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Building A

Payment Culture

In Your School

Management Guide

For finance managers, bursars, school governing body finance committees, and management teams responsible for the financial health of their school

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Specialising in credit and education law since 2002

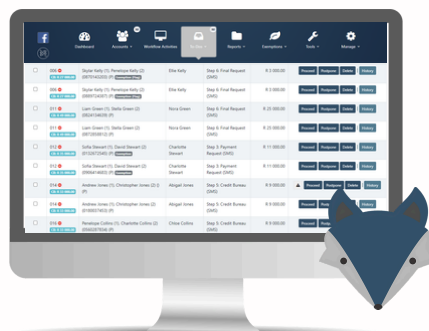


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— Contents —

- Introduction — Why this guide exists and who it is for
- Chapter 1 — Understanding the role you are overseeing
- Chapter 2 — What good management of this function looks like
- Chapter 3 — The management continuity problem
- Chapter 4 — The budget conversation
- Chapter 5 — Understanding the legal framework without being a lawyer
- Chapter 6 — Working with your debtor management and collections team
- Chapter 7 — The management checklist
- Chapter 8 — Management assessment**

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If it helps one management team do this better, it has done its job.**



Introduction

This guide is not about the numbers.

It is about understanding the people, the process, and the function that produces those numbers — and what management must do to make it work.

There is a particular kind of difficulty in writing a guide for people who believe, and in good faith, they are already doing things correctly.

If you are a finance manager, a bursar, a member of a school governing body finance committee, or part of a school management team, the chances are that you believe you are supporting your debtor management and collections team the way you should. You attend the meetings. You review the age analysis. You ask the questions. You make the decisions. And when results do not improve, you look at the team — not at the environment the team is working in, or the tools they have been given, or the decisions that were made above them.

If that is what you are doing — and we say this with respect and in all kindness — you are not doing what is required for your debtor management and collections team to thrive and succeed.

This guide is not an accusation. It is an honest conversation that most management teams have never had. Most management teams genuinely want to do the right thing. The problem is not intention. It is understanding.

The debtor management and collections team knows things that management does not. They know which parents are genuinely struggling and which are using the system. They know where the process breaks down and why. They know what they need — and they know, usually without saying it out loud, what is being withheld.

If that is uncomfortable to read — good. That means it is landing where it should.



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Understanding the Role You Are Overseeing

Most management teams believe they know what their debtor management and collections team does. They have seen the age analysis. They have sat in the collection meeting. They know the team sends reminders, follows up on overdue accounts, and escalates to attorneys when necessary.

What management does not know — and what this chapter is about — is everything the team does that never appears in a report, never comes up in a meeting, and never gets counted when results are measured.

➤ A typical day in debtor management

Sending payment reminders in the correct sequence according to legislation and the enrolment form terms and conditions

Receiving and processing payments and updating account records (not DM)

Calling parents to discuss outstanding balances and negotiating payment plans

Responding to parent replies and documenting every call and commitment

Following up on arrear arrangement accounts

Sending legal notices in the correct format within the legally required timeframes

Coordinating with the collections attorney on accounts handed over

Updating parent contact details (undelivered SMS/email/no contact)

Requesting outstanding documentation from admissions department (not DM)

Following up with finance department for up-to-date figures to work from (not DM)

Preparing reports for management and auditors (time-consuming tasks)

Making copies for the teacher who just walked in (not DM)

Helping the learner at the door who needs a statement for parents (not DM)

Assisting parents with exemption applications (not DM)

Reviewing exemption applications and preparing departmental reports (not DM)

Assisting learners who are unwell (not DM)

Preparing accounts and paperwork for handover to legal team (time-consuming tasks)

Listing parents with the credit bureau

Buying SAPO credit to send legal notices via registered email (not DM)

Collecting money for slipper day, cricket tours, matric farewell, and more (not DM)

Now count the items on that list that are directly related to debtor management and collections. Then count the ones that are not. The ratio will tell you more about the state of your collections operation than any age analysis ever could.

Why this matters

Every hour spent on tasks that have nothing to do with collections is an hour not spent on accounts sitting in arrears. And accounts that wait cost the school money.

Most schools have built a general administrative resource that also tries to do collections on the side.

The persistent arrears, the accounts that never move, the age analysis that looks the same month after month — these are the predictable outcome of that arrangement.

Debtor management and collections is a specialised, legally complex, high-stakes function. It cannot be done well by someone who is also doing everything else.

Focus is not a luxury. It is a collection strategy.

What Good Management of This Function Looks Like

Good management of a debtor management and collections function does not require a financial degree or a legal background. It requires five things: presence, understanding, consistency, protection, and investment.

1 Presence

Attend the collection meetings — not to supervise, not to check the numbers, but to understand.

To hear what the team is dealing with.

To be the person who helps make the decisions — not the person the team is still waiting to hear from three days later.

2 Understanding

Know enough about what this function involves to make good decisions about it.

Not running the process yourself — but understanding the legal requirements, the compliance steps, and what a well-run operation requires in terms of tools, time, and focus.

3 Consistency

Back the process — every time, with every parent, regardless of who is asking.

Every time management overrides the team in response to parent pressure, the parent learns that escalation works.

And the team learns that management will not back them.

4 Protection

Give the debtor management and collections team the space and the focus to do their job.

Do not add tasks to their plate that belong elsewhere.

Protect the team — and the role they were specifically appointed to do.

5 Investment

Pay for performance. Reward results. This is a specialised, legally complex job. The people who do it well are worth more than most schools are paying. Schools that understand that are the ones whose numbers keep improving. 6



We know of a school where management introduced a commission structure for their debtor management and collections team. The team took it seriously. They focused, improved their processes, and worked with consistency. Results moved in the right direction. But as the commission started paying out, the pressure of qualifying for it — the requirements, the calculations, the stress — became too much. The team made a decision. They walked away from the commission and returned to a basic salary. Less money. Less stress. A personal budget they could plan around. This is not a failure of the team. It is a failure of how the reward structure was designed. A commission that causes the people it was meant to motivate to opt out is not a reward. It is a burden wearing a different name.

What most schools do	What good management looks like
Attends meetings to check numbers only	Attends meetings to understand the work and the team
Makes decisions based on assumptions	Work with facts and input from the team
Overrides the process when parents escalate	Backs the process — exceptions go through the process, not around it
Adds tasks to the collections team's plate	Protects the team's focus and removes obstacles
Declines training and tool investment	Treats training and tools as an absolute necessity
Designs reward structures that create stress rather than motivation	Designs simple, sustainable reward structures the team can actually benefit from

Good management requires five things: presence, understanding, consistency, protection, and investment.

Of the five, investment is where the gap between intention and action is most visible. The commission story is not unusual — it seems like the norm.

A team that works as if its success has a ceiling will never perform beyond it.
Removing that ceiling is a management decision.

The Management Continuity Problem

New management almost always arrives with the same energy: things are going to improve around here. And within the first few weeks — before they have sat through the first few collection meetings, before they have read a single account history — they start making changes.

What they do not ask about is what is already in place — the relationships, the processes, the hard-won progress. A new arrival who adds to that can accelerate what is already underway. One who changes everything because they can will set it back by years.

The two most damaging assumptions

A school operates like a business	What worked somewhere else will work here
<p>It does not.</p> <p>The collections process does not move at the pace a commercial environment expects. When the new arrival pushes for faster results than the environment can produce, the team is set up to fail.</p>	<p>Every school is different.</p> <p>The payment culture, the payment profile of the parent base, the level of trust or distrust between parents and the school — all of it differs. What worked at the previous school is a useful starting point.</p>

➤ What gets lost when management changes

- ✓ **Momentum:**
A collections operation moving in the right direction can lose that momentum within weeks if the new management team changes the process, overrides the team's judgment, or stops doing what was working.
- ✓ **Trust:**
The team has usually seen this before. They have learned not to invest too heavily in a new direction until they know whether the new management will stay, listen, and follow through. That wariness is not resistance — it is the reasonable response of a team that has been let down before.
- ✓ **Parent relationships:**
Parents notice when the tone changes or the process shifts. Some will use the disruption to stop paying. A management transition, handled poorly, is an invitation to every parent who was looking for a reason to delay and not to pay.

Understanding the Legal Framework Without Being a Lawyer

There is a specific kind of legal risk that is easy to miss — and it does not come from having no legal knowledge. It often comes from having enough legal knowledge to feel confident, but not enough school-specific knowledge to know what is missing. Being a qualified attorney is not the same thing as being an expert in school fee collections.

An attorney who does not work in this environment every day may apply general collections principles correctly while missing the steps that are specific to schools. Not because they are giving bad advice — because they do not know what they do not know.

What the school environment requires that general collections often don't:

1	PUBLIC SCHOOLS Section 41 notice must be sent via registered post or registered email. The format, content, time frame and delivery method are all prescribed. Getting this wrong invalidates everything that follows.
2	PRIVATE SCHOOLS An invitation for representation before escalation is not legally required — but courts appreciate it. The cancellation period and the timing of when a learner must leave the school under these circumstances must also be carefully managed.
3	COLLECTION WORKFLOW School fee collections is not simply sending a letter of demand and waiting. The questions that determine whether the workflow is correct include: Is there an acceleration clause? A breach clause with a remedy period? A domicilium address? Does the school charge interest? Does the school give discount on early settlement?



The risk is not that the attorney gives wrong advice. The risk is that the advice is correct as far as it goes — and stops precisely where the school-specific knowledge needs to begin.

What most schools say	What responsible schools do
Our attorney on the SGB covers the legal side	General practice experience may not cover school-specific requirements
A Section 41 notice can be sent by normal email - no other requirements	Section 41 notices must be sent by registered post or registered email
Discount transactions are not a legal concern	Early settlement discounts trigger National Credit Act obligations
Interest on arrear accounts is standard practice	Agreed interest triggers NCA compliance requirements
An acceleration clause is not necessary	An acceleration clause makes collections significantly easier
Credit bureaus do not play a significant role	Listings and written consent for credit reports is essential

Review the enrolment form and debtor policy

1. Acceleration clause — is it included, and is it applied when a parent defaults?
2. Breach clause — is there a specific remedy period, and is it built into your collection process?
3. Interest and discounts — if either is included, are the National Credit Act implications understood and managed?
4. Credit bureau consent — what consent clauses are in place, and are they correctly worded?
5. Employer details — does the enrolment form require this information? It is critical for collections.

Whatever you recognised in this chapter is fixable, with the right support.

Working With Your Debtor Management Team

Most collection meetings follow the same format. The age analysis goes up on the screen. The numbers are reviewed. Questions are asked about why specific columns have not moved. Someone mentions a difficult parent. The meeting ends. Nothing changes.

Put the age analysis aside. Not permanently — it has its place. But it should not be the opening act.

Questions your team will appreciate

- 1 What challenges did you face this week — and what would it take to remove them?
- 2 What tasks did you perform this week that had nothing to do with collections?
- 3 Give me a list of the difficult accounts so we can discuss the best next step.
- 4 Are your collection tools still doing what they need to do?

The questions that definitely move things forward

People	How is the team doing? Are there capacity issues? Is anyone stretched beyond what is reasonable?
Process	What is working, what is not, and what needs to change in the sequence or timing of collection actions?
Compliance	Are all legal steps being followed correctly and in the right order?
Tools	Is the system doing what it needs to do? Is anything being done manually that should be automated?
Refinement	What small change, if made this week, would make the biggest difference to results next month?

The Management Checklist

Use this checklist at the start of every term. Include the full management team. Mark each item: **In place**, **Partially in place**, or **Not yet in place**. The gaps are your action plan for the term.



CHECKLIST QUESTIONS

You attended at least one collection meeting this month and listened more than you spoke.

You can describe what the debtor management team does on a typical day.

The collection workflow includes all steps required by legislation and the enrolment form terms and conditions.

The school contract has been reviewed by a school fee collections specialist within the last twelve months.

The contract includes all clauses required for effective school fee collections.

The school's position on interest and early settlement discounts has been reviewed.

The team receives training on collection best practices and legal requirements every six months.

The team's tools and software are fit for purpose. No significant manual workaround is in place that should be automated.

The team's salary and reward structure has been reviewed against the size of the debtor book and comparable roles in other industries.

The collection process is documented and consistently applied. High-risk, handover, and write-off criteria are defined.

The debtor management and collections team's primary responsibility is collections. Non-collections tasks — including exemption applications — have been identified and removed from their plate.

Chapter 8

Management Assessment: How Well Do You Understand School Debtor Management and Collections?

The questions below are not a test.

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They are the questions that will quickly show you how well you understand the debtor management and collections function you are responsible for overseeing — the daily work, the legal requirements, the team, and what it actually takes to build a payment culture at your school.

Some of the answers will be uncomfortable. That is the point. You cannot lead what you do not understand. And you cannot fix what you have not named.

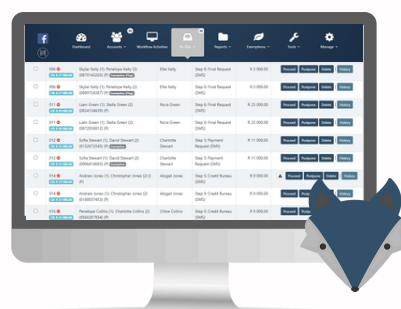
Complete this assessment and email it to daleen@jumpingfoxsoftware.com. I will personally review your responses and provide an honest assessment of where your school stands — what management can do to support the team, remove the obstacles, and create the conditions for a payment culture to take hold. No cost. No obligation.

Thank you for investing time in this guide — and for investing in the people responsible for your school's financial health.

None of this is a quick fix. Building a payment culture takes time, commitment, and the willingness to keep going when progress is slower than you would like. But the schools that do this work properly see the difference — not just in the age analysis, but in the confidence of the team and the financial stability that gives the school the freedom to focus on what it is actually there to do.

If you ever need support — a review of your process, a legal question, or simply a conversation about where to start — we are here. We have been doing this since 2002.

You do not have to figure it out alone.



Management Assessment Questionnaire



Section 1 - Understanding The Function

Does debtor management require ongoing professional training — or is it a role someone can maintain with occasional workshops?

Does the person in this role need strong negotiation skills to do the job effectively?

What metrics do you use to measure collections performance — and how do you define a positive result?

In your view, what are the three most important tasks of the debtor management team?

How effectively does the age analysis identify high-risk accounts, and what other indicators do you use?

In your view, what would it take to build a payment culture in your school?

What do you think breaks the spirit of a debtor management team member, and what keeps them motivated?

If you could change one thing today that would have an immediate positive effect on collections at your school, what would it be?



Section 2 - The Team & Environment

What is the current salary range for your debtor management team, and when last was it benchmarked against comparable roles in other industries?

Is there a formal bonus or recognition structure in place for the debtor management team? (provide detail)

How many accounts is your debtor management team currently managing — and how many people are responsible for those accounts?

What software and tools does your team use — and when last were these evaluated for fit and effectiveness?

Which collection tasks are currently done manually that you believe should be automated?

What are the biggest challenges your debtor management team faces daily, and what plan do you have to address them?



Section 3 - The Process & Strategy

Is the collection process documented and available to all team members?

What are the non-negotiable collection actions that every school must have in place to build an effective collection strategy?

Walk me through your current collection process and strategy — the steps, the sequence, and how consistently it is applied.



Section 4 - Legal Compliance

When last was your school enrolment form reviewed by someone with specific experience in school fee collections?

Does your contract include an acceleration clause, a breach clause, an attorney and client fee clause, and a credit bureau credit report consent clause?

Do you charge interest on overdue accounts? At what rate?

Do you offer discounts for early payments?

Do you send legal notices via registered email?

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Once completed, email the information to: daleen@jumpingfoxsoftware.com

We will review your responses and provide you with an honest opinion of where your process stands and what would make the biggest difference. Whether you use our software or not.

You do not have to figure it out alone.

Successfully

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