempt from GST.

8.12.3.3 Day Service

The fees applicable to the day service are made up of the following charges (These monies are in addition to the subsidies provided by the Victorian Government) –

- All activities, outings and cooking available to clients

Day Service fees will be reviewed as part of the yearly budget process.

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The day service invoices are exempt from GST.

8.12.3.4 Transport

The fees applicable to transport are calculated based on the actual cost of the service. There are two charges applicable due to the savings incurred for collecting several clients from one destination.

- Client living in Bayley House Accommodation
- Clients living in Non-Bayley house Accommodation

The transport invoices include GST.

8.12.3.5 Price and Fee List

A current price and fee list is available in the References section of the Quality Management System.

8.12.3.6 Pro-Rata Clients

Clients who attend on a part time basis will pay according to their time fraction

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REFERENCES

-	Forms:	F&O-808= Application for Credit Terms (Includes Terms & Conditions)
8	References and Work Instructions:	
▶	Relevant policies:	
	Relevant Standards	QIP Governance & Management Standards: 1.5
	Contact person	Finance Manager - 9982 1503

REVISION HISTORY *(completed by Document Controller)*

CIR No.	Approved/ Amended/ Rescinded	Approval Date	Committee/ Board
16/001	Approved	19.12.2015	Finance Subcommittee