

BAD DEBTS PROCEDURE

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1 PURPOSE

- 1.1 This procedure outlines how CQUniversity will manage bad debts.
- 1.2 This procedure forms part of the University's financial management practice manual, which contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2019](#) (Qld).

2 SCOPE

- 2.1 This procedure applies to CQUniversity employees involved with the management, provision for and write-off of bad debts.

3 PROCEDURE

Write-offs

- 3.1 Debts will be written off only when the recovery procedures as specified in the University's [Collections Policy and Procedure](#) have proven unsuccessful and further action is either not cost effective or is highly unlikely to succeed.
- 3.2 The decision to write-off individual debts should include consideration of the cost of recovery action versus the amount of the debt being pursued.
- 3.3 Debts to be written off must be approved by the Vice-Chancellor and President. The Manager Finance Operations (or delegate) will recommend to the Vice-Chancellor and President, through the University Management Committee, any debts to be written off.

Administration and management

- 3.4 The Manager Finance Operations (or delegate) will maintain a register of debts that have been written off. The register will record the details of the debt, the authority for write-off, and any subsequent action to reinstate.

- 3.5 To prevent unauthorised bad debts journal entries, access to the receipting and bad debts processing functions will be separated with no write-offs to take place in either the Financial Management or Student Management Systems without specific approval, as specified above.
- 3.6 The Manager Finance Operations will perform quarterly reviews of debtors' accounts to ensure that bad debts are written off in a timely manner.
- 3.7 The Manager Finance Operations will ensure that the General Ledger Accounts Receivable Balances are reconciled on a monthly basis to the debtor balances in the Financial Management System and Student Management Systems.
- 3.8 The register of bad debts will be reviewed quarterly by the Vice-President (Student and Corporate Services) (or delegate).

Provision for bad debts

- 3.9 The provision for bad debts will be reviewed annually by the Manager Finance Operations to recognise any doubt as to the collectability of debts and the potential for a current debt to deteriorate and become bad.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Chief Operating Officer and Manager Finance Operations are responsible for implementing, monitoring, reviewing and ensuring compliance with this procedure.
- 4.2 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

Reporting

- 4.3 No additional reporting is required.

Records management

- 4.4 All communication and documentation pertaining to bad debts will be maintained by the Finance Directorate for audit review.
- 4.5 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.
- 4.6 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

[Collections Policy and Procedure](#)

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

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

7 FEEDBACK

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

8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Council
Delegated Approval Authority	Audit, Risk and Finance Committee
Advisory Committee	N/A
Required Consultation	N/A
Administrator	Chief Operating Officer
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Notes	This document was formerly known as the Bad Debts Procedure (FMPM) (last approved on 28/04/2021).