



FOOTBALL FEDERATION
TASMANIA

Football Federation Tasmania Credit Policy

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December 2009

1. Scope:

This credit policy and debtor management procedures applies to Football federation Tasmania Ltd (FFT) and should be read in conjunction with our Constitution (By-Law 8, section 5.1) and Competition Rules (5f and 5g).

2. Purpose:

A properly defined and implemented credit policy and debtor management procedures will:

- increase operating profitability,
- maximize cashflows from each area of the Company's business,
- minimize the risk to the Company of bad debts, and
- ensure the Company manages its accounts receivable in such a way that it does not jeopardize the funding of its operations.

3. Responsibilities:

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

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

It is important that FFT staff are aware and are capable of managing the risk associated with transacting with clubs, associations, players, parents and other members of the broader football community. It is vital that all decision makers in the Company 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

The Company'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.

The Company 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 for match officials, ground hire, etc). Thus FFT 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 FFT decides to forgo the debt). During that time, FFT will recognize those parties as debtors. Credit under these circumstances is generally recognized on issue of invoice.

Common Company Business Activities

4.1 FFT Competitions - Competition Fees

A Club that enters a team in a FFT administered competition will incur a number of fees and charges (e.g. team nomination and player registration fees, charges for match officials and ground hire, fines). Team nomination and player registration fees are known prior to

commencement of the playing season, whilst referee and ground hire charges (if applicable) are not known with certainty until after a fixture has been played.

4.2 Team Nomination Fees

Clubs pay by installment (40% invoiced April, 40% May and 20% June). Note - a new Club or Club with a debt carried over from the previous year must pay all team nomination fees up-front before they are permitted to enter any competition (ie no credit terms).

4.3 Player Registration Fees

The Club must pay a player's registration fee up-front before that player is eligible to play (ie no credit terms).

4.4 Match Day Charges

(e.g. for match officials and ground hire – if applicable) – 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

FFT administers a number of player development programs that include selecting and sending representative squads to national championships, and regional competitions locally and interstate. FFT 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 (and must sign a form accepting this liability at the beginning of the program).

4.7 Squads that travel

In relation to squads that travel outside the State the Company has a 'pay before you travel' policy. All player payments must be completed in full at least 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 the Company in good faith on their behalf). Generally, invoices will be raised 10 weeks prior to departure (based on an estimate of costs involved) and provide for payment by installment. This will assist the Company cover upfront costs such as deposits on accommodation, flights, etc and also allow follow up with anyone who is experiencing difficulty with paying.

4.8 Squads that don't travel

Invoices are raised as early in the program as possible, with payment in full completed prior to completion of the program. If the squad is to compete in a regional competition then payment in full must be made prior to the competition or the player may not be eligible to compete.

4.9 Affiliate Association Player Registration Fees

Details regarding players registered with affiliate associations are not known in full until FFA's 30 June census is completed. Affiliate associations are invoiced early in the season based on 50% of the number of players registered in the previous year, with the balance invoiced following the 30 June census reconciliation.

4.10 Other Activities

(e.g. Coach education, soccer shop, futsal, functions, etc)

The Company's general policy applies - ie 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. The conditions under which credit can be extended are when:

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

Effective credit control is achieved when:

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

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

- Previous track record which indicates reliable purchase and payment habits;
- Evidence of sound financial position;
- Credible background checks (e.g. trade / bank reference checks).

Credit Limits are:

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|---------------------------|----------|
| Club (FFT member) | \$10,000 |
| Club (FFT non-member) | \$5,000 |
| 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 Finance Committee) or President (on behalf of the Board).

If credit is approved, terms must not be more than 90 days or to 31 October (ie end of current financial year), whichever is earlier.

6. Late Payment Penalties

All accounts that are 60 days or more overdue shall incur an interest charge of 10% per annum. (For Clubs, this is as per Competition Rule 5f).

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. (Competition Rule 5g).

Approved by : 
Chairman

Dated: 15 December 2009