



Revenue & Debtor Management Procedures

OVERVIEW

SCOPE AND APPLICATION

PRINCIPLES

PROCEDURES

1. Setting the price of goods and services
2. Engaging with customers
3. Billing process
4. Creating a credit note
5. Cash receipting and banking at point of sale
6. Refunding customers
7. Debt recovery and write-offs
8. e-Commerce solutions

DEFINITIONS

Appendix A – Examples of supporting documentation

Appendix B – Cash receipting process

OVERVIEW

The Revenue Accounting team centrally manage incoming payments on behalf of the University, including receipting and banking at point of sale, oversight of University e-Commerce solutions and payment gateways.

These procedures, which form part of the [Financial Management Policy & Procedures](#), prescribe the processes for raising University bills, credit notes, cash receipting and the process for write offs and management of Customer and student debtors.

SCOPE AND APPLICATION

These procedures apply to:

- All University staff, students and titleholders
- Customers of the University

These procedures do not apply to:

- Commonwealth grant funding, including Commonwealth-funded research
- Student fees or charges, including student loans
- Pledge requests, donations and payments relating to a scholarship or prizes

Related policies

Other policies and procedures may apply to some revenue sources –

Research Services	Research Grants, Contracts and Consultancies Policy
Student tuition fees (awards programs and related charges)	Fees for Award Programs and Courses Policy
Donations and bequest income – External Engagement	Giving Policy
Disposal of assets	Financial Management of Assets Procedures

In addition, information on contracts and agreements which may be entered into in respect of the provision of University goods and services is available in the [Contracts and Agreements Policy](#).

PRINCIPLES

- Goods and services must not be provided where there is doubt regarding payment capacity.
- A Customer Account must be created in order to send a bill for the sale of goods or services (with some exceptions), providing the required evidence as outlined in Appendix A.
- The University's payment terms are 14 days, exceptions to this must be pre-approved.
- Only approved Cash Receipting Locations are permitted to accept payments from customers.
- The University's preferred method for the sale of goods and services is the Online Shop.
- Additional payment gateway requirements, to receive payments from non-approved systems, must be facilitated, and approved by Revenue Accounting.

PROCEDURES

1. Setting the price of goods and services

Some forms of income to the University arise from the sale of goods or services by the University to a third party (e.g. surplus assets, advertising, veterinary services, microscopy services, research contracts and consultancies etc). As the supply of goods and services often involves work carried out in schools, laboratories, technical units and workshops, business units must maintain suitable records to ensure that costs incurred can be accurately accessed.

Responsibility: *Person setting the price of goods and services*

- a) Apply informed discretion in setting the price of goods or services, bearing in mind the overarching responsibility to ensure University resources are appropriately applied
- b) Take into account:
 - If the goods or service attract GST – if in doubt email taxhelpdesk@adelaide.edu.au
 - Direct costs of the goods and services (materials and staff time)
 - Indirect costs (University levies for contract research or consulting, corporate overheads such as utility costs, corporate support)
 - Sound commercial principles, including market forces and factors that might support a price that is less than the cost of producing the goods or services, including:
 - whether the goods or services are for the benefit of the general public, or those accessed as not having the capacity to pay
 - the charge is precluded by legislation
 - the transaction is non-routine and immaterial in amount
 - the ongoing administrative costs of charging and revenue collection exceed the expected revenue benefits, and;
 - if it makes the University's use of particular goods or services more economical.

2. Engaging with Customers

Goods and services must not be provided to customers where there is doubt regarding payment capacity which can be validated by Revenue Accounting. If in any doubt regarding the payment capacity of a Customer or potential customer, contact [Revenue Accounting](#). The Team Leader, Revenue Accounting has the authority to cancel Customer accounts if they are not in the University's interest.

The University's standard payment terms are 14 days. If a Customer wishes to apply for alternative payment terms, or a payment plan, they must submit a formal notification to [Revenue Accounting](#). Amounts over \$100K require approval by the Chief Financial Officer. The Customer will be notified of the new arrangement and the debt recovery process will be altered accordingly.

When engaging with a customer, supporting documentation must be provided to create and bill a customer. Each Customer must have their own Customer account in the system through which their bills will be processed. Refer to **Appendix A** for examples of applicable supporting documentation.

Responsibility: *Person engaging with Customer*

- a) Written confirmation of what has been agreed between parties e.g. terms of agreement / service contact including total amount and GST treatment
- b) Customers correct address and contact details (displayed on a letter, email or written communication)
- c) Department / school / area if applicable
- d) Confirmation of [Australian Business Number \(ABN\)](#)
- e) Email address of recipient of bill, or contact details of Accounts Payable department.

3. Billing process

A University bill must be created for transactions involving the sale of goods and services, excluding the following;

- Point of sale transactions
- Paid directly to a University staff member on behalf of the University, or in accordance with a contractual undertaking, or other mutual agreement. Supporting documentation must be provided – refer to **Appendix A** for examples.

Exceptions to this process are customers who have:

- Paid in full in advance and do not require a receipt
- Whose transactions are less than \$500 (excluding GST) and do not require a receipt
- Point of sale, or recipient created tax invoice (RCTI) transactions which are managed through a separate process.

Donations

Pledge requests or donations for the University are managed by External Engagement in accordance with the Giving Policy. If you have received or expect to receive a payment relating to a donation, scholarship or prize, contact [External Engagement](#) for advice; bills are not created for the purpose of receiving these funds.

Responsibility: *Person requesting the bill*

- Ensure transaction involves legitimate University business (e.g. not an activity such as consulting undertaken by a staff member in their private capacity)
- Bill amount is in accordance with the pricing principles under section 1, as agreed and confirmed with the Customer and outlined in the supporting documentation
- Check the goods or services have been provided or contract terms satisfied (where the service may take time to complete, amounts owing can be billed progressively provided this is agreed with the Customer in advance)
- Submit a [Billing Request eForm](#) following the steps in the [guide](#). As part of this process, create or update a Customer account, providing the required evidence as outlined in **Appendix A**
- Where debtor collection is not required, ensure the relevant section is completed and approval provided (refer to section 7 – Suspension of reminders)

To create (or copy) a Billing Request eForm based on a bill raised previously, refer to the steps in the [guide](#). Ensure bill details are updated for any changes which may have occurred from the last bill.

4. Creating a credit note

A credit note is created for the purpose of making an adjustment to an existing bill or when further details need to be added to the bill.

Authority*: to authorise credit note requests

Delegation Holder	Limits
Manager, Management Accounting & Reporting (Grant related credit notes) Manager, Revenue Accounting (Sundry related credit notes)	Greater than \$30,000
Director, Finance & Accounting Services	Greater than \$100,000
Chief Financial Officer	Greater than \$500,000

*Authority is not required for internal corrections

Responsibility: *Person raising the credit note*

- Submit a [Credit Note eForm](#) following the steps in the [guide](#)
- Supporting documentation (e.g. email, letter or written agreement) must be attached – Revenue Accounting may decline any credit note requests where the supporting evidence does not substantiate the reason to credit.

Credit notes must not be created when:

- A debt is no longer recoverable, and needs to be written off (see section 7)
- For a service already provided and may be determined to be a write off (see section 7).

5. Cash Receipting and banking at point of sale

Revenue Accounting process all incoming payments from customers by receipting and recording income in the General Ledger as monies are received. The University's preferred method of payment is EFTPOS, and encourages the minimisation of cash and use of cheques. The University's Online Shop may be a suitable alternative to streamline the process of cash receipting (see section 8).

Cash Receipting Locations

Cash Receipting Locations are defined as areas within the University approved to accept payments from customers for a specific business requirement. All payments at point of sale, except those that are minor or infrequent, must be received at a Cash Receipting Location.

Applications to be a Cash Receipting Location must be in writing to the Chief Financial Officer via their Finance Manager, and must include the following:

- Justification
- If an EFTPOS machine is required
- Name/s of Nominated Responsible Officer
- Name/s of staff authorised to provide EFTPOS refunds
- Availability of a safe or locked drawer with restricted access

Once approved, an EFTPOS machine (if applicable) will be provided with a reference number for banking purposes, and area added to the [Cash Receipting Location Register](#).

Refer to **Appendix B** which lists the key minimum responsibilities to be followed. Individual business units must have their own local documented business processes, providing clear guidance on required cash receipting practices.

Cash Receipting - minor or infrequent

In addition to approved Cash Receipting Locations, the University allows for ad hoc or infrequent events to receive payments, provided that:

- a) Payments taken are minor (maximum \$2000 for an individual event, or \$5000 over a year),
- b) Are incidental in nature or infrequent in occurrence (e.g. fundraisers such as sausage sizzles)
- c) The location and activity is authorised by the relevant Finance Manager, and;
- d) All cash received is taken to an approved [Cash Receipting Location](#) as soon as practicable.

Responsibility: *Finance Manager*

- a) Ensure appropriate procedures are in place to secure and safeguard cash received at all times.
- b) A Nominated Responsible Person is allocated and understands their obligations as per **Appendix B**.

6. Refunding customers

Refunds may be required in the event of an overpayment, or where a credit note is created after a Customer bill is already paid. Refunds must only be paid using the same method by which the funds were received.

Non e-Payment gateway refund

If satisfied there is a genuine entitlement to the refund, i.e. overpayment, duplicate or error payment, Revenue Accounting will initiate a refund request via Accounts Payable.

e-Payment gateway refund

Responsibility: *Requestor*

- a) If satisfied that there is a genuine entitlement to the refund, complete an [e-Payment Refund Request Form](#), and obtain appropriate authorisation
- b) Forward to Revenue Accounting for processing

Responsibility: *Revenue Accounting*

- c) Refund is processed to the credit card which paid the original cost via the e-Payment gateway
- d) If the credit card which incurred original cost has either expired been lost or stolen, the area will be notified. The business requestor will be responsible for obtaining the information below and submitting a refund request via Accounts Payable;
 - Obtain bank account details for the customer
 - Arrange a refund as per the [Other Payments form](#) process

7. Debt Recovery and write-offs

Debtor management

Reminder emails, phone calls and letters are actioned centrally by Revenue Accounting, noting the following;

- Interest is not charged on overdue debts
- Only debts greater than \$500 are routinely recommended for debt collection agency referral, although Revenue Accounting may request smaller amounts to be referred at their discretion
- Legal action is assessed case by case, taking into account the value of debt, estimated legal fees, likelihood of success and other relevant factors
- The cost of debt recovery is passed onto to the Customer by the debt collection agency.

The University's standard timetable for recovery action for overdue debts is as follows:

External Customer Bills	<p>60 Days overdue</p> <ul style="list-style-type: none">• Phone calls are made requesting expected payment date or follow up email reminder sent• Payment delays are determined where possible and relevant actions taken by Revenue Accounting when required• Discrepancies and further actions are communicated to area when required <p>90 Days overdue</p> <ul style="list-style-type: none">• Further phone calls are made to determine reason for payment delay• Revenue Accounting to follow through previous actions determined in 60 days overdue <p>120 Days overdue</p> <ul style="list-style-type: none">• Final notice is sent to Customer to advise further action will be taken if no response is received.• Outcome is evaluated by Revenue Accounting for below decision points;• Revenue Accounting considers value and other circumstances before referring matter to the Finance Manager for write off decision.• Once reasonable actions have been taken and write off considerations have been determined, debt is referred to debt collection agency
Student Loans	<p>Loan agreement evaluated and follow up action set in place.</p> <p>1st Reminder - Email reminder 2nd Reminder - Email reminder and request renegotiation of loan terms 3rd Reminder - Email final reminder and notification that a Negative Service Indicator (NSI) will be placed on the Student Account</p>

Suspension of reminders

On certain occasions it may be appropriate for the local area to manage outstanding debtors. Recovery action by Revenue Accounting can only be suspended with the written approval of the authorities listed below:

Authority: to suspend recovery action / veto reminder notices for University debtors

Delegation Holder	Limits
Finance Manager Executive Dean / Division Head	No limits

Responsibility: *Above delegation holder*

- a) Provide written authority to the person raising the bill, this must be attached to the [Billing Request eform](#) and relevant section completed

Responsibility: *Faculties, Schools & Divisions*

- b) If an authority is in place for the local area to follow up on the outstanding debt, reminder emails, notices and follow up actions taken are to be sent to Revenue Accounting to update the Customer account.

Student debt

All fees and other financial obligations are due by the date specified in the relevant invoice, agreement or notice in accordance to [Chapter 89\(4\) of Statutes of the University](#). The following [debt outcomes](#) may be implemented when student fees and other financial obligations, including student loans are not paid by the due date, unless other arrangements have been agreed by the University:

- a) Cancellation or refusal of Enrolment
- b) Refusal of Graduation
- c) Denial of access to services
- d) Debt collection and legal proceedings.

If experiencing financial difficulty, students should contact:

Tuition Fees - studentfinance@adelaide.edu.au or Student Loans - studentcare@adelaide.edu.au.

Write-off process

A debt can only be written off where all reasonable steps have been taken to recover the debt, and the debt is considered to be:

- Not legally recoverable
- Uneconomical to pursue, or
- In the best interests of the University to waive.

All requests must be supported by evidence demonstrating how the University has tried to recover the debt, this could include email, written correspondence, a summary of conversations, or records of unsuccessful attempts to contact the Customer. If in doubt, contact [Revenue Accounting](#).

Requests for write-off of financial debt for students and general debtors must be authorised in accordance with the University's delegated authorities as shown below;

Authority: to write-off a financial debt for students and general debtors

Delegation Holder	Limits
Deputy Vice-Chancellor & Vice President, Executive Dean, Faculty Executive Director, Finance Manager	Up to and including \$50,000
Chief Financial Officer, Chief Operating Officer	Up to and including \$250,000
Vice-Chancellor & President	Up to and including \$500,000
Council	Greater than \$500,000

Responsibility: *Person submitting the Write-off request*

- a) Submit a [Write-off Request eform](#) following the steps in the [guide](#)
- b) Include the actions taken, and why the debt cannot be recovered

If it becomes apparent that a written off debt becomes recoverable, the Team Leader, Revenue Accounting will reinstate the debt and recommence recovery in accordance with section 7.

8. e-Commerce Solutions

The University has a number of existing e-Commerce online sales solutions which allow the selection and payment of goods and services via the internet. Revenue Accounting are responsible for the University's merchant facilities associated with online sales solutions.

The University's [Online Shop](#) facilitates the efficient payment and billing process of goods and services to staff, students and external customers. There is no cost for faculties and divisions to use the Online Shop, and as such is the preferred method for the sale of goods and services. Items which can be sold include course readers, publications, field trips and study tours. To determine which products / services are suitable for the Online Shop, refer to the [e-Commerce On-boarding](#) webpage.

The University also utilises Eventbrite, an online solution specifically designed to deliver event presence, registration and payment. Areas wishing to utilise Eventbrite must use the University's central Eventbrite account, noting that there is a cost payable by the area, when using Eventbrite. Refer to the [Eventbrite guidelines](#) for further information and process for creating an event.

If existing solutions are not suitable, the area must engage with the [Team Leader, Revenue Accounting](#) to discuss proposed sales activity and integration with the University's payment gateway.

DEFINITIONS

Bill: raised by the University to collect money owed

Invoice: submitted to the University by a third party to collect money owned (managed by Accounts Payable)

Customer: the person who will be issued the bill and responsible for payment

System: PeopleSoft Financial Management System used by the University.

GST: Goods and Services Tax

EFTPOS: Electronic Funds Transfer at Point of Sale

e-Payment gateway: payments made through the University's online payment solutions

Cash Receipting Location: a location authorised by the Chief Financial Officer for receiving payments

Nominated Responsible Officer: the person authorised by the relevant Finance Manager to be responsible for a Cash Receipting Location.

APPENDIX A – EXAMPLES OF SUPPORTING DOCUMENTATION

Billing Requests

- Customer confirmation such as a letter, email or written agreement for bill to be initiated.
- Correspondence confirms Customer details, including email address, contact person, phone number, total amount and GST treatment
- Signed course registration form
- Conference letter or invitation
- Purchase Order supplied by the Customer
- Signed agreement
- Recurring bills – provide scheduling dates (if not in the agreement)

Research Grants

- Signed agreement between the Sponsor and The University of Adelaide
- Purchase Order reference where applicable

Contracts and Consultancies

- Service agreements relating to Contract Research or Consultancy; for guidelines go to <https://www.adelaide.edu.au/research-services/industry> or contact rbpfinance@adelaide.edu.au

Credit Note / Rebill

In addition to the above supporting documentation, when submitting a request to raise a credit note and or rebill request, you will require the following:

- Correspondence between the Customer and The University of Adelaide outlining the requirement to adjust or credit a bill
- Customer confirmation such as letter, email or written agreement for a rebill (replacement) bill request. The correspondence will confirm the Customer details including email address, contact person, amount and GST treatment.

APPENDIX B – CASH RECEIPTING PROCESS

Receiving payments at Cash Receipting Locations

Responsibility: *Authorised Staff*

- a) EFTPOS is the preferred method of payment and should be used where possible
- b) EFTPOS refunds can only be done for monies taken that day in error (e.g. wrong amount) – refunds outside these parameters need to be processed via Revenue Accounting
- c) Keep any cash / cheques taken throughout the day in a secure location
- d) Provide receipts to customers if required (receipt books are available from Revenue Accounting)

Banking cash received at Cash Receipting Locations

Responsibility: *Nominated Responsible Officer*

Timelines: *On day received or, if not practicable within 2 working days or in accordance with the local arrangement agreed with the Chief Financial Officer*

- a) Count and bank all monies received into the University's main bank account as promptly as possible, and with due regard for safety, security and accountability
- b) Any cheques must be forwarded to Revenue Accounting to be banked centrally

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- c) If monies cannot be banked immediately:
- ensure monies are stored in a safe or locked drawer with restricted access
 - record the amount secured and date it was secured, separately
 - monies received must not be used for any other purpose

Reconciling monies and receipts

Responsibility: *Nominated Responsible Officer*

Timeline: *By end of business day following day monies received.*

- a) Complete and submit the online [Receipting and Banking Reconciliation Form](#)
- b) Attach settlement slip and supporting documentation
- c) If there is a shortfall between the total receipted and monies banked, contact the Team Leader Revenue Accounting.

Reporting irregularities

If at any time there are irregularities, suspected or otherwise, report the matter to the Head of School or Branch, to the Chief Executive Officer of a Controlled Entity or supervisor or relevant line manager in accordance to the [Fraud and Corruption Control Policy](#).

In addition, staff, as Public Officers under the [Independent Commissioner Against Corruption Act 2012 \(SA\)](#) have a responsibility to report any conduct that they reasonably suspect may amount to corruption, misconduct or maladministration in public administration to the [Office of Public Integrity](#).

Recording/matching monies received in Finance System

Revenue Accounting are responsible for ensuring all income received is matched to the relevant bill against the correct Customer account in the Finance System. If there is no Customer bill, Revenue Accounting will either record the income as agreed or notify the business unit which will then need to identify the cash source and raise a [Billing Request eForm](#) in accordance with section 3.

Receipting and banking in foreign currency

Any bank drafts in foreign currency received must be forwarded with the bill details to Revenue Accounting who will process and issue the receipt.

When dishonoured cheques become apparent:

- a) Revenue Accounting will contact the Customer to advise that the cheque has been dishonoured and request the bill be settled by electronic funds transfer or credit card.
- b) If no contact can be made or replacement funds are not received, the debt recovery process will be followed as per section 7.

When payment card chargebacks become apparent:

- a) Revenue Accounting receives charge back requests via email from the Commonwealth Bank when customers dispute charges incurred from The University of Adelaide.
- b) Revenue Accounting provide supporting documentation to the Commonwealth Bank within the timeframe required, to verify the charges was legitimately charged for services or goods provided to the customer.
- c) If the Commonwealth Bank is satisfied with the verification process, the charge back will be reversed by the bank. If the charge back is still disputed by the Customer then the Commonwealth Bank will reverse the charged amount from The University of Adelaide main bank account.
- d) Revenue Accounting will credit the original invoice to reverse income from project.