

REVENUE & DEBT MANAGEMENT PROCEDURES

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OVERVIEW

This procedure covers all incoming payments to the University, receipting and banking at point of sale and the process of debt management.

SCOPE AND APPLICATION

This procedure applies to all staff, students and members of the University community involved in the activities specified above.

This procedure does not apply in respect of:

- Commonwealth grant funding, including Commonwealth-funded research, which is managed by Finance & Procurement Services, or
- Student fees and charges or student loans, which are managed by Student Finance in Student Administrative Services.

Other policies and procedures may also apply to some revenue sources, including:

Research Services	Research Grants, Contracts and Consultancies Policy
Student tuition fees for award programs and related charges	Fees for Award Programs and Courses Policy
Donations and bequest income	Giving Policy
Disposal of assets	Asset Management Procedure

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](#).

DEFINITIONS

Bill: raised by the University to collect money owed by a customer i.e. they pay us and managed by Revenue Accounting (refer to Section A)

Invoice: submitted to the University by a third party to collect money owned i.e. we pay them and managed by Accounts Payable

Customer: the person who will be issued the bill and responsible for payment, which is a requirement to raise a bill (refer to Section A)

System: the PeopleSoft Financial Management System used by the University.

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 Faculty Finance & Planning Manager / Division Management Accountant to be responsible for a Cash Receipting Location.

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.

The person setting the price of the goods and services must engage with the University's Taxation Accountant via taxhelpdesk@adelaide.edu.au to ascertain the GST implications.

Supporting documentation must be provided if the sale is to be facilitated through the University's Online Shop (refer procedure 8 – **eCommerce Solutions**).

Responsibility: Person setting the price of goods or services

- a) Apply informed discretion in setting the price of goods or services, bearing in mind the overarching responsibility to ensure the University's resources are appropriately applied.
- b) Take into account:
 - if the goods or service attract GST
 - 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
 - whether the charge is precluded by legislation
 - whether the transaction is non-routine and immaterial in amount
 - whether the ongoing administrative costs of charging and revenue collection exceed the expected revenue benefits
 - makes the University's use of particular goods or services more economical.

2. ENGAGING WITH CUSTOMERS

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

When engaging with a customer, supporting documentation must be provided to Revenue Accounting in order 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 the below for examples of applicable supporting documentation (refer to Section A).

Responsibility: Person engaging with the customer

- a) Written confirmation of what has been agreed between parties e.g. terms of agreement / service contract including total amount and GST treatment
- b) Customers correct address (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

A University bill must be created for all transactions involving the sale of goods or services by the University including when payment is received in advance, 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 (for examples of supporting documentation refer to Section A)

Exceptions to this process are customers who have:

- paid in full in advance and do not require a receipt
- whose transaction is 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 another process.

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

Authority: billing requests over the following amounts must be authorised in accordance with the University's delegated authorities:

Authority	Limits
Faculty Finance & Planning Managers / Division Management Accountant	Greater than \$500,000
Chief Financial Officer	Greater than \$1,000,000

Responsibility: Person requesting the bill

- a) Ensure transaction involves legitimate University business (i.e. not an activity such as consulting undertaken by a staff member in their private capacity)
- b) Bill amount is in accordance with the pricing principles under Procedure 1, as agreed and confirmed with the customer and outlined in the supporting documentation
- c) Check that the goods or services have been provided or contract terms satisfied: where the service provided may take a long time to complete, amounts owing can be billed progressively, provided this is agreed with the customer in advance
- d) Submit a [Billing Request eForm](#) following the steps in "[Creating a Billing eForm](#)". As part of this process, create or update a customer account
- e) For billing requests where collection procedures are **not to be followed** complete the Collections Procedures section (refer to procedure 7)

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

4. CREDIT NOTES

A credit note is created for the purpose of making an adjustment to an existing bill e.g. when an error has been made which is different from the agreement in place or customer expectation. Or when further detail like a purchase order number is required to be placed on the bill.

Authority: credit note requests over the following amounts must be authorised in accordance with the University's delegated authorities:

Authority	Limits
Head of Faculty / Division or authorised delegate	Greater than \$30,000
Chief Financial Officer	Greater than \$50,000

Responsibility: Person raising the credit note

- a) Submit a [Credit Note eForm](#) through the Finance System following the steps in "[Create a Credit Note eForm and Resend a Corrected Bill](#)"
- b) Select the appropriate reason for creating the credit note from the list of options available in the eForm.
- c) Ensure that documentation (e.g. email, letter, written agreement) to support the credit note and rebill is attached.

NOTE:

- d) Credit notes must not be created when a debt is no longer recoverable, and needs to be written off (see Procedure 7)

- e) Credit notes must not be created for a service that has already been provided and may be determined to be a write off (see Procedure 7)

5. CASH RECEIPTING AND BANKING AT POINT OF SALE

Revenue Accounting processes all incoming payments from customers made by cash, EFTPOS or credit card by receipting and recording income in the General Ledger as monies are received.

The University's preferred method of payment is by EFTPOS and encourages the minimisation of cash. Using the University's [Online Shop](#) (refer procedure 8) can be a suitable alternative to streamline the process of cash receipting. In the event that payment have been received by cheque forward this to Revenue Accounting for banking and communication to customer about The University of Adelaide preferred method of payment.

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.

These procedures list the key minimum responsibilities that must be followed, however, individual business units should have their own local documented business processes, providing clear guidance on required cash receipting practices.

Areas wishing to apply to be a cash receipting location must do so in writing to the Chief Financial Officer via their Faculty Finance & Planning Manager / Divisional Management Accountant, 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

*EFTPOS refunds can only be done for monies taken that day (in error) and recorded on the online Banking and Reconciliation form. Refunds outside these parameters will need to be done via Revenue Accounting (refer to procedure 6).

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

Receiving payments at Cash Receipting Locations

Responsibility: Authorised Staff.

- a) The University of Adelaide preferred method of payment is by EFTPOS and should be used where possible.
- b) EFTPOS refunds can only be done for monies taken that day in error (e.g. wrong amount)
- c) Keep any cash taken throughout the day in a secure location until banked.
- 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 all monies received
- b) Bank all cash received into the University's main bank account as promptly as possible, and with due regard for safety, security and accountability
- c) The University of Adelaide's preferred method of payment is EFTPOS but in the event a cheque has been received it must be forwarded to Revenue Accounting to be banked centrally

- d) If monies cannot be banked immediately:
- ensure monies are stored in a safe or locked drawer with restricted access
 - records of the amount secured and date it was secured are stored separately
 - monies received must not be used for any other purpose
- e) If there is a shortfall of up to \$500 between the total receipted and monies banked, make the necessary enquiries and resolve at local level, notifying the Faculty Finance & Planning Manager / Divisional Management Accountant. The relevant faculty or division is responsible for the shortfall. If misappropriation is suspected, notify [Legal & Risk](#).
- f) If the shortfall is \$500 or more notify the Faculty Finance & Planning Manager / Divisional Management Accountant, Revenue Accounting Team Leader, and involve [Legal & Risk](#).

Recording/matching monies received in Finance System

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

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 or any supporting documentation

Receipting and banking in foreign currency

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

Dishonoured cheques and payment card charge-backs

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 Procedure 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.

Cash Receipting (minor or infrequent)

Payments in cash from customers that are:

- a) minor in amount (i.e. those which total up to a maximum of \$2000 for an individual event or up to \$5000 over a year), and
- b) incidental in nature or infrequent in occurrence (e.g. minor fundraisers such as sausage sizzles) may be received at any location, provided that:
- c) the location and activity is authorised by a Faculty Finance & Planning Manager / Divisional Management Accountant, and
- d) all cash received are taken to a formal Cash Receipting Location (see Procedure 6) as soon as possible after the event.

Responsibility: Faculty Finance & Planning Managers / Divisional Management Accountants

- a) Ensure appropriate procedures are in place to secure and safeguard cash received at all times.
- b) Ensure a responsible person is allocated responsibility for implementing the procedures and understands their obligations as per procedure 6.

6. REFUNDS

Refunds maybe 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 Refunds

Responsibility: Revenue Accounting

- a) If satisfied that there is a genuine entitlement to the refund, complete an EFT Refund request form and attach relevant supporting documentation
- b) Submit to Accounts Payable

Responsibility: Accounts Payable

- c) Create a REQST voucher in PeopleSoft Finance to facilitate payment.
- d) Create new Supplier if necessary
- e) Workflow voucher to Team Leader, Revenue Accounting for approval
- f) Once approved, process payment

E-Payment Gateway Refunds

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
- c) Refund is returned to customer via the E-Payment gateway, to the credit card which paid the original cost
- d) If the credit card which incurred original cost has either expired been lost or stolen then a refund will be processed via Accounts Payable.

Responsibility: Revenue Accounting

- e) Verify which customer paid for original transaction
- f) Obtain bank account details for the customer
- g) Arrange a refund as per the non E-payment gateway refund process.

7. DEBT RECOVERY & WRITE-OFFS

Debt Recovery Practice

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

- a) Reminder emails, phone calls and letters are actioned by Revenue Accounting as per the table below;

External Customer Bills	<p>20 Days overdue</p> <ul style="list-style-type: none"> • Reminders are sent via email <p>40 days overdue</p> <ul style="list-style-type: none"> • Phone calls are made to customer and followed up with email reminder. • Revenue Accounting aim to determine reason for payment delay. <p>60 days overdue</p> <ul style="list-style-type: none"> • Further 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>
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	<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 Faculty Finance & Planning Manager or Division Finance for write off decision. • Once reasonable actions have been taken and write off considerations have been determined, debt is referred to debt collection agency.
Staff / Student bills (private expenditure on corporate credit card, sale of goods, travel advances, contributions towards event)	<p>14 Days overdue - 1st reminder email sent</p> <p>30 Days overdue - 2nd reminder email sent. Phone call made after 2nd reminder sent.</p> <p>40 days overdue - 3rd reminder email sent advising of escalation to line manager</p> <p>Escalation matrix to progress if no payment received</p>
Student Loans	<p>Loan agreement evaluated and follow up action set in place.</p> <p>1st Reminder – Email and dunning letter is sent when agreement terms are not met.</p> <p>2nd Reminder - Email and dunning letter is sent when agreement terms are not met</p> <p>3rd Reminder - Email and dunning letter is sent when agreement terms are not met and a Negative Service Indicator (NSI) is placed on the Student Account.</p>

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

Reminders

Only Faculty Finance & Planning Managers / Divisional Management Accountants and Executive Deans/Division Heads have authority to veto a reminder email.

Responsibility: Faculty Finance & Planning Managers / Divisional Management Accountants / Executive Deans/Division Heads

- Provide authority to the bill requestor which is attached to the [Billing Request eform](#) request submitted to Revenue Accounting

Responsibility: Faculties, Schools & Divisions

- If an authority is in place for the area to follow up on the outstanding debt, any reminder emails, notices and follow up actions taken are to be communicated to Revenue Accounting for updating of the customer account.

Note: Recovery action by Revenue Accounting can be suspended, if approved by the authorities named above.

Payment Terms

The University of Adelaide's payment terms are 14 days. In the event that a customer wish to apply for alternative payment terms, they are required to submit a formal notification to Revenue Accounting for approval by the Chief Financial Officer. The customer will be notified of the new arrangement and the debt recovery process will be altered accordingly.

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.

Revenue Accounting is responsible for debt recovery for The University of Adelaide. As a result, most write off requests will be initiated by Revenue Accounting which will include the actions taken to recover debt. Prior to submitting a write off request, there must be supporting 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.

Authority: 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 in the table below;

Authority	Limits
Chief Financial Officer, Chief Operating Officer	Up to and including \$250,000
Deputy Vice-Chancellor and Vice President (Academic), Provost and Deputy Vice-Chancellor and Vice President (Research), Executive Dean, Faculty Executive Manager/Director, Faculty Finance and Planning Manager, Manager, Division Finance, Divisional Management Accountant	Up to and including \$50,000

Responsibility: Nominated person submitting a write-off request

- a) Submit a [Write-Off eForm](#) following the steps in "[Create a Write-Off eForm](#)".
- b) Include the actions taken and why the debt cannot be recovered.
- c) All write-offs are approved by the delegated authority for that business unit.

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 procedure 7.

Debt Review and Follow Up

Responsibility: Revenue Accounting

- a) Provide aged debtors trial balance, including detailed list of outstanding bills, to Faculty and Division finance managers
- b) Reconcile debtors control account in general ledger to system trial balance
- c) Review the monthly aged debtor trial balance
- d) Follow up overdue bills directly with the customer and record details of communication about unpaid bills on the customer's account. If possible, negotiate a revised payment date with the customer, and record
- e) Arrangements for repayment of debt by way of instalment may be approved
- f) If recoverability of a debt is doubtful, Revenue Accounting will raise a provision for bad and doubtful debts in the Finance System and;
- g) Retain monthly reports for at least 18 months for audit review purposes.

8. ECOMMERCE SOLUTIONS

The University has implemented a number of "eCommerce" online sales solutions which allow the selection and/or payment of goods or services via the internet.

The University's preferred method for the sale of goods or services is the [Online Shop](#) through which items with a variety of characteristics can potentially be sold, i.e. course readers, publications, field trips and study tours.

The Online Shop solution 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 University's Online Shop. To determine if your product / service is suitable for the Online Shop, view the [summary of characteristics](#) or visit the [webpage](#) for further information.

[Eventbrite](#) is an off the shelf software solution that has been specifically designed to deliver event presence, registration and payment in an online environment. The University of Adelaide Eventbrite Account must be used to facilitate event registration and manage the billing process. Contact Revenue Accounting for an overview of the fee structure and the financial management associated to your event.

SECTION 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, 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.