



# Water Polo

VICTORIA

## Credit Policy

August 2018

### Contents

<b>1. Scope</b> .....	2
<b>2. Purpose</b> .....	2
<b>3. Responsibilities</b> .....	2
<b>4. Credit Policy - General Information</b> .....	2
<b>Terms of Trade</b> .....	2
<b>Common Company Business Activities</b> .....	3
4.1 WPV Competitions - Competition Fees.....	3
4.2 Team Entry Fees.....	3
4.3 Player Registration Fees.....	3
4.4 Game Fees.....	3
4.5 Other (e.g. fines) .....	3
4.6 Player Development/Pathways.....	3
4.7 Other Activities .....	3
<b>5. Credit Approval and Determination of Credit Limits</b> .....	4
<b>6. Late Payment Penalties</b> .....	4
<b>7. Review History</b> .....	4

## 1. Scope

This credit policy and debtor management procedure applies to Water Polo Victoria (WPV) and should be read in conjunction with WPV's Constitution and Competition By-Laws.

## 2. Purpose

Properly defined and implemented credit policy and debtor management procedures will:

- i. increase operating profitability;
- ii. maximise cashflows;
- iii. minimise the risk to WPV of bad debts; and
- iv. ensure WPV manages its accounts receivable in such a way that it does not jeopardise the funding of its operations.

## 3. Responsibilities

The policy and procedures have the approval of the WPV Board and may only be changed with WPV Board approval.

It is the responsibility of WPV's EO to implement the credit policy. Ideally, there should be effective segregation of duties between 'sales' and 'debtor management' functions. However, due to the small number of WPV staff this is not always practical.

It is important that WPV staff are aware and are capable of managing the risk associated with transacting with clubs, players, parents and other members of the broader water polo community. It is vital that all decision makers in WPV are aware of the importance of cash management and fully co-operate with the credit policy and supporting processes.

## 4. Credit Policy - General Information

### Terms of Trade

WPV's general policy is one of payment in full on or prior to delivery of service and/or goods. In certain circumstances the recipient of the service and/or goods may apply and be assessed as being eligible for credit, which will be administered in accordance with sections that follow.

WPV commonly enters into transactions where receipts from provision of services are not received on provision of those services (e.g. application of fines, recovery of costs, pool hire, etc). Thus, WPV provides 'credit' to those parties from the time that the service is provided (or fine/fee/charge levied) until they pay the full amount due (or WPV decides to forgo the debt). During that time, WPV will recognise those parties as debtors. Credit under these circumstances is generally recognised on issue of invoice.

## Common Company Business Activities

### 4.1 WPV Competitions - Competition Fees

A Club that enters a team in a WPV administered competition will incur a number of fees and charges (e.g. player registration fees, team entry fees, game fees, fines, etc). Player registration fees and team entry fees are known prior to commencement of the playing season, whilst match fees are not known with certainty until after a fixture round has been played.

### 4.2 Team Entry Fees

Team entry fees are payable at the commencement of the playing season. Clubs will be invoiced at the start of the playing season and payment is due in full when the initial invoice is raised.

Note - a new Club or Club with a debt carried over from the previous year/season must pay all team entry fees up-front before they are permitted to enter any competition (i.e. no credit terms).

### 4.3 Player Registration Fees

The Club must ensure a player's annual registration fee is paid up-front before that player is eligible to play (i.e. no credit terms).

### 4.4 Game Fees

(e.g. for games played during the playing season) – Clubs are invoiced monthly in arrears.

### 4.5 Other (e.g. fines)

Clubs are invoiced in arrears and are given a period of time (not exceeding 30 days) to complete payment.

### 4.6 Player Development/Pathways

WPV administers player development/pathway programs that include the WPV Academy of Excellence (WPVAE) and selecting and sending representative squads to competitions (can be locally, interstate or internationally). WPV incurs costs in relation to these programs that are levied (in full or part) to the squads. If a player is under 18 years of age, then their parent (or guardian) is financially responsible for all costs associated with the player's participation in the program. Invoices are raised as early in the program as possible, with payment in full completed prior to completion of the program.

In relation to squads that travel WPV has a 'pay before you travel' policy. All player payments must be completed in full at least four (4) weeks prior to date of departure or the player may not be permitted to travel (but may remain responsible for all costs incurred by WPV in good faith on their behalf). Generally, invoices will be raised eight (8) weeks prior to departure. This will assist WPV cover upfront costs such as deposits on accommodation, flights, etc and also allow follow up with anyone who is experiencing difficulty with paying.

### 4.7 Other Activities

(e.g. clinics, annual tournaments, education programs, functions, etc) WPV's general policy applies - i.e. payment in full on or prior to delivery of service and/or goods.

## 5. Credit Approval and Determination of Credit Limits

The provision of credit to customers is a standard business practice. However, it is considered a customer privilege and not an automatic right. The conditions under which credit can be extended are when:

- i. It is consistent with market practice;
- ii. There is an absolute credit limit for each debtor;
- iii. The debtor agrees to pay the account when due as set out within debtor agreement;
- iv. The debtor provides information that allows for a complete credit assessment.

Effective credit control is achieved when:

- i. There is a clear and executed contract with the debtor that documents the mutual responsibilities including credit terms and implications of non-compliance;
- ii. Invoices are produced promptly;
- iii. Debtors' queries are dealt with expeditiously; monthly debtor statements are issued with appropriate payment requirement notated, based on age of debts;
- iv. Appropriate and timely follow up action is taken on overdue debts.

The WPV EO is responsible for the assessment of each credit request, which will be based on:

- i. Previous track record which indicates reliable payment habits;
- ii. Evidence of sound financial position, which may or may not include credible background checks (e.g. trade/bank reference checks).

Credit Limits are:

- i. Club (WPV member) \$10,000
- ii. Individual or other party \$2,000

Exceptional circumstances or amendment to these credit limits requires the approval of the Finance Director (on behalf of the Board) or President (on behalf of the Board). If credit is approved, terms must not be more than 30 days or to 30 June (i.e. end of current financial year), whichever is earlier.

## 6. Late Payment Penalties

All accounts that are 30 days or more overdue shall incur a late fee charge of 5% of the total invoice. Once a Club reaches 90 days overdue, they cease to gain any competition points for all teams in the Club until that debt is paid.

Once an individual (member of an affiliated Club) reaches 90 days overdue, they cease to be able to compete/play in any competition until that debt is paid.

## 7. Review History

Version	Revision No.	Date Reviewed	Date Endorsed	Content
1	August 2018		20/08/2018	WPV Board