



Failed payments and auto-renewal policy

Version	1
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Purpose

This policy outlines the procedures for managing failed payments for both recurring memberships and one-off purchases (such as drop-in classes, performance fees), and provides guidance for auto-renewing memberships. It includes communication protocols, follow-up actions, and membership cancellation processes.

Scope

This policy applies to all clients of Dragonfly Dance, including those with auto-renewing memberships, and those making one-off payments.

Definitions

For the purposes of this policy, the following terms are defined:

2.1 Auto-Payment

The automatic deduction of membership or other fees (such as class drop-ins or performance registration) from a member's credit card or bank account through Zen Planner.

2.2 Failed Payment

A payment that is not successfully processed due to reasons such as insufficient funds, incorrect card details, or expired card information.

2.3 Financial Hardship

A situation where a member is unable to make payments due to temporary or long-term financial difficulties. Members can apply for financial hardship assistance through the Financial Hardship Process.

2.4 Financial Hardship Process

A formal process where members can apply for temporary relief or alternative payment arrangements by completing an online financial hardship form, which is reviewed and approved on a case-by-case basis.

2.5 Late Fee

A 10% fee applied to a member's account if their payment is not received within 30 days of the original due date, as outlined in the terms and conditions.

2.6 Manual Payment

A payment made by the member outside of the automatic system, including EFT (electronic funds transfer), EFTPOS (Electronic Funds Transfer at Point of Sale), or cash. Manual payments are generally only allowed under specific circumstances, such as repeated failed payments or approved financial hardship requests.

2.7 Membership Auto-Renewal

A system in which a member's subscription or membership is automatically renewed at the end of each billing cycle unless the member cancels their membership through the appropriate form.

2.8 Payment Alerts

Notifications added to a member's profile in Zen Planner to indicate issues with payment, such as failed payments or overdue accounts. These alerts can prevent members from booking or attending classes until resolved.

2.9 Zen Planner

The online booking and management system used by Dragonfly Dance to handle memberships, class bookings, payments, and communication with members.

2.10 Online form

A digital form accessible through Dragonfly Dance's website, used to handle administrative tasks such as membership cancellations, payment requests, and financial hardship applications. These forms can be found at www.dragonflydance.com.au/online-forms.

2.11 Member

An individual who has signed up for a recurring payment plan (typically a 12-week plan) that auto-renews unless cancelled. Members have ongoing access to classes as part of their membership and are subject to the terms and conditions of membership, including payment obligations and late fees.

2.12 Client

Any individual who engages with Dragonfly Dance, either as a member or on a one-off basis. Clients include members, as well as those who attend drop-in classes, workshops, intensives, or other services without holding a recurring membership.

Responsibilities

The following roles are responsible for ensuring that the policy is adhered to and effectively managed:

Dragonfly Dance Management

- Oversee the implementation and monitoring of payment processes, including membership auto-payments and failed payment follow-up.
- Ensure that all staff are trained on the policy and understand their roles in enforcing payment terms and procedures.
- Review and approve requests for alternative payment methods, financial hardship applications, and payment plan arrangements.
- Maintain accurate documentation and ensure all communications regarding payments, financial hardship, or special arrangements are recorded in Zen Planner.
- Ensure compliance with relevant South Australian legislative requirements regarding payment collection and financial hardship assistance.

Administrative Staff

- Conduct weekly checks of failed payments in Zen Planner and follow up with members via manual and automated emails.
- Reactivate auto-payments or flag issues as necessary in line with the Resolving Failed Payments and Reactivating Memberships procedure.
- Monitor and manage member profiles for any payment-related alerts or notes, ensuring accounts remain updated with accurate payment details.
- Process payments made via alternative methods (EFT, EFTPOS, or cash) and apply them in Zen Planner, ensuring timely account reconciliation.

Members and Clients

- Ensure their payment details in Zen Planner are up to date, including credit card or bank account information for auto-payments.
- Make timely payments for their membership, class drop-ins, performance fees, and other charges, in accordance with the terms and conditions.
- If facing financial difficulties, members are responsible for applying for assistance through the Financial Hardship and Payment Difficulties Process and adhering to any approved payment plans or adjusted schedules.
- Notify Dragonfly Dance if they need to update or change payment methods or if they require special consideration for alternative payment arrangements.

Teachers and Reception Staff

- Assist with checking member alerts and account status during class check-ins. If an alert is flagged due to failed payments or suspension, ensure the member is informed and directed to resolve the issue with administrative staff before participating in the class.
- Direct any payment-related queries from members to the appropriate administrative staff for resolution.

This policy complies with the relevant consumer protection laws and regulations in South Australia.

Procedures

1. Auto-Renewal Membership Process

1.1 Membership Activation:

All memberships have a duration of 12 weeks, and are paid for in three four-weekly instalments. The membership automatically renews at the end of 12 weeks or when the client has used more class credits than allocated for the membership.

Payments are processed via the designated payment method (credit card or bank account) provided at the time of signing up for the membership or otherwise provided by the client. The client can also add or update their own payment details.

1.2 Automatic Payments:

Membership payments will be automatically charged from the member's payment method at the start of each billing cycle. Members are responsible for keeping their payment details up to date (eg ensuring their card does not expire).

1.3 Notification of Renewal:

Prior to the renewal of a membership, members may receive a reminder email, depending on the membership plan, to notify them of the upcoming charge and give them time to update their payment details if necessary.

2. Failed Payments for Auto-Renewing Memberships

2.1 Failed Payment Notification:

If a membership payment fails (due to insufficient funds, an expired/incorrect card, etc), the booking system will automatically notify the member via email. Dragonfly Dance staff will also manually send a follow-up email within 7 days.

2.2 Temporary Auto-Pay Suspension:

When a payment fails, auto-pay is temporarily disabled until the issue is resolved. Payments will not be retried until the member updates their payment method or resolves the outstanding balance.

2.3 30-Day Grace Period:

Members have 30 days from the original due date to make the payment. If the payment is not made within 30 days, a 10% late fee will be applied, as per the membership terms and conditions.

2.4 Profile Alert:

An alert will be placed on the member's profile in the booking system, preventing them from booking or attending classes until the failed payment is resolved.

2.5 Follow up emails

Additional follow up emails will be sent every 7 days until day 30.

2.6 Final Notice (Day 30):

If the payment remains unpaid by Day 30, a final email will be sent to the member informing them that a 10% late fee has been applied, and their membership will be suspended if the payment is not made within the next 7 days.

2.7 Membership Suspension:

If the payment is not made by Day 37, the membership will be suspended, and the member will lose access to classes until the outstanding balance (including late fees) is cleared.

3. Failed Payments for One-Off Purchases

3.1 Scope of One-Off Purchases:

This section covers one-off payments such as:

- Drop-in class fees
- Performance registration fees
- Costume fees
- Workshop and event fees

3.2 Failed Payment Notification for One-Off Purchases:

If a payment for a one-off purchase fails (eg for a drop-in class or event registration), the booking system will automatically send an email notifying the member of the failed payment. A follow-up email will be sent by Dragonfly Dance staff to resolve the issue.

3.3 30-Day Payment Resolution:

Members are required to resolve the failed payment within 30 days of the original transaction date. Failure to do so will result in the addition of a 10% late fee, and the member will not be able to participate in future events, classes, or performances until the balance is cleared.

3.4 Profile Alert for One-Off Payment Failures:

An alert will be placed on the member's profile, notifying staff that the member cannot register for future events or attend classes until the payment has been successfully completed.

3.5 Final Notice for One-Off Payment Failures (Day 30):

A final email will be sent if the payment is not resolved by Day 30, informing the member that they will be unable to participate in future classes or events until the payment and late fee are cleared.

4. Inactivity Procedures for Auto-Renewing Memberships

4.1 Monitoring Attendance:

Dragonfly Dance regularly monitors member attendance. If a member has not attended classes for an extended period (eg 3 months), a reminder email will be sent to inform them that their membership is still active and payments are ongoing.

4.2 Cancellation Reminder:

In the reminder email, members will be provided with the option to cancel their membership if they no longer wish to participate. A direct link to the membership cancellation form will be included for convenience.

4.3 Follow-Up Communication (Day 7):

If no response is received within 7 days of the initial reminder, a follow-up email will be sent to ensure the member is aware of the ongoing payments and to provide another opportunity to cancel the membership.

4.4 Final Warning Email (Day 14):

If no response is received after the follow-up email, a final email will be sent on Day 14. This email will inform the member that if no action is taken, the membership may be cancelled, and no further payments will be processed.

4.5 Cancellation Due to Non-Response:

If the member does not respond within 21 days of the initial communication and has not attended classes for at least 3 months, Dragonfly Dance reserves the right to cancel the membership. A final notification will be sent to the member confirming the cancellation.

4.4 Payment Obligations

All members are required to maintain their account in good standing by ensuring payments are made on time and through the preferred auto-payment system. In cases where members experience temporary financial difficulties or hardship, they may request a payment arrangement through our Financial Hardship Process, which can be initiated by filling out the online financial hardship and payment difficulties form.

5. Resolving Failed Payments and Reactivating Memberships

5.1 Payment Resolution Methods:

Members can resolve failed payments by:

- Updating their payment details in the booking system (eg entering a valid credit card or bank account).
- Authorising Dragonfly Dance staff to manually process the payment.
- Making a manual payment via EFT (bank transfer), with confirmation sent to the studio via email.

5.2 Reactivation of Membership:

If a suspended membership is reactivated after the outstanding payment is made, the member will regain full access to classes. Auto-pay will resume with the next billing cycle, unless the member decides to cancel their membership before that time.

5.2 Reactivation of Membership

Members whose accounts are suspended due to failed payments can reactivate their membership by clearing the outstanding dues within 30 days of the original payment due date. Members facing financial difficulties may also apply for assistance through the Financial Hardship and Payment Difficulties Process by submitting the online form before the deadline for payment.

Dragonfly Dance will review these applications on a case-by-case basis, and in approved cases, late fees or other penalties may be waived or adjusted.

5.3 Alternative Payment Methods

In some cases, members may request to make payments via EFT (bank transfer), EFTPOS, or cash instead of the automatic payment system. This option is only available under the following circumstances:

- Request by member:
The member must complete an online form to request an alternative payment method, providing a compelling reason for why they are unable to use automatic payments.
- Studio-required alternative payment: If a member repeatedly experiences failed payments Dragonfly Dance may require them to switch to manual payments via EFT, EFTPOS, or cash to ensure ongoing participation in classes.

When alternative payments are approved:

- Auto payments will be disabled on their account, but bills will still be generated automatically.
- Once payment is received via EFT, EFTPOS, or cash, it will be manually applied to the member's account in Zen Planner.
- The member will still be responsible for ensuring payments are made on time, and late fees will apply if payments are not received within 30 days of the due date.

6. Documentation and Record Keeping

6.1 Record of Communications:

All communications related to payment issues, including failed payments, overdue accounts, and membership cancellations, will be documented as a note in the member's account within Zen Planner.

This includes:

- Automated system notifications regarding failed payments
- Manual email notifications sent by Dragonfly Dance staff
- Documentation of any discussions or emails regarding membership cancellations
- Details of any applied late fees or charges for overdue accounts
- For members using alternative payment methods (EFT, EFTPOS, or cash), documentation of the request and approval process (via the online form) will also be recorded
- Manual updates reflecting when payments are received through non-auto methods, including the application of payments to Zen Planner.

Records will be maintained to ensure transparency and to meet the legislative requirements for handling disputes, and to provide a record for staff when liaising with the client.

7. Exceptions and Special Circumstances

7.1 Member-Specific Circumstances:

Members may experience personal or financial situations that affect their ability to make payments or attend classes. In such cases, Dragonfly Dance may offer alternatives, such as temporary membership suspensions, deferred payments, or waiving late fees.

Members experiencing significant financial hardship can apply for assistance via the Financial Hardship and Payment Difficulties Process. Applications are reviewed individually, and temporary payment relief or extended payment plans may be offered in approved cases. Members must complete the financial hardship and payment difficulties form online and provide supporting information as needed.

7.2 Management Discretion:

Dragonfly Dance management reserves the right to make exceptions to this policy on a case-by-case basis, depending on the circumstances provided by the member.

Review, amendments, and related policies

Review Process

This policy will be reviewed annually to assess its effectiveness and compliance with legal requirements.

Amendments

Changes to this policy may be made by management as necessary, with members notified of any significant updates.

Related Policies

This policy is related to the Cancellation Policy, Financial Hardship Policy, and Privacy Policy.