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1 PURPOSE

- 1.1 This procedure outlines the credit control measures used to maximise the cash flows and minimise the risk of bad debt to CQUniversity.

2 SCOPE

- 2.1 This procedure applies to all money owed to CQUniversity.
- 2.2 This procedure does not apply to the University's controlled entities or to persons or organisations owing monies to such entities.

3 PROCEDURE

- 3.1 University debtors are categorised into two groups:
- student and sponsor debtors, and
 - commercial and general debtors.
- 3.2 Management of outstanding debt and recovery tactics are outlined in the [Collections Policy and Procedure](#).

Credit control

Student debtors – fees (including sponsor debtors)

- 3.3 All students that are managed within the Student Management System will automatically be given credit for course-related fees, charges and activities. No prior credit checks are required. Non-payment of student debt will result in sanctions and cancellation of enrolment or course in accordance with the Collections Policy and Procedure.
- 3.4 Charges may be applied to the student's accounts by the following methods:
- on enrolment - this process will calculate fees and charges based on current enrolment criteria

- on registration – for graduation ceremonies
 - adhoc – a manual process where system users assigned with appropriate system access raise applicable fees and charges.
- 3.5 When managing student-related debt the following legislation/policy documents must be adhered to:
- government legislation governed by the [Department of Home Affairs](#) for all international students
 - Collections Policy and Procedure, [Bad Debts Procedure](#) and [Library Replacement and Repair Charges Procedure](#)
 - [Higher Education Funding Act 1988](#) (Cwlth), and
 - [Higher Education Support Act 2003](#) (Cwlth).
- 3.6 Due dates for the majority of student charges are predetermined by the University.

Student debtors – loans

- 3.7 Commonwealth Government funds will be provided for the allocation of loans or grants to students who are enrolled in any tertiary award course at CQUniversity or vocational education and training (VET) students enrolled in any VET Diploma course.

Commercial and general debtors

- 3.8 University commercial and general debtors are managed separately to students.
- 3.9 University commercial and general debtors will be automatically given credit for non-student fees and charges. No prior credit checks are required. Non-payment of commercial and general debt will result in the debtor being referred to the collection agency in accordance with the Collections Policy and Procedure . Non-payment of commercial and general debt by University students will result in sanctions being applied to their student record administered within the Student Management System.
- 3.10 The majority of large commercial and general debtors are:
- university affiliated organisations, and
 - Australian Government departments.
- 3.11 Charges will be raised against the debtor account by the relevant School, Division, Directorate or Campus by raising an Accounts Receivable Invoice in the Financial Management System, which will then be work flowed for approval by the financial delegate. The invoice will then be reviewed and posted by the Finance Directorate.
- 3.12 AR Invoices will be approved by the appropriate financial delegate in line with the [Authorities and Delegations Register](#).
- 3.13 When managing commercial and general debt the following policy documents must be adhered to:
- Collections Policy and Procedure, and
 - Bad Debts Procedure.
- 3.14 Due dates for all commercial and general debtors are 30 days from the date of issue, unless specific arrangements have been made either contractually or with the Manager Finance Operations' approval.

Discounts

- 3.15 As a general rule, discounts will not be awarded to student debtors except for students approved for alumni discounts.

Alumni discounts

- 3.16 Alumni discounts are managed by Alumni Relations and Advancement Services.

Commercial and general debtor discounts

- 3.17 As a general rule, discounts will not awarded to commercial and general debtors.

Debts written off

Student debtors

- 3.18 In the student debt write-off process, a sanction will be automatically applied to the student's account. Sanctions have varying consequences according to the level of the overdue debt and are detailed in the Collections Policy and Procedure. The debts written off must be paid in full, prior to the reinstatement of the original charge and the removal of the sanction. Note: in the "write-off" process, debts are not waived or exempted. A record of the written off debt is maintained within the Student Management System.

Commercial and general debtors

- 3.19 Commercial and general debts written off must be paid in full before additional credit will be given. To prevent future usage, the debtor accounts will be inactivated and comments recorded in the Financial Management System.

Risks

- 3.20 Non-compliance with this procedure increases the risk to the University of:
- unnecessary loss
 - failure to comply with financial management policy document, and
 - failure to comply with the legislation that governs the management of the University.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.16 The Chief Operating Officer and Manager Finance Operations are responsible for implementing, monitoring, reviewing and ensuring compliance with this procedure.
- 4.17 The Finance Directorate will provide assistance and advice to other departments on debt management issues.
- 4.18 Compliance with this procedure will be monitored through regular debtor reports and general ledger reconciliations.

Reporting

- 4.19 No additional reporting is required.

Records management

- 4.20 Employees must manage records in accordance with the [Records Management Policy and Procedure](#). This includes retaining these records in a recognised University recordkeeping information system.
- 4.21 University records must be retained for the minimum periods specified in the relevant [Retention and Disposal Schedule](#). Before disposing of any records, approval must be sought from the Records and Privacy Team (email records@cqu.edu.au).

5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

6 RELATED LEGISLATION AND DOCUMENTS

[Authorities and Delegations Register](#)

[Bad Debts Procedure](#)

[Collections Policy and Procedure](#)

[Department of Home Affairs](#)

[Financial Accountability Act 2009](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

[Higher Education Funding Act 1988](#) (Cwlth)

[Higher Education Support Act 2003](#) (Cwlth)

[Library Replacement and Repair Charges Procedure](#)

7 FEEDBACK

7.1 Feedback about this document can be emailed to policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

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Notes	This document was formerly known as the Credit Management Procedure (FMPPM) (20/02/2017).