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1 PURPOSE

- 1.1 This procedure outlines to staff the credit control measures in place to maximise the cash flows and minimise the risk to the University of bad debt.
- 1.2 It is vital that all decision makers in the organisation are aware of the importance of cash management and fully co-operate with the Financial Services Division staff that manage the administrative process.
- 1.3 University debtors are categorised into two definitive groups, being:
- Student and Sponsor Debtors, and
 - Commercial and General Debtors.
- 1.4 Management of outstanding debt and recovery tactics are outlined in the [Collections Policy and Procedure \(FMPPM\)](#).

2 SCOPE

- 2.1 This policy and procedure applies to all CQUniversity staff and all persons or organisations owing monies to CQUniversity. It does not apply to staff of the University's subsidiary companies or to persons or organisations owing monies to such subsidiaries.

3 PROCEDURE

Credit control

Student debtors - fees

- 3.1.1 All University students that are managed within the Student Management System are automatically 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 program in accordance with the [Collections Policy and Procedure \(FMPPM\)](#).

- 3.1.2 Charges may be applied to the student's accounts by two methods:
- on enrolment - this process will calculate fees and charges based on current enrolment criteria, or
 - adhoc – a manual process where system users assigned with appropriate system access raise applicable fees and charges.

- 3.1.3 When managing student-related debt the following Acts/policies must be adhered to:
- government legislation governed by the [Department of Immigration and Border Protection](#) for all International Students
 - the [Collections Policy and Procedure \(FMPM\)](#), [Bad Debts Procedure](#) and [Library – Waiving Fees Procedure](#)
 - the [Financial Management Practice Manual \(FMPM\)](#)
 - [Higher Education Funding Act 1988](#), and
 - [Higher Education Support Act 2003](#).

- 3.1.4 Due dates for the majority of student charges are predetermined by the University.

Student debtors – loans

- 3.1.5 Commonwealth Government funds are provided for the allocation of loans or grants to students who are enrolled in any tertiary award course at CQUniversity or VET students enrolled in any VET Diploma course.
- 3.1.6 Conditions relating to loan eligibility, repayment requirements, and non-payment of loan procedures are outlined in the [Special Assistance for Students – Student Loan Scheme Policy and Procedure](#). Students applying for loans are required to complete a loan application form that requires the provision of a referee and financial details of the student's ability to repay the loan.

Commercial and general debtors

- 3.1.7 University Commercial and General debtors are managed separately to students.
- 3.1.8 University Commercial and General debtors are 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 \(FMPM\)](#). Non-payment of Commercial and General debt by official University Students will result in sanctions being applied to their student record administered within the Student Management System.
- 3.1.9 The majority of large Commercial and General debtors are:
- university affiliated organisations, and
 - Australian Government departments.
- 3.1.11 Charges will be raised against the debtor account by the relevant School, Division, Directorate or Campus by raising an AR Invoice in the Financial Management System which is then workflowed for approval by the Financial Delegate. The Invoice is reviewed and posted by Financial Services Division.
- 3.1.12 AR Invoices are approved by the appropriate financial delegate in line with the [Delegation of Authority Policy \(FMPM\)](#).
- 3.1.13 When managing Commercial and General debt the following Acts/policies must be adhered to:
- the [Collections Policy and Procedure \(FMPM\)](#), [Bad Debts Procedure](#), and
 - the [Financial Management Practice Manual \(FMPM\)](#).

- 3.1.14 Due dates for all Commercial and General debtors are fourteen (14) days from the date of issue, unless specific arrangements have been made either contractually or with the Finance Operations Manager's approval.

Discounts

- 3.2 Discounts are not awarded to Student Debtors except for students approved for Alumni discounts.

Alumni discounts

- 3.2.1 Alumni discounts are managed by Community and Engagement Office/Development and Alumni Relations Directorate.

Commercial and general debtor discounts

- 3.2.2 As a general rule discounts are not awarded to Commercial and General Debtors.

Debts written off

Student debtors

- 3.3.1 In the Student debt write-off process, a sanction is 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 \(FMPPM\)](#). 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. They remain recorded in the Student Management system but are marked as inactive.)

Commercial and general debtors

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

Risks

- 3.4 Non-compliance with these procedures increases the risk to the University of:
- unnecessary loss
 - failure to comply with financial management policies and procedures, and
 - failure to comply with the legislation that governs the management of the University.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Financial Services Division will provide assistance and advice to other departments on debt management issues.
- 4.2 The Finance Operations Manager is responsible for compliance through regular monitoring of debtor reports and general ledger reconciliations.

Reporting

- 4.3 No additional reporting is required.

Records management

- 4.4 Staff must maintain all records relevant to administering this procedure in a recognised University recordkeeping system.

5 DEFINITIONS

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

6 RELATED LEGISLATION AND DOCUMENTS

[Bad Debts Procedure](#)

[Collections Policy and Procedure \(FMPM\)](#)

[Delegation of Authority Policy \(FMPM\)](#)

[Department of Immigration and Border Protection](#)

[Financial Management Practice Manual \(FMPM\)](#)

[Higher Education Funding Act 1988](#)

[Higher Education Support Act 2003](#)

[Library – Waiving Fees Procedure](#)

[Special Assistance for Students – Student Loan Scheme Policy and Procedure](#)

7 FEEDBACK

7.1 University staff and students may provide feedback about this document by emailing policy@cqu.edu.au.

8 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Council
Advisory Committee to Approval Authority	Planning and Resources Committee
Administrator	Deputy Vice-Chancellor (Finance and Planning)
Next Review Date	20/02/2020

Approval and Amendment History	Details
Original Approval Authority and Date	Council 10/09/2004
Amendment Authority and Date	Director, Division of Finance 23/04/2010; Council 24/06/2013; Executive Director, Financial Services 15/07/2013; Planning and Resources Committee 20/02/2017.
Notes	