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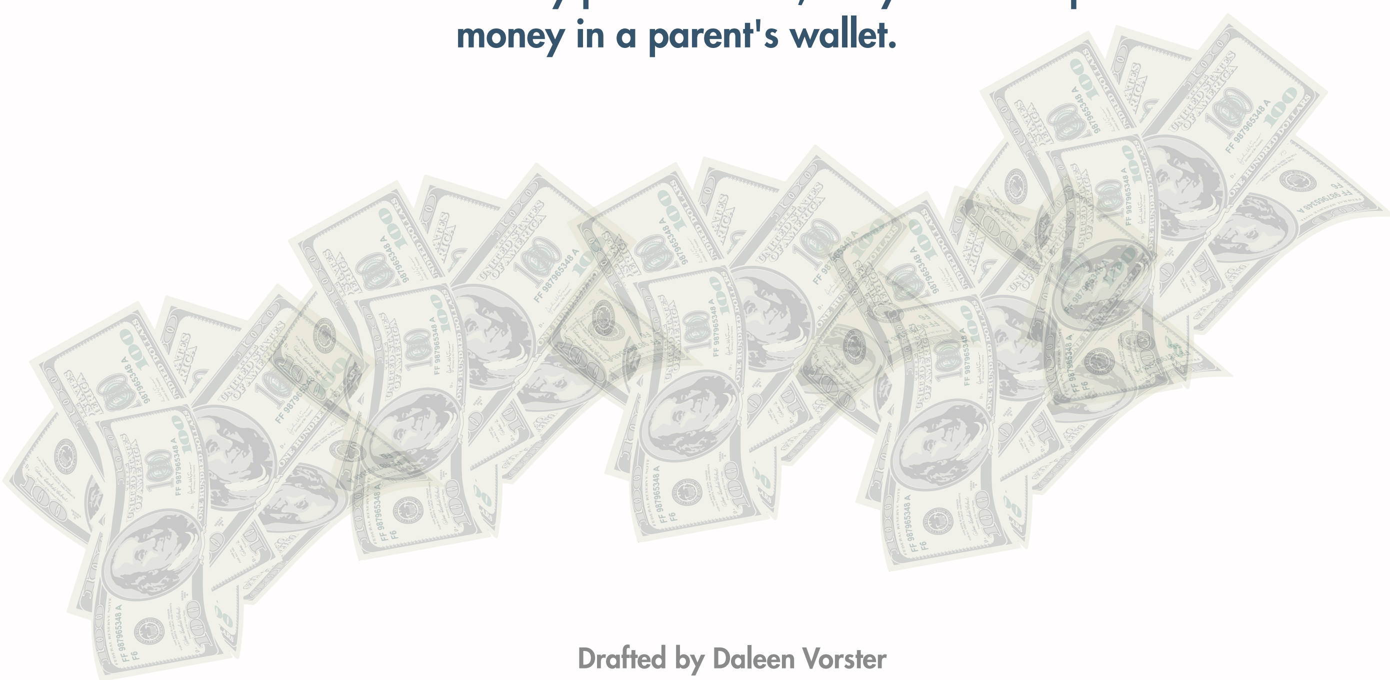
A Parent's

WALLET

Not every account is collectable. This guide helps you make the right decision at every stage — so when the money still does not come in, you can stand behind every decision you made.

You can follow every process to a T, but you cannot put money in a parent's wallet.



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Contents

**This guide is free to share, print, and distribute. No conditions.
If it helps one team do this better, it has done its job.**

Introduction

Why decisions matter more than effort.

> This guide is not about working harder. It is about making better decisions.

You can send every reminder on time. You can make every phone call. You can follow every compliance step exactly as it should be followed. And the money still does not come in — because no process, however well it is followed, can put money in a parent's wallet that does not have it.

What this guide gives you is a decision framework — from the moment a parent applies to enrol a learner or applies for an exemption, to the moment an account is written off or handed over. It tells you what information to gather, how to read it, and what to do next. It is designed for management and the debtor management team to use together, because the decisions in these pages belong to both of them.

> Work through it. Use the checklists. Follow the decision trees. And when the process has been followed correctly, and the money still does not come in — know that you have done the job right.

How to use this guide

This guide is designed for management and the debtor management team to use together. Not separately. The decisions in these pages require both — the debtor management team's knowledge of the parent and the account, and management's authority to act on those decisions.

Each chapter follows the same structure: context, checklist, and decision tree. The checklist tells you what information to gather. The decision tree tells you what to do with it.

A decision made without the right information is not a decision. It is a guess.

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Chapter 1

Financial Profiling

> **The best time to assess a parent's ability to pay is before the learner walks through the door — or before an exemption application is granted.**

Financial profiling is the first step in the decision-making framework, helping you make the best decision for the specific collection stage an account is in.

If financial profiling indicates a potential payment risk, you can incorporate a probability-to-pay assessment (Chapter 2). However, this is typically done later in the collection process due to the time required.

This chapter gives you the tools to conduct financial profiling on a parent. The information you gather here drives every decision that follows — from payment arrangements to listing, handover, and write-off. The more complete the picture at this stage, the better equipped the school is to act on it later.

Private Schools: Assess financial standing during student selection. If that stage has passed, assess the parent when sending a breach letter, incorporating the Chapter 2 framework. Public Schools: Assess financial standing during fee exemption applications, or when issuing a Section 41 or listing notice (subject to Chapter 2 rules and legal limits).

What To Request From Both Parents

PERSONAL INFORMATION

- [ ] Full name and ID number
- [ ] Physical address
- [ ] Mobile number
- [ ] Email address
- [ ] Employer name, address, and employment status

FINANCIAL & OTHER INFORMATION

- [ ] Latest payslips (minimum three months) and IRP5
- [ ] Bank statements — minimum three months for all open accounts

- [ ] Proof of any additional income — rental, commission, bonuses
- [ ] Proof of existing debt obligations — bond, vehicle finance, and all accounts
- [ ] Director of any company — provide company registration numbers
- [ ] Owner of any property — provide full address details
- [ ] Proof of any trusts, savings, or investment accounts

CREDIT & RISK CHECKS

- [ ] Written consent to obtain a credit report and credit score
- [ ] Adverse findings report for any further adverse information
- [ ] Confirmation of any ongoing litigation
- [ ] Confirmation of whether currently under administration or debt review/restructuring
- [ ] Confirmation of whether either parent has been sequestrated at any time

PUBLIC SCHOOLS - ADDITIONAL EXEMPTION REQUIREMENTS

- [ ] Affidavit if unemployed
- [ ] Affidavit if spouse is untraceable
- [ ] Proof of social grants if applicable
- [ ] Detailed monthly expenses with supporting proof
- [ ] Proof of all open bank accounts

What a parent who is unwilling to provide information is telling you

Not every parent will complete this checklist willingly. Some will leave fields blank. Some will provide partial information. Some will refuse outright.

A parent who withholds information at the application stage will not become more transparent when the account falls into arrears.

Parent Response	What It May Indicate
Incomplete financial information	Undisclosed income or debt
Refuses credit check consent	Adverse credit history
Cannot provide payslips or bank statements	Unstable or undisclosed income
No proof of additional income despite lifestyle indicators	Hidden income streams
Unwilling to disclose debt obligations	Over-indebted

Decision Tree - What To Do With What You Have

Once the checklist is complete and the credit and risk checks have been run, the school has enough information to make one of three decisions.

PRIVATE SCHOOLS

Accept	Conditional	Decline
All information provided	Information partially provided	Significant information withheld
Credit report clear or acceptable	Minor adverse findings	Serious adverse findings
Income supports fee obligation	Income covers fees with limited surplus	Income does not support fee obligation
No adverse findings	Proceed with conditions: deposit, debit order, and management approval	Under debt review, administration, or sequestration
Proceed with enrolment	Proceed subject to conditions set by management - monitor payments closely	Do not proceed

PUBLIC SCHOOLS

A public school cannot decline enrolment on the basis of an inability to pay, and the checklist in this chapter does not determine whether an exemption is granted or at what percentage — that is calculated on income as set out in the Schools Act. What the checklist gives a public school is the ability to verify that the financial information provided by the parent is true and correct.

If the income declared and the expenses on record tell a different story, that is when further investigation is required. The Schools Act also makes provision for the SGB to request alternative information from the parent — this checklist supports that process.

Accept	Conditional	Decline
All information provided	Information partially provided	Significant information withheld
Income confirmed	Income streams uncertain	Income too high to qualify for exemption
Previous year's application reviewed - no questions	Previous year versus current year financial situation needs to be discussed	Insufficient data — no details to review or discuss
Proceed with approval process	Proceed with conditional approval process	Application declined - close file

Exemption calculations are based on income, not expenses. Expenses are reviewed to identify undisclosed income streams — not to adjust the exemption percentage.

Can a school set a closing date for exemption applications? This is a question many schools battle with. A parent should, in principle, be able to apply at any point when they no longer have the financial means to pay. Most schools work with 28 February as a closing date, but the Department's view on this is not uniform, and we have seen different approaches applied across different provinces.

Where your school is located, the terms set out in your exemption application process, and the decisions recorded at the budget meeting will all play a role in how this is handled at your school. If you are unsure, speak to your attorney before setting or enforcing a closing date.

Chapter 2

Probability To Pay

> The assessment that drives every decision that follows.

Every decision from this point forward — whether to list, hand over, or write off — is only as good as the information behind it. This chapter tells you what to gather, how to read it, and how to arrive at a probability rating that gives the school a defensible, informed basis for whatever comes next.

> This is not one report or one number. It is the full picture, read together.

For guidance on reading a credit report and compiling a probability to pay assessment, **see the Addendum at the end of this guide**.

What Information To Gather

Where an enrolment or exemption application was completed in **Chapter 1**, **use that information as your starting point and build on it here.** The more complete the picture, the more reliable the outcome.

ACCOUNT & PAYMENT HISTORY

- [ ] Age analysis — current balance, ageing, and time in arrears
- [ ] Previous & current year's payment history — what was paid, when, how consistently
- [ ] Current stage in the collection process — where the account sits right now
- [ ] Whether the parent has previously been listed, handed over, or had debt written off at this school

CREDIT & RISK INFORMATION

- [ ] Credit report — credit score, active accounts, payment behaviour across all creditors
- [ ] Adverse findings report — judgments, defaults, administration orders, debt review
- [ ] Confirmation of any ongoing litigation
- [ ] Whether the parent has been sequestrated at any time

FINANCIAL POSITION

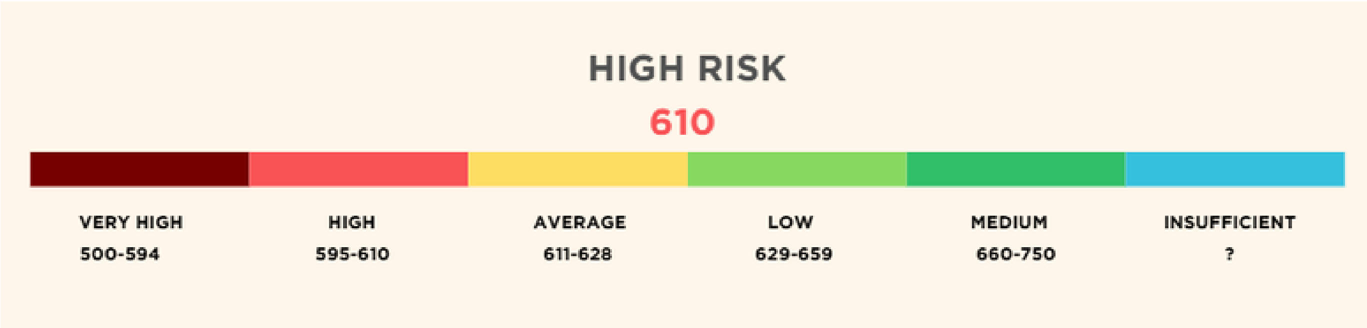
- [ ] Employment status and income — both parents
- [ ] Monthly expenses — all obligations including bond, vehicle, accounts
- [ ] Deeds office search — property ownership and bond details
- [ ] CIPC search — company ownership or directorship

How To Read What You Have

Each source tells you something specific. No single source gives you the full answer — the probability rating comes from reading them together.

Information Source	What It Tells You	Red Flag
Credit report	Credit score	High risk score
Adverse finding report	Judgments & other defaults	Other creditors
Age analysis	How long the account has been in arrears and how it has moved (DSO)	Balance growing consistently, no movement in 90-plus days
Payment history	Whether the parent has paid before and how consistently (paid vs invoiced)	Payments only under pressure, broken arrangements
Collection stage	Whether internal process has already been exhausted	At final stage with no resolution
Previously listed/handed over	Repeat defaulter	Previously handed over with no result - attorney closed file
Employment and income	Whether there is money available to pay	Unemployed, income below living expenses
Monthly expenses	Whether school fees can realistically fit in the budget	Expenses exceed income - expensive lifestyle

Deeds office report	Whether there are assets that could be attached (immovable property - private schools)	No property, or second bond (possible cashflow issues)
CIPC report	Whether there are business income or assets	Director of dormant or deregistered company



The Probability Rating

Once the information has been gathered and read, the school assigns one of three ratings. Risk level is the inverse of probability — the higher the probability of payment, the lower the risk to the school.

Rating	Risk Level	What It Means
High probability	Low risk	Parent has income, assets, and a history of paying. Capacity exists
Medium probability	Medium risk	Some capacity exists but circumstances are uncertain or inconsistent
Low probability	High risk	Little to no capacity. Income does not cover obligations. Little to no assets

Decision Tree - What Happens Next

When an account goes into arrears, a payment plan with a signed Acknowledgement of Debt is always the first step, regardless of the probability rating. The rating determines how far the account travels if the plan fails.

HIGH PROBABILITY - LOW RISK

- Payment plan + signed AOD
- If unsuccessful
- List with the credit bureau
- If unsuccessful
- Hand over to legal team - only once internal collections and listing completed
- Parent is paying - keep the process internal

MEDIUM PROBABILITY - MEDIUM RISK

- Payment plan + signed AOD
- If unsuccessful
- List with the credit bureau
- If unsuccessful
- Hand over to legal team - only once internal collections and listing completed

LOW PROBABILITY - HIGH RISK

- Payment plan + signed AOD
- If unsuccessful
- List with the credit bureau and/or write off

Chapter 3

Listing With The Credit Bureau

> Listing is not a threat. It is a consequence — and it only works if it is used correctly.

Listing a parent with a credit bureau is one of the most effective collection actions available to a school. A parent who has ignored every reminder, every call, and every notice will often respond when their credit record is at stake. But listing carries legal obligations, and a listing that does not meet those requirements exposes the school to risk. This chapter tells you when to list, when not to, and how to do it correctly.

When To List

All of the following must be in place before a listing is done.

- [ ] The account is not subject to an active exemption application
- [ ] Listing email notification was sent to the parent
- [ ] 20 business days have passed since the listing email was sent
- [ ] The debt has not been settled
- [ ] The account has been outstanding for at least three consecutive billing cycles

When Not To List

- [ ] The claim has prescribed
- [ ] The outstanding amount is too small to justify a listing
- [ ] No listing email was sent for the new debt
- [ ] Incorrect parent detail: ID number

A listing done without meeting these requirements can be challenged and removed. If you are unsure whether your school is compliant, speak to your attorney before proceeding.

The Listing Process	
1	**SEND THE LISTING EMAIL** Notify the parent in writing that the account will be listed with the credit bureau if payment is not received. This gives the parent a final opportunity to respond before the listing is done.
2	**WAIT 20 BUSINESS DAYS** If no payment is received and NCA requirements are met, proceed to listing.
3	**LIST WITH THE CREDIT BUREAU** Submit the listing through the school's credit bureau account. Keep a record of the listing date, amount and the information submitted.
4	**SEND A LISTING SMS** Once the listing is done, send the parent an SMS confirming that they have been listed. This step consistently produces a response — not always a friendly one, but parents make contact. That contact is an opportunity.

Decision Tree - What Happens After Listing

Listed - Payment Received	Listed - No Payment Received
Full payment - remove listing	Return to chapter 2
AOD signed - monitor payment and remove when settled	Follow steps for high, medium and low probability to pay and risk level

Chapter 4

Write-Off

> Writing off a debt is not admitting defeat. It is a deliberate, informed decision.

A write-off is not a failure of the collection process. It is the final step in a process that was followed correctly — and the honest acknowledgement that no further collection action is likely to produce a result. Writing off an account that meets the criteria frees up the school's time and resources for accounts where there is still a realistic prospect of payment.

The decision to write off must be made deliberately, documented properly, and approved at the right level. It is not a decision the debtor management team makes alone.

When To Write-Off (Parents Financial Situation)

- [ ] Unemployed with no traceable income
- [ ] Income does not cover basic living expenses
- [ ] No assets available to attach in execution
- [ ] Sequestrated — confirm whether sequestration is provisional or final
- [ ] Deceased with no estate to claim from
- [ ] Currently under debt administration or debt review with no surplus

  Discuss setting aside the administration order, or opposing the application for administration or debt review with your legal team.

When To Write-Off (Collection History)

- [ ] All internal collection steps completed and documented - no success
- [ ] Listed with credit bureau with no response
- [ ] Previously handed over - no success
- [ ] Capital outstanding too small to justify further resources
- [ ] Payment arrangement offered, accepted, and broken as no money available for monthly payment

When To Write-Off (Financial Consideration)

- ▢ Any potential payment order would result in an amount too small to justify the cost of pursuing it — for example, R100.00 per month on R50 000.00 in capital

When Not To Write-Off

- ▢ The parent has made contact and shown willingness to engage
- ▢ The probability assessment has not been completed in full
- ▢ The probability assessment is medium to low risk
- ▢ The account has not yet been listed
- ▢ The required approvals have not been obtained

Who must approve a write-off

A write-off requires sign-off at the right level. The debtor management team recommends. Management decides.

- ▢ Debtor management team — written recommendation
- ▢ Management — written sign-off confirming the decision

Setting a threshold for listing, handover, and write-off is not a one-size-fits-all decision.

<u>The following factors should inform where the school draws the line:</u>

Monthly school fee amount
Average capital outstanding (per month)
Average capital written off after unsuccessful handover
Legal and credit bureau costs
At what capital threshold does a payment pattern become visible?

As a starting point, we recommend a minimum capital threshold of R7 500 before handover to a legal team. Below that amount, listing remains the more appropriate and cost-effective action. Each school should document its own thresholds and review them annually.

The Write-Off Process

1	**COMPLETE PROBABILITY ASSESSMENT** Confirm the account meets the write-off criteria using the information gathered in Chapter 2.
2	**COLLECTION PAPER TRAIL** Every action taken must be on record — reminders, calls, AOD, listing, legal referral, and outcome.
3	**OBTAIN REQUIRED APPROVAL** Debtor management recommendation, management sign-off.
4	**RECORD WRITE-OFF IN FINANCIAL SYSTEM** The account must be correctly reflected in the school's books.

Decision Tree - Write Off Or Reassess

CRITERIA MET + APPROVALS IN PLACE
Write off → record in financial system → close account
PARENT'S CIRCUMSTANCES HAVE CHANGED
New income, assets, or willingness to engage → restart collection process → return to Chapter 2

Chapter 5

Handover To Legal Team

> Handover is not the end of the process. It is the beginning of a different one.

When the internal collection process has been completed, the account has been listed, and the money has still not come in — but the probability of payment remains medium to high — it is time to hand the account to a legal team that specialises in school fee collections. The school's job at this stage is preparation. The more complete the file that lands on the attorney's desk, the better the chance of a result.

For private schools — cancellation and handover

Cancellation and handover are two separate actions. Both can happen at the same time, but they serve different purposes and each carries its own requirements.

Cancellation ends the agreement with the parent. The learner is not guaranteed a place at the school the following year. Handover refers the outstanding debt to the legal team for collection. One does not depend on the other — but when both are appropriate, they can and should happen together.

Before cancellation, we recommend inviting the parent to a meeting to discuss the matter. Courts tend to view the school's position more favourably where the parent was given a genuine opportunity to engage before the agreement was cancelled.

1. A full term's notice must be given
2. We recommend giving notice of cancellation no later than September each year (depending 3 or 4 term school)
3. If the agreement has been cancelled and the parent subsequently pays — a new application form must be completed

When To Hand Over

All of the following must be in place before an account is referred to the legal team.

- [ ] Probability to pay is medium to high — confirmed by the Chapter 2 assessment
- [ ] Capital is R7 500/above — handover is not recommended below this threshold
- [ ] All internal collection steps have been completed and documented
- [ ] The account has been listed with the credit bureau with no result
- [ ] AOD signed but arrangement was not honoured, or parent refused further payment
- [ ] All compliance steps have been met — Section 41/Section 129 notice sent via registered email with proof of delivery on file, breach letter, acceleration letter

When Not To Hand Over

- [ ] The probability to pay is low — return to Chapter 2 and consider write-off instead
- [ ] The capital amount is below R7 500 — listing remains the more appropriate action
- [ ] The compliance steps have not been completed
- [ ] The collection paper trail is incomplete

What The Legal Team Needs - Handover Checklist	
Contract	Signed contract with the parent
Compliance	Legal notice sent via registered email + proof (certificate)
Financial	Full statement of account — current and accurate
Governance	Budget meeting resolution
History	Collection paper trail (including AOD if signed)
Assessment	Probability to pay assessment report

Do what is yours to do.

No guide, however detailed, can guarantee that the money comes in. That was never the promise.

> The parent has their part to play. The legal team has theirs. Government has theirs. And none of those parts are within the school's control.

What is within the school's control is exactly what this guide covers.

- Screen applicants and exemption applications carefully.
- Build a complete financial profile.
- Assign a probability rating before any decision is made.
- Follow the payment plan and AOD process.
- List when the criteria are met.
- Write off when the evidence supports it.
- Hand over when the probability justifies it — with a complete file and a clean paper trail.

When the school, management, and the debtor management team follow this process together, they have done everything that is theirs to do.

The ecosystem works when every party shows up for their part. This guide makes sure the school shows up for theirs.

If you need support at any point — whether that is a review of your current process, a question about a specific step, or simply a conversation about where to start — we are here. We have been doing this since 2002, and there is very little in school fee collections that we have not seen.

> **You do not have to figure it out alone.**

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Addendum

Credit Report Guide:
Reading, Scoring, and Probability to Pay

For our purposes, and to help explain the report and the process, we will refer to the information on a credit report as good, bad, or ugly. The more good scores across the report, the higher the probability of payment and the lower the risk. The more ugly scores, the lower the probability to pay and the higher the risk.

Use the scoring guide below for each component of the report. Mark each one as good, bad, or ugly. When you are done, count the marks in each column. The column with the most marks gives you a good idea of the probability rating.

Mostly Good

High probability to pay → Low risk → Follow the high probability decision tree in Chapter 2

Mostly Bad

Medium probability to pay → Medium risk → Follow the medium probability decision tree in Chapter 2

Mostly Ugly

Low probability to pay → High risk → Follow the low probability decision tree in Chapter 2

Having the right information does not guarantee an easy decision — but it makes an informed one possible. There will be red flags, unanswered questions, and accounts that don't fit neatly into any category. That is not a problem. That is the process working as it should, because those gaps and inconsistencies are exactly what prompt the right questions.

This is not something the debtor management team does alone. Management needs to be part of it. A parent who owes school fees rarely owes school fees only — and a parent who owes money is rarely eager to disclose the full picture. The more eyes on the information, and the more consistent the questions asked, the harder it becomes for that picture to stay incomplete.

Credit Bureau Components

Component	What it tells you	Good	Bad	Ugly
Previous enquiries	How often a credit report has been pulled and why	Few enquiries, or enquiries for reasonable purposes	Above average number of enquiries	Excessive enquiries
Risk level	Credit bureau overall risk classification	Low or average risk	High risk	Very high risk
Warnings	Adverse account or judgment warnings	No warnings	Adverse account warning — late payment, 1 or 2 judgment	Multiple judgements
Closed accounts	Whether accounts closed by settlement or write-off	Closed — settled by parent	Closed — written off by creditor	Multiple accounts written off
Employment details	Whether the parent is employed	Employed, details confirmed	Employment details outdated or unclear	No employer details — parent unemployed
Properties owned	Whether the parent owns immovable property	Property owned	Property owned but heavily bonded	No property owned

A parent who does not own property is not automatically a higher risk. If the parent rents and has a consistent, confirmed rental payment history, that is a positive indicator — it shows financial discipline and a track record of meeting a regular obligation. Score this as good, not ugly.

Component	What it tells you	Good	Bad	Ugly
Address details	Whether the address is confirmed and current	Address confirmed, parent living there	Address not recently updated, unconfirmed	Address not confirmed, parent untraceable
Contact details	Whether the mobile number is current and confirmed	Mobile number confirmed	Mobile number not confirmed	Mobile number incorrect
Principal information	Whether the parent has a business and its status	Active member of an active business	Member of a business — status unclear	No business, or deregistered or dormant

A parent who does not own a business is not automatically a negative score. If the parent is employed by a company, has been in stable employment without frequent job changes, and shows a consistent income — including commission payments where applicable — that is a positive indicator of financial stability and reliability. Score this as good.

Additional Information Not Always On Credit Report

Component	Good	Bad	Ugly
Exemption history	No exemption granted	Exemption granted — below 50%	Exemption granted — above 50%
Previous listing at this school	No previous listing	Listed for a small amount	Listed for a significant amount
Previous handover at this school	Not previously handed over	Previously handed over	Multiple handovers

How To Arrive At A Final Rating

Count the marks in each column across both tables. The column with the most marks determines the rating.

Mostly good → High probability to pay → Low risk

Mostly bad → Medium probability to pay → Medium risk

Mostly ugly → Low probability to pay → High risk

Where good and bad are equal, or bad and ugly are equal, use your judgment and the weight of the most serious items — a judgment warning or a previous handover carries more weight than an unconfirmed address.

This scoring method was developed for use in school fee collections. It is a practical tool, not a legal assessment. For accounts where the decision has significant financial consequences, consult your attorney before proceeding.

Please email daleen@jumpingfoxsoftware.com if you have any questions or need assistance with scoring a debtor account.

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Building A

Payment Culture

In Your School

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