

REVENUE POLICY (FMPM)



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1 PURPOSE

- 1.1 The purpose of this policy is to outline the principles of revenue management across the CQUniversity to ensure the consistent and prompt identification, assessment and recording of revenue.
- 1.2 This policy also contributes towards meeting the University's obligations under the [Financial and Performance Management Standard 2009](#) by ensuring the existence of an effective revenue management system.

2 SCOPE

- 2.1 This policy applies to all forms of revenue recognised by the University and to all staff responsible for the recording and approval of revenue related activities in accordance with the [Delegation of Authority Policy \(FMPM\)](#) and organisational structure of the Finance and Planning Division.

3 POLICY STATEMENT

Policy Framework

- 3.1 The [Financial Management Practice Manual](#) (FMPM) is the University's financial management policy framework. As such, this policy and procedure forms part of and must be read in conjunction with the FMPM.

Recognition of Revenue

The University recognises revenue in the operating statement in determining the overall result for each reporting period. In accordance with [AASB118 Revenue \(superceded by AASB 15 Revenue from Contracts with Customers for reporting periods on or after 1 January 2018\)](#), revenue will only be recognised when it is probable that future economic benefits, in the form of an increase to an asset or a decrease to a liability, will flow to the University and that these benefits can be measured reliably.

- 3.2 The University receives revenue from a number of sources and recognises this revenue in the operating statement in accordance with the following principles:

Revenue from Commonwealth and State Government Grants

- 3.4 Revenue from Commonwealth and State Government Grants is recognised in the period in which the grant is received. Grants received in advance are recognised as operating revenue when the University obtains control over the funds comprising the grant.

Tuition Fees and Charges – Full Fee Paying Students

- 3.5 Tuition fees and charges are raised on enrolment for full fee paying students, however revenue does not begin to be recognised until commencement of the relevant term or study period. The student management system periodically allocates revenue from unearned revenue to revenue according to the days earned for the relevant term at a point in time. After the relevant census date, the University has no contractual obligation for the refund of this revenue received. Revenue is immediately recognised for administration type fees (library, graduation etc.) and student amenities fees (SAF).

Fees and Charges – Consultancies

- 3.6 Fees and charges collected as a result of consultancy activity are recognised upon the delivery of services to the customer.

Tuition Fees and Charges – Government assisted (HECS-HELP/FEE-HELP/SA-HELP/VET FEE-HELP)

- 3.7 Student revenue collected under Government assisted schemes is recognised as unearned upon enrolment. The Student Management System periodically allocates revenue from unearned revenue according to the days earned for the relevant term at a point in time.

Rental Income

- 3.8 Rental income is recognised on a basis representative of the pattern of services rendered through the provision of a University asset.

Sales of Assets

- 3.9 Revenue from the sale of University assets is recognised when the University has passed control of the asset to the purchaser.

Investment Income

- 3.10 Investment income is recognised as it accrues, based on the interest rate applicable to the asset.

Sale of Goods/Publications

- 3.11 Revenue resulting from the sale of goods and/or publications is recognised upon delivery of goods to the customer.

Bequests, Donations, Sponsorships, Funding

- 3.12 Revenue received as a result of a bequest, donation, sponsorship, or funding arrangement is recognised in the period of receipt of the funds.

Accrued Revenue

- 3.13 To ensure the accurate reflection of the activities of the reporting period in the University's financial statements and internal management reports, the University reports revenue on an accrual basis.
- 3.14 The necessary revenue accrual journals will be prepared and processed before the close of each reporting period to ensure that transactions are matched to the accounting period in which they are incurred.
- 3.15 In preparing the accrual revenue journals, monies that have been received into the University's bank account but not yet received will be taken into account.

Revenue Reversals

- 3.16 The University's recognised revenue is to be reversed where it has been raised incorrectly or where previously expected benefits are no longer predicted to occur. Revenue reversals include such items as fee corrections and fee reversals, but do not include fee waivers which are recorded as an expense for the purposes of the University operating statement.
- 3.17 Fee reversals may be generated by the student management system after enrolment updates initiated by the student. Manual fee corrections may be initiated by relevant staff within Student Governance in line with internal processes and system configuration
- 3.18 The Finance Operations Manager will conduct periodic review of revenue reversals.
- 3.19 Credit notes resulting in revenue reversals will be prepared and workflowed through the finance management system in accordance with the [Delegation of Authority Policy \(FMPM\)](#).

Revenue Write-Offs

- 3.20 Revenue is to be safeguarded from loss and not to be foregone, waived, remitted or written off except where authorised in accordance with the [Delegation of Authority Policy \(FMPM\)](#).

4 RESPONSIBILITIES

Compliance, Monitoring and Review

- 4.1 The Deputy Director, Financial Accounting and Operations is responsible for managing the implementation of this policy and for ensuring that its provisions are adhered to and applied consistently across the University.
- 4.2 Compliance and monitoring will be assessed through monthly reconciliations and regular analytical reviews.

Reporting

- 4.3 There are no additional reporting requirements.

Records Management

- 4.4 All records relevant to this document are to be maintained in a recognised University recordkeeping system.

5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University's [glossary](#).
- 5.2 For the purposes of this policy, the definitions of Fee Waiver, Fee Correction and Fee Reversal is as documented in [Waiver Policy and Procedure \(FMPM\)](#).

6 RELATED LEGISLATION AND DOCUMENTS

[AASB101 \(NFP\) Presentation of Financial Statements](#)

[AASB117 Leases \(superceded by AASB 16 Leases for reporting periods beginning on or after 1 January 2019\)](#)

[AASB118 \(NFP\) Revenue \(superceded by AASB 15 Revenue from Contracts with Customers for reporting periods on or after 1 January 2018\)](#)

[Bequest Management Policy](#)

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

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

[Financial and Performance Management Standard 2009](#)

[Financial Management Practice Manual](#)

[Financial Reporting Requirements for Queensland Government Agencies \(FRR\) 3B](#)

[Gifts and Benefits Policy and Procedure](#)

[Grants \(Government\) Policy](#)

[Losses Policy \(FMPPM\)](#)

[Suspense Policy \(FMPPM\)](#)

[Student Refund and Credit Balance Policy and Procedure](#)

[User Charging Policy \(FMPPM\)](#)

[Waiver Policy and Procedure \(FMPPM\)](#)

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

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