

Finance Governance Procedural Manual - Budget Forecasting, Management Reporting, Revenue Collection, and Debt Management Receivables

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1. Introduction

This manual mandates Financial Management operations for Federation University Australia in accordance with the Federation Universities Act 2010, Statute's, and the Academic Board regulations. Active, ongoing academic oversight is required under the Higher Education Standards Framework 2021, monitored by the Tertiary Education Quality and Standards Agency (TEQSA).

The Finance manual details the processes that have been developed using previous policies, procedures to provide clear advice to Federation University Staff regarding their responsibilities, actions and accountability in accordance with the Federation University Act, Statute, Regulations and Policies Procedures and Manuals.

It is an associated document within the Federation Governance document suite and must be used as a tool to assist all stakeholders to fulfil obligations in accordance with university mandates.

The purpose of this manual is to ensure that all members of the Federation community are informed, understand their requirements to perform key tasks and know where to access information as needed to adhere to mandated requirements and enhance their practice.

It is also intended to assist all staff in carrying out their functions and responsibilities with ease and completeness by providing clarity of expectation and responsibilities.

This manual will be revised annually by the owner and/or their nominated delegates to ensure currency of information.

Note: This manual as a pdf document will be located in the Policy Administration System (PAMS) published via Policy Central to ensure users have access to current, update to date information. Wherever possible, editors have cross referenced back to relevant Federation documents and other links.

2. Budgeting and Forecasting

2.1 Purpose

Federation University is required to meet its obligations in terms of the Financial Management Act, Federation University Australia Act (2010), Tertiary Education Amendment Act and the Australian Accounting Standards

(AASB). The following section provides the framework for preparing the annual budget, recognising brought forward balances, forecasting the University's annual financial position at the end of the budget year and provide an overview of the management reporting processes and defining the key timeframes in which reports are produced.

2.2 General

2.2.1 Budget Preparation

An annual budget (for a calendar year) must be prepared by the University for approval by the Council in accordance with Section 8 of the Federation University Act 2010. This section of the Act outlines the University's requirements in respect of the University budget. The University's annual budget is to be prepared and presented to Council for approval.

Each budget unit (Portfolio or Institute also referred to as a department or project) for both operating and research activities (where applicable) must prepare an annual budget in line with University's Strategic Planning framework guidelines.

Unless specific approval has been granted to overspend in a given year, areas are not allowed to spend more than their agreed budget.

2.2.2 Budget Accountability

Each cost-centre manager is wholly responsible and accountable for the proper administration of their cost-centre's annual budget.

Under no circumstances is expenditure to exceed the annual budget allocated to a cost-centre without the express authority of the Vice-Chancellor or Chief Financial Officer obtained in writing in advance.

2.2.3 Brought Forward Balances

At the commencement of the new financial year, balances from all funds that have received approval will be brought forward. Expenditure budgets should be developed in accordance with the University's budget timetable which directly relate to the carry forwards to ensure that expenditure and income is matched in line with accounting standard/contractual requirements.

2.2.4 Forecasting

Forecasts are prepared both at a consolidated University level and cost centre level. A forecast should be based on all available information at the time of preparation, including historical data, commitments and expected income and expenditure. At the consolidated University level, the Financial Planning and Analytics team is required to prepare reports and produce a forecast which aims to monitor the University's performance against the approved budget (top-down process). This is reported on a regular basis to Council (and its relevant committees).

2.2.5 Reports

Are available on demand on relevant discussion with Finance Business Partners and also aimed to be circulated to budget units at frequent intervals in line with reporting timeline set by Council (and its relevant Committee). All budget units are required to analyse their most recent year end forecast reports. It is the responsibility of budget

managers to conduct variance analysis with Finance Business Partners and provide comments highlighting any major change to the forecast from the budget. However, more importantly it is necessary to develop any cost mitigating plans should any budget overspend be expected.

2.3 Budget

Consideration will be given to allocating sufficient financial resources to areas which have particularly complex issues. Any issues or concerns surrounding budgetary control are mitigated by the processes and monitoring we have in place. We ensure that every area of spending within the University receives regular monitoring reports. External reporting ensures challenge and vigour to the University's financial position.

Risks need to be monitored according to the Risk Management Framework set under Risk Management procedure.

2.3.1 Budget Basic Principles

The following principles underpin the development of the budget:

1. The budget supports the implementation of the University's Strategic Plan and the underpinning Core Plans, Supporting Plans and Organisational Unit Plans.
2. The budget is transparent and flexible and encourages efficiency in the use of resources.
3. The budget is fully comprehensive and covers all activities including all expenditure commitments held against prior year grant funding where applicable.
4. The budget aims to place the University on a more viable and long term sustainable financial basis.
5. The budget will ensure accountability for budget outcomes and support better understanding of the University's financial situation by providing each head of the budget unit the responsibility for the monitoring and performance of their individual budget against target.
6. In order to ensure long term financial sustainability and support future growth and renewal, the budget is based on the achievement of a positive underlying operating margin.
7. Budget units are encouraged to improve efficiency and to pursue activities which contribute to the University's strategic direction through implementing a continuous improvement approach.
8. Recognition of Carry Forward Balances- Funds brought forward include externally funded research which have specific contractual obligations along with consultancy. When planning on utilising carry forward balances areas are required to budget in the year the expense will occur.

2.3.2 Overview

Each Portfolio or School, (also referred to as a cost centre) for both operating and research activities (where applicable) must prepare an annual budget in line with the guidelines set by the Finance Directorate.

Budget units will be required to control spending within the limits of the approved budget. Commercial areas are required to operate to achieve an agreed contribution margin. Corporate and central areas, research areas and regional campuses are required to operate within their expenditure targets. Unless specific approval has been granted to overspend in a given year, all areas are not allowed to spend more than their agreed budget. Expenditure from carried forward balances is to be identified within the budget submission so that appropriate approval for such expenditure may be sought.

The operating budget consists of the following main funding streams:

- a. Commonwealth Grants Scheme (CGS)
- b. Student Contributions

- c. Student Fees
- d. Other income generated in the course of performing the teaching & learning function. It also includes commercial income, investment income, other grants and donations

The research budget includes grants and contracts for special research projects, generally external agreements with the University. The annual budget also includes University-wide activities such as any University initiatives, investment income, operating capital expenditure and scholarships.

A significant grant received by the University is the CGS. The authority for the provision of the CGS is covered under sections 30-25 of the *Higher Education Support Act 2003* Act. Section 30-28 of the Act requires that a copy of each funding agreement is published on the Departmental website. The CGS provides funding to eligible Higher Education providers for students enrolling in bachelor's degrees and other Higher Education courses of study 'designated' by the Minister for Tertiary Education.

Public universities determine the number of students they enrol in Commonwealth courses and receive funding for these places up to University's maximum grant allocations.

1. The University's Budget model is maintained by Finance. The model captures all University expense and income estimates, based on submissions from institutes. In addition, information is fed into this in relation to student fee income based on data throughout the load planning process.
2. All budget units are required to discuss their management reports with their Finance Business Partner so that accurate forecasts can be maintained.

2.3.3 Accrual Accounting

The University prepares its Annual Financial Statements and management reports on a full accrual accounting basis and in accordance with the *Financial Management Act 1994*, the *Higher Education Support Act 2003*, the *Australian Charities and Not-for-profits Commission Act 2012*, and relevant Australian and International Accounting Standards.

Accrual accounting recognises events on a basis other than the timing of receipts and payments. It is designed to record the full cost of providing services e.g., Cost of utilising assets depreciation and staff resources (provision for Long Service Leave etc.) at the time of employment of those resources, not when cash transactions such as payment of Long Service Leave occur.

2.3.4 Funding Sources

All budget units, in addition to budgeting for income and expenditure by the organisational unit are also required to budget by activity department codes (5 characters) for operating and activity project codes (6 characters) for research and other contractual activities.

The categories for operating and research activities are:

- Operating 10 – Commonwealth Operating
- Operating 15 – Commonwealth Research
- Operating 20 – TAFE
- Operating 35 – Consultancy
- Operating 40 - Continuing Education
- Operating 45 - Fee for Service
- Operating 50 - External Research
- Operating 55 - Student Fees

- Operating 60 - Other

2.3.5 Budget Categories

The main high-level categories of income and expenses within the chart of accounts are as follows:

INCOME	EXPENSES
Commonwealth Grants	Salary & Related – Academic
State Government Grants	Salary & Related – Non-Academic
Consulting & Contract Research	Scholarships
Investment Income	Partner Related Teaching Costs
Other Income	Depreciation and Amortisation
Fee for Service	Bad and Doubtful Debts
Fee Paying Overseas Students	Other Expenses
HE Domestic Fee Paying	
TAFE Domestic Fee Paying	

2.4 Development of Financial Plans

In formulating budgets, the operating unit should have an operation plan of their anticipated activity for the forthcoming year according to the University Strategic Planning Framework. This will invariably result in financial plans being developed on how the plans will need to be resourced.

2.4.1 Planning and Budgeting Cycle

The Planning and Budgeting Cycle is deemed to be a continual cycle. Budgeting and forecasting exercises are highly integrated. The budgeting process begins mid-year and finalised by the last quarter of the financial year. The cycle will ensure that during the course of the year, current year forecasting is reviewed. This will provide an indication on whether the existing budgets are providing satisfactory performance.

2.4.2 Budgeting and Planning Consolidation

Budgets will invariably start to be developed early on in the cycle, however there are a certain number of unknown variables once the firm student numbers are known budget is then approved.

2.4.3 Student Load Projections

Regular updates in respect of student load plans are constantly reviewed throughout the budgetary and forecasting process and as a result of this budgets may need to be adjusted. When Census dates are finalised, the overall University Budget is reviewed to reflect whether there are any adjustments needed.

2.4.4 Research Activities

External research income is determined by analysis the pipeline of existing funding agreements and supplementing this amount with an estimate of research contracts and funding derived from historical application and success rate patterns. Estimation of the Research Block Grant is based on the research performance metrics of research income and mainly has two components – Research Support Program (RSP) and Research Training Program (RTP). Research activity is reflected in annual plans to ensure that the expense is factored into any budgetary plans. However, the income in respect of these projects may have been received in prior years, so it is necessary as part of the year end to ensure that appropriate carry forward requests are made. Approval from funding body is required if contract end dates are to be extended.

2.4.5 Salary Expenditure

Salaries are built based on the resourced based allocation to support the agreed revenue and organisational work force planning activity. Due diligence is given to expected future vacancy management requirements, contract end dates, and in light of the strategic direction, constraints and demands. Budget is also prepared for casual and sessional employees on an activity level, and this is estimated based on the workload planner and the activities required to support university objectives.

2.4.6 Non-salary expenditure

When establishing non-salary expenditure budgets, appropriate regard will need to be made for non-salary related expenditure. Particular focus is given on known contracts, price/contract changes, activity level changes, CPI uplifts and savings opportunities.

2.4.7 Corporate Costs

There are a number of corporate items which will need to be budgeted at a corporate level. These items are those that cannot be attributed to a particular responsible budget officer and hence is considered to be better managed at the corporate level.

2.4.8 Capital Budget

A corporate allowance is made each year in respect of Capital Items. Within this allocation is predominantly planned maintenance of works; however, there is a balance of monies available each year for capital investment.

For strategic investment funding, an appropriate investment concept brief and business case needs to be developed in line with the University's Strategic Plan. All strategic investments are to be submitted to the Financial Planning and Analytics team as part of the budget cycle for reviewing the University's strategic capital planning and funding requirements and prioritising investments in accordance with the needs and priorities of the University.

2.4.9 Budget Timetable

The Budget Timetable will be released annually, outlining appropriate budget targets.

2.5 Financial Forecasting

Financial forecasting procedural manual provide information on the monthly forecasting processes and the key parameters within which forecasts are prepared.

2.5.1 Introduction

Financial forecasts are reviewed on a monthly basis and at key reporting dates at the consolidated University level. All budget units are expected to provide information on all areas in respect of activity across all areas including Commercial areas, Corporate and Central areas, Research and Regional campuses.

A financial forecast should be based on all available information at the time of preparation, including historical data, commitments and expected income and expenditure.

Financial Planning and Analytics team together with budget units are required to prepare forecasts and monitor the University's performance against the approved budget.

Management reports are sent out prior to meetings by Finance Business Partners. The reports provide a useful point of discussion, highlighting significant variances and form the basis of any corrective action steps required in order for the financial position to be improved. These are then reviewed with the budget managers and the forecasts amended as necessary. Explanations for major changes to the forecast should be provided. All of the key agreed KPI's in the budget are monitored as well to make sure that the targets are on track and off-track items are reviewed for further corrective action plan.

2.5.2 Managing the Forecast

Reporting and forecasting on the University's operating position is undertaken on a monthly basis and reported to Senior Management with the latest available reports submitted to each Resources Committee meeting. It is essential that we receive information from business units in order to feed these forecasts to ensure that we are reflecting activity. The move towards a greater demand driven environment means that it is essential that regular forecasting and tracking is done to ensure that the organisation's financial position is not detrimented.

2.6 Capital Expenditure and Projects

Reporting and forecasting on the University's Capital Expenditure & Projects is sent to Resources Committee. Information is incorporated in both the top down and bottom-up processes for budget preparation, reporting and forecasting.

2.6.1 Budget Variations

Budget variations should be minimal, and any significant variations will be reported through Senior Management to Resources Committee

3. Revenue Collection

3.1 Purpose

The collection and control of cash and cash equivalent are very important functions. The Finance Department is the University's primary revenue handling area. Ideally, from a control perspective, the collection and controlling of cash and cash equivalent should be centralised in one location; however, this is not possible nor practical due to the locations of various University Campuses.

The University has established certain basic internal control principles applying to collecting and accounting for cash and cash equivalents.

3.2 Required Authorisation to Collect Money

Before undertaking any new cash and cash equivalent handling operation or activity, approval for the activity must be received from the Associate Director, Financial Operations

Once the requirements have been established, the Finance Directorate will communicate to the new operation how this activity will be accounted for, and the process and controls developed.

3.2.1 Revenue Collection Point

The Finance Office is the primary cash handling area and also the liaison for identifying and working with all revenue collection points.

Deposits that are not directly taken to the bank or collected via armoured vehicle must be delivered to the relevant Finance Office at your Campus. The Finance Office will issue a receipt for the deposits received and revenue will be forwarded either directly to the bank or be collected via armoured vehicle on the arranged pick up days.

Where available and appropriate it is recommended that Closed Circuit Television cameras be installed to monitor cash counting operations.

Staff counting cash should ensure that:

- where possible, the cash count is completed in a quiet area where the counter won't be interrupted.
- where possible, the counter is an appropriate person who is not involved in the actual collection of the cash
- each denomination is counted and recorded separately
- the count is double-checked and signed off by a second person as evidence of its correctness
- A count should always be placed in the provided Armaguard or ANZ Bank fast deposit bags and placed in the relevant safes overnight. In the event that bag is not sealed then a cash count should be again completed the following day.

3.2.2 Separation of Duties

The Finance Office is responsible for establishing the processes and each collection point Manager is responsible for the implementation of those processes. They are to ensure that no single individual is responsible for collection, handling, depositing and accounting (e.g.: *General Ledger, Billing, AR*) for cash received by that unit. At least two qualified individuals must be assigned to carry out key duties of the revenue handling process.

Revenue, cash and cash equivalent activity should be reconciled to the bank statements monthly by a nominated Finance officer. The reconciliation should be reviewed by someone independent of revenue and cash handling or recording functions.

The following responsibilities should be distributed among personnel so one person is not responsible for all aspects:

3.2.3 Opening Mail

Where practicable, all inward mail, whether received by post or hand-delivered, will be opened in the presence of two staff members assigned for the purpose (one not responsible for any duty relating to the receipting of monies), preferably in a secure location.

If only one staff member is present, that person **shall not be responsible for any duty relating to the receipting of monies.**

- Endorsing Cheques
- Preparing Deposits
- Reconciling to GL transactions
- Billing and Collection duties

3.2.4 Accountability of Individual Revenue Collection Points

Collection points are responsible for complying with the policies outlined. Each Point is responsible for developing processes for revenue, cash and cash equivalent collection under that revenue collection point control that identify:

- Which individuals receive revenue, cash and cash equivalents and for what purpose
- Where revenue, cash or cash equivalents are at all times; and
- The steps required from the beginning to the conclusion of a revenue collection process

Each individual who receives or has custody of university revenue, cash and cash equivalents must be held responsible for revenue cash and cash equivalents under their control.

The Finance Office is available for consultation and review of processes.

3.2.5 Physical Security, Safekeeping of Funds and Data Transmission Security

All forms of revenue, cash and cash equivalent should be physically protected through the use of safes, locked cash drawers, cash registers, etc.

It is the responsibility for each Revenue Collection Point Director, Manager or Supervisor to establish provisions and processes that ensure at all times:

1. Individuals who handle revenue, cash and cash equivalents are protected from physical harm.
2. Revenue Cash and cash equivalents in the custody of the collection point are protected from loss.
3. Technology resources involved in processing revenue, cash and cash equivalents (i.e., hardware and confidential personal information) are protected from loss, corruption, or compromise to confidentiality.
4. Any amount of cash on hand that exceeds \$1000 must be maintained in a heavy safe during business hours. Amounts less than \$1000 should be maintained in locked cash drawers, registers.
5. Cash pick-ups and transfers by university employees should not conform to any regular day time or schedule. Such transfers should be irregular, subject to change at any given time, with times only known to a select few.

Transfer of accountability must be recorded (name, date, time and amount) if the deposit is not being transported by the person preparing the deposit. Transport logs should be maintained for all units. All documents should be maintained in such a manner as to provide suitable audit trail for all transactions.

Advice is available from the Finance Section if required.

3.3 Roles and Allocated Responsibility

3.3.1 Duties of Authorised Collectors

The primary duty of Authorised Collectors is to accept cash and other money on behalf of the University and to immediately acknowledge the amount by issuing an Official University Receipt.

Monies are only to be acknowledged on Official University Receipt and not on plain paper, paper bearing the University letterhead or blank receipt books such as those obtained from stationers.

Manual receipts issued must be retained by the Cashier in a manner similar to cash until they are returned to the Primary Revenue Collection Point.

A separate cash float must be established for each Revenue Collection Point, that have a cash requirement due to the nature of them being both a revenue collection area and student training facility. All other revenue collection points run as cashless facilities.

An Authorised Collector must verify the cash float at the beginning of each business day, and at close of business each evening.

Multiple Collectors may, at the discretion of the Revenue Collection Point Supervisor, share one cash float as a group.

It is the joint responsibility of the group and individual Collectors within that group, to ensure these Processes and any other related processes are complied with.

In order for an individual to be able to collect cash they must have been approved using the Approved Collector of Revenue Nomination/Authorisation form

3.3.2 Authorised Collectors

1. Only Authorised Collectors are permitted to collect revenue and issue official receipts on behalf of the University.
2. An authorised collector is a full-time or part-time/casual staff/ member of the University, who has been nominated by a Dean, Director or Manager and has been approved by the Associate Director Financial Operations to collect revenue on behalf of the University.
3. The authorised collector will be required to accept responsibility to collect revenue on behalf of the University according to the University revenue collection process and taxation requirements.
4. Authorised collectors are required to acquaint themselves with what sources of income are GST-free and what are GST-payable for their collection point. They should seek information on the application of GST to revenue to be collected at their collection point from their supervisor or from Finance.

The University may perform police checks prior to employing cashiers or assigning regular cash handling and receipting responsibilities to an individual/s involved in other critical cash handling positions.

The University must seek an explanation for any reported felonies, misdemeanours, or judgements that were due to fraud related to cash, stocks, bonds or any other financial transactions before hiring or upon learning such information. Any individual with revenue collection responsibilities must continuously maintain a clear status. If an employee with revenue collection responsibilities is convicted of a crime, that conviction must be reported to the Human Resources area. If a revenue collection employee, loses this status their cash handling responsibilities must be terminated.

3.3.3 Finance Roles

1. The Chief Financial Officer is responsible for Revenue, Cash and Cash Equivalent
2. Governance Policies / Procedures and Manuals are also for providing general coordination and assistance to all campuses.
3. The Chief Financial Officer, Financial Controller or nominated person is responsible for managing all relationships with organisations that provide banking services to the University. Opening and closing accounts when requested by authorised campus employees and maintaining an inventory of authorised University bank accounts.
4. The Chief Financial Officer or Financial Controller provides relevant and appropriate information to insurance carriers concerning University cashing practices and processes.

3.4 Campus Collection Points

3.4.1 Campus Location Units

Each Dean, Director or Manager is responsible for establishing processes to safeguard campus cash handling activities, in accordance with the policies established. The Dean, Director or Manager may delegate responsibility for oversight of all revenue collection operations on the campus to a designated Revenue Collection Coordinator.

The Chief Financial Officer is responsible for implementing local processes to comply with the [Academic Governance Policy](#) and for establishing criteria for granting all variances from these processes when verifiable mitigating controls exist.

3.4.2 Senior Accountant, Taxation, Treasury and Insurance / Manager Financial Services

Are responsible for:

- Maintaining a liaison with authorised collectors concerning revenue, cash and cash equivalent handling matters
- Categorising revenue collection points and individuals performing functions related to revenue, cash and cash equivalent handling accounting.
- Establishing operating processes in accordance with the [Academic Governance Policy](#)
- Reviewing and coordinating all proposed new or modified revenue, cash and cash equivalent handling related applications, revenue recording equipment, or methods of transporting cash.
- Performing an annual review of compliance and informing the Chief Financial Officer and/or Financial Controller of risks associated with each campus revenue collection points.
- To ensure that all University collection points processing credit or debit card transactions receive ongoing training regarding the data security requirements for handling cardholder data and that such units are complying with the credit card data security requirements for their operating environment.
- To review credit card and internet payment gateway charges and qualification performance and to address problems with merchants as they arise to ensure the most cost-effective use of services.

3.5 Cash Collection and Handling

3.5.1 Required Authorisation to Collect Money

Before undertaking any new cash and cash equivalent handling operation or activity, approval for the activity must be received from the Financial Controller.

Once the requirements have been established, the Finance Directorate will communicate to the new operation how this activity will be accounted for, and the process for controls to be developed.

3.5.2 Methods to record revenue collection

All revenue collection points are unique and have different resources available to them. It is a requirement along with the guidance of the Finance Office to develop processes, takings summary forms and reconciliation forms etc that are relevant to their area.

3.5.3 Minimisation of Cash on Hand

To minimise customer inconvenience, providing alternative means of collecting money such as direct credit, EFTPOS, credit card, B-Pay, and the use of the services of Australia Post must be considered.

A complete list of alternative payment methods is maintained by Finance Section together with application details.

Each Revenue Collection Point must ensure that the total of cash held in the register at any one-time during business hours should not exceed \$1,000.

To ensure this limit is not exceeded, Authorised Collectors and the Revenue Collection Point Managers/ Supervisors must monitor total cash holdings throughout each business day. Possible excess amounts should be identified as early as possible so that correct safe keeping arrangements can be implemented.

The Chief Financial Officer on the advice of Associate Director, Financial Operations may approve banking on a basis less frequent than daily, only under circumstances where daily banking is not practicable and adequate security of funds exists. Provided that monies shall not remain unbanked for a period exceeding five working days or that the banking of collections does not involve an interruption or a temporary suspension of service to customers.

3.5.4 Treatment of Revenue Discrepancies

Authorised Collectors must advise the Revenue Collection Point Manager/Supervisor immediately they become aware of a surplus or deficiency in their cash balance.

The initial investigation of cash discrepancies should be performed by the Authorised Collector under the direction of the Revenue Collection Point Manager/Supervisor.

All cash discrepancies must be documented by the appropriate area on a daily basis and documented with that day's activity.

Any discrepancies relating to Armaguard and greater than \$20 or any breach of process leading to a discrepancy greater than \$20 must be reported to the Associate Director, Financial Operations.

Unresolved discrepancies must be referred to the Associate Director, Financial Operations.

In all instances the Revenue Collection Reconciliation Discrepancy Report must be completed before the start of business on the business day immediately following the day the discrepancy was identified.

3.5.5 Reconciliation

Cash held must be reconciled by the respective Authorised Collector at the close of each business day. Printouts from point-of-sale terminals must be used for this reconciliation.

Daily reconciliations may be delayed until the next business day but must be completed before the start of business on that subsequent day.

All discrepancies in the reconciliation must be reported to the Revenue Collection Point Manager/Supervisor immediately.

Daily reconciliations must be retained by the Revenue Collection Point Manager/Supervisor for verification by the University auditor or the Finance Section.

Daily reconciliations must be retained by the Revenue Collection Point Manager/Supervisor or the Finance Section for 7 years.

Daily reconciliations cannot be destroyed without the prior approval of the Chief Financial Officer.

The cash held by Authorised Collectors is subject to random verification at least once a week by the Revenue Collection Point Manager/Supervisor and to surprise audits by Finance Section and the University auditors.

The Revenue Collection Point Manager/Supervisor must countersign the reconciliation completed by the Authorised Collector after verification.

The total of all transactions passing through the Revenue Collection Point must be reconciled as at the close of each business day. If a point-of-sale terminal issues such printouts these may be used for this reconciliation.

Under no circumstances are Authorised Collectors to:

make payments or transfers on behalf of the University or to subsequently record the transactions in the University's books of account except through Campus Solutions, myFinance or other software approved by the Chief Financial Officer for use by Revenue Collection Points; and Prepare bank deposit slips or to carry out banking duties.

3.6 Electronic Funds Transfer Sales (EFTOS)

3.6.1 EFTPOS Use - Administrative Requirements and Procedures

The use of EFTPOS as a means of accepting payment of debts due to the University has been approved by Council (09.08.96), including payment of student fees, student loans and student residential rent (23.06.99).

EFTPOS terminals are to be operated only at official Revenue Collection points of the University.

Official revenue collection points will be determined by the Chief Financial Officer, Associate Director, Financial Operations or their nominated delegate.

Cash out facilities are restricted to a maximum amount of \$50.00 in association with a minimum purchase/payment of \$5.00.

Individual collection points with EFTPOS facilities may elect not to make cash out facilities available.

Election of a non-cash out facility must be reported to Associate Director, Financial Operations or their nominated delegate.

The maximum single transaction value available via EFTPOS facilities is \$9,999.00.

3.6.2 EFTPOS Terminals and Online Payment Considerations

The following facts must be considered when deliberating whether to approve a request for designation as a new campus Merchant:

- volume of transactions
- Which cards will be accepted?

Does the Unit have access to:

- a *telephone line*, the internet for online payment processing options?
- secure storing, excellent record-keeping practices and compliance with privacy standards and similar regulatory requirements?

3.6.3 EFTPOS Card Types

The University is authorised to accept payments via EFTPOS terminals utilising Bankcard, Visa Card, Master Card, American Express (AMEX) at Mt Helen Campus only and Debit Cards issued on all Australian registered banks, Credit Unions, Credit Co-operatives.

3.6.4 EFTPOS Payment Categories

Payments via EFTPOS can be made for all debt types due to the University, including, but not limited to, student fees, student loans (HE & TAFE), student residential rental and debtors invoices.

3.6.5 EFTPOS and Campus Solutions (CS) Department Receipting

Revenue collection points with EFTPOS facilities which have Campus Solutions (CS) receipting capability, must reconcile takings (cash, cheque and EFTPOS) to department receipting batch(s) on a daily basis and transfer to a Primary Revenue Collection point or bank cash and cheques on a daily basis.

Revenue collection points with CS receipting must provide reconciliations of cash collected, including EFTPOS activity, on a daily basis to Finance Office – Mt Helen.

The reporting must be in the form of a CS Department Receipt Transaction Summary Report.

This report must be transmitted by facsimile or mailed for each ordinary trading day and transmitted by facsimile for the last trading day of the month.

3.6.6 EFTPOS and NON Campus Solutions (CS) Department Receipting

Collections points with EFTPOS facilities which do not have CS Department receipt capabilities must deliver EFTPOS trading details on a daily basis to their Campus primary revenue collection point.

The reporting must be in the form of an official Financial Operations Revenue Collection reconciliation form relating to the collection point. (See your Finance campus contact for these.)

The report must be provided on a daily basis along with any cash and cheques to be banked in relation to the same trading period the EFTPOS covers and include a reconciliation of all receipts taken for the period.

3.7 Security Credit / Debit Cards

3.7.1 Online Payment Data

To be compliant with the Payment Credit Industry (PCI) Data Security Standard (DSS) Procedures the University has identified and specified a requirement to disallow students to create a payment profile and store credit card details in PeopleSoft Campus Solutions. The removal of payment profiles does not distract from the students ability to make credit card payment in PeopleSoft Campus Solutions.

Student credit card details will not be stored in PeopleSoft Campus Solutions.

3.7.2 ANZ eGate Merchant Hosted Gateway

The ANZ eGate Merchant Hosted Gateway allows the student to enter their credit card details and payment amount into PeopleSoft Self Service Electronic Payments. These details are transmitted to an ANZ eGate Payment Server in the background. ANZ eGate connects with the Merchant, i.e., AMEX, VISA or Mastercard and processes the student request for payment successfully or declines the payment and transmits the results back to ANZ eGate.

The ANZ eGate Payment Server transmits the response back to the University server which then displays the result to the student in PeopleSoft Self Service Electronic Payments page. The response tells the student if the credit card payment is successful or declined by the Merchant. The student records the payment details and has the option to make another payment, select another self-service link or close the webpage.

The transaction Payment Reference Number is the references number of the credit card transaction processed by ANZ eGate and transmitted back to PeopleSoft Campus Solutions payment result. The credit card transaction number is used as a reference by the student or administrative staff.

As the payment profiles functionality has been removed this disallows a student to save credit card details on their profile, so they will be required to enter their credit card details each time.

3.7.3 Manual Credit/Debit Card Data

Manual credit/debit card information must be completed on a credit card authorisation form. These can be received via email or fax. Once a manually completed credit card authorisation transaction has been processed and receipted:

1. The credit card authority is dated, and the receipt number is recorded on the authority.
2. The processed authorities are collated each day and filed in the credit card authority folders which are kept away in a locked filing room.
3. For any payments received via email or fax that are declined – the credit card authorisation paperwork is returned to the relevant school or section to follow up.

3.7.4 Over the Phone Credit/Debit Card Data

Over the Phone Credit/Debit Card Data must be completed on a credit/debit card telephone authorisation form. This form of payment may only be collected by an Approved Collector of revenue with prior authorisation from the Associate Director, Financial Operations.

The credit/debit card authority is processed at the time of the call. Card number, amount, expiry date and CVV number are manually entered into EFTPOS terminal. The transaction is either approved or declined.

Approved transaction receipts are then receipted into the CS receipting function and copies forwarded to the client; no recording of credit/debit card details are kept. Once completed the authorisation is destroyed immediately by being placed into a locked secure confidential destruction bin.

Declined transactions are referred to the client and further action is required as per the common errors and actions for merchants listing. If the transaction continues to decline and the transaction cannot be completed the authorisation is destroyed immediately by being placed into a locked secure confidential destruction bin.

3.8 Foreign Currency and Overseas Transactions

3.8.1 Receipting and Depositing Foreign Currency and Overseas Drafts

Primary and secondary revenue collection points must not receipt through the finance system foreign currency in the form of notes and coins, cheques or drafts at time of receiving. The reason for this is a university receipt must be raised in Australian Dollars (AUD) and at the point of collection this is unknown.

Proceeds of foreign currency will be receipted into the myFinance system from the bank statements once the conversion to AUD has occurred. This process will be performed by the Primary revenue collection point at Mt Helen Finance office.

Processing Notes Receipting & Depositing Foreign currency work instruction.

3.9 E-commerce activities

Before the implementation of any new E-commerce software solutions approval must first be obtained from the Financial Controller or nominee. The Financial Controller or nominee will determine if the activity can be catered for by existing platforms and advise accordingly.

If approval is given, written processes must be developed to document the appropriate internal controls for the reconciliation and recognition of the funds. These processes should clearly state persons responsible for each activity.

Any official documents (e.g., Tax Invoices) produced by the software will also need to be reviewed and approved by the Senior Accountant, Taxation Treasury and Insurance to ensure compliance with relevant legislative requirements.

3.10 Managing University Bank Accounts

The University must implement and maintain an effective internal control framework over the establishment and management of bank accounts to ensure balances are accurately reflected in the financial records and bank accounts are operated efficiently and effectively.

3.10.1 Annual Review of Bank Accounts

As a Public Sector Agency, the University must have as few banking institutions and bank accounts as practicable. The number of bank accounts and institutions used for banking should be reviewed at least annually by the Chief Financial Officer.

The rationale for the number of bank accounts should be reviewed on the basis of: Efficiency, cost and risk.

3.10.2 Annual Audit Confirmation

Audit bank confirmation requests will be undertaken on a timely basis for all bank accounts as directed by the University's external auditors.

3.10.3 Opening, Modifying and Closing of Bank Accounts

Bank accounts shall only be opened with express written authorisation in accordance with the [Delegations - Contract, Financial, Staffing and Tender Procedure](#) and must be reported to Finance Committee.

The Financial Controller can sign all official bank forms (including Master Authority), on behalf of the University, to affect Finance Committee approved additions and modifications to university bank accounts.

1. Bank accounts should be opened with the University's contracted banking services provider where possible.
2. Bank accounts can only be opened in the name of the University.
3. Schools/Sections are not to enter into any electronic banking arrangements, unless authorised by the Financial Controller. Schools/Sections identifying a need to take advantage of electronic banking should apply in writing to the Financial Controller.
4. Bank accounts shall only be modified with express written authorisation in accordance with the [Delegations - Contract, Financial, Staffing and Tender Procedure](#) and must be reported to Finance Committee.
5. Bank accounts shall only be closed with express written authorisation in accordance with the [Delegations - Contract, Financial, Staffing and Tender Procedure](#) and must be reported to Finance Committee.

3.10.4 Bank Reconciliations

The University holds a number of bank accounts that are automatically swept into the University's operating account daily, whilst these accounts are not formally reconciled the underlying transactions are reconciled as part of the reconciliation process undertaken on the accounts where the funds are ultimately deposited. The University's Operating account is reconciled on a monthly basis.

1. Bank reconciliations must be signed by the officer responsible for preparing the reconciliation and countersigned by an independent reviewer.
2. The reconciliation must include the identification of all items in the reconciliation and corrective action required.
3. Checks must be made of outstanding items on the reconciliations of the previous reporting period to ensure a speedy resolution.
4. The original reconciliation should be filed and made available for audit purposes as required.

3.10.5 Bank Account Authorisation

There shall be at least two signatories to every bank account. All account withdrawals and transfers require the authorisation of at least two signatories with delegation in accordance with the [Delegations - Contract, Financial, Staffing and Tender Procedure](#).

- Action should be taken to contact the payee of all cheques un-presented after 90 days, and request that the cheque be promptly presented. Where an un-presented cheque has been lost by the payee, then the cheque should be cancelled by way of a stop payment, and a new cheque issued in accordance with the Accounts Payable process manual.
- A register of bank accounts and facilities, listing all relevant information, will be maintained by the Financial Controller.
- University staff shall not mix private monies with university funds under their control. Staff cannot cash cheques for any person out of university funds.
- No University staff member shall keep, or permit to be housed, any private monies or documents in an official safe or strong room, or lodge or permit to be lodged, private monies in an official University bank account.

3.10.6 Receipt Form to be Used

Deposits should be recorded online using Campus Solutions Department Receipts, Campus Solutions Student Payment Receipts and myFinance Express Deposits and Cash Drawer Functions.

The manual receipt book function is to be used in emergency situations or for forwarding information to the main cashiering office.

3.10.7 Money Deposited Intact

Money should be deposited promptly and Intact to the primary revenue collection point. *Cashing cheques* from university deposits, borrowing *cash* for personal use, *lapping* receipts to cover shortages in cash receipts, *withholding cheques* for deposit in order to float cheques, the *pooling* of personal and University funds, and *modification* of cash records are all serious offences and may result in immediate dismissal from employment and/or prosecution.

3.11 In the Event of a Robbery

Refer: At your request the Risk, Health and Safety Department will assist in devising specific processes for your area.

3.12 Payment Types

3.12.1 Bpay and AustPost Billpay

Files are extracted by a nominated Finance Officer they are then processed via the Express Deposit function in myFinance. Each file is created with a unique deposit id generated by the system.

3.12.2 Egate

The ANZ Bank will provide a Credit Card Payment Report that will be downloaded by a nominated Student Finance Administrator each day from the ANZ Bank site.

The reports details will be delivered by the ANZ Bank and reconciled against the University bank account.

3.13 University Bank Accounts

3.13.1 Debtors Clearing Bank Account

Funds receipted into the Debtors Clearing account are swept night by the bank into the Disbursements bank account. A nominated Finance Officer then processes via the Express Deposit function in myFinance. Each deposit is created with a unique deposit id made up of alpha and numeric code e.g.: Mt Helen Debtors clearing (MDC) and then the date: dd/mm/yy.

3.13.2 Disbursements Bank Account Direct Deposits

Funds receipted directly into the Disbursements bank account. A nominated Finance Officer then processes via the Express Deposit Function in myFinance. Each deposit is created with a system generated receipts batch name/ identifier to be overridden with an alpha-numeric batch name, the batch name should be a copy or abbreviation of the bank statement reference.

3.13.3 Finance AR receipting received directly into the Disbursements Account (10005)

Funds receipted to Disbursements bank account. A nominated Finance Officer then processes via the Express Deposit function in myFinance. Each deposit is created with a unique receipts batch name/identifier with an alphanumeric batch name = 10005_ddmmyy

Note: It is very important for the underscore character_ to be used in this referencing as it makes the reference an alpha-numeric reference rather than a numeric reference. If the reference is made to be a numeric reference, then myFinance uses the reference as the starting point to auto generate sequential batch references.

3.14 Annual Audit Confirmation

The Financial Controller will ensure that bank authority letters are signed and submitted promptly upon request from external auditors and the completeness of banks and accounts included the confirmation process is appropriately assured.

3.15 Grants

A nominated Accounts Receivable officer forwards any EFT remittance advices, and notification of any monies received in bank account to the Bank Account Reconciliation Officer. An invoice is raised to the Customer e.g.: 50000505 Vic Skills (DIIRD), and the payment applied to the invoice. Both the invoice and remittance are filed in Bank disbursements folder.

3.16 Dishonoured and Rejected Payments

3.16.1 Dishonoured Payments

Letters of dishonoured payments are received from the bank to the Finance Office. A nominated Finance Officer investigates as to who and where the original payment was processed. The officer will process a reversing journal to where the original payment went too. They will then forward a copy of the dishonour notice to the Portfolio/School for follow up so funds can be re received.

3.16.2 Rejected EFT Payments

Letters of rejected EFT payments are received from the bank to the Finance Office. A nominated Finance Officer investigates as to who and where the original payment was processed. The officer will process a credit journal to the AP suspense account (7005). They will then forward a copy of the rejection notice to the Portfolio/School for follow up e.g.: Payroll to HR, Schools Experience to Finance etc. The Portfolio/School will contact the client and confirm their correct bank details by email, letter etc and raise a new EFT requisition for with the correct details for Finance to process.

3.17 Loss, Theft and Discrepancies

1. Any loss or problem with missing funds or lost receipts should be advised to your Revenue Collection Supervisor, Chief Financial Officer or the Associate Director, Financial Operations immediately.
2. If a shortfall of funds is the problem a Revenue Discrepancies Report and Journal will be required to satisfy the requirements of the *Financial Management Act 1994*. Finance Section will help with this.
3. If the problem is a theft of funds, then a Police Investigation must be arranged with the nearest Police Station and a Police Investigation Report obtained

4. The original of the Police report, along with a detailed Internal Federation University report/memo should be forwarded to the Chief Financial Officer or Associate Director, Financial Operations, within 2 days of the occurrence of the loss or discovery of the loss whichever is the sooner.

3.18 Securities over Monies

The Revenue Collection Point Supervisor must ensure adequate security is exercised over monies at all times. These covers:

1. Securing cash and other monies during the day under the locked control of each Authorised Collector.
2. Transferring excess cash during the day prior to banking, to a secure environment under the control of two staff, one of whom may be an Authorised Collector.
3. Securing overnight any cash and other monies retained on the premises from theft, robbery or destruction due to fire or other events under the control of two staff one of whom may be an Authorised Collector: and
4. The security of staff handling cash and other monies against theft and robbery.
5. Where the Revenue Collection Point Supervisor is unsure if adequate security is being maintained, direction must be sought from the Finance Section.
6. To minimise risk to staff in handling cash, staff are to minimise the transport of cash. Outsourcing providers of this service e.g.: Armaguard is the preferred option.

4. Debt Management Receivables

4.1 Purpose

The purpose of document is to define and set out the principles and process by which the University effectively and efficiently generates and manages the collection of income owed for services provided in a timely manner in accordance with legislative requirements in order to maintain University cashflow and to minimise “bad debts”.

This applies to all income, revenue, receipts or activities that are undertaken for the purpose of generating income for the University, even when there is an expectation that the University may reimburse another individual or organisation.

This does not apply to student fee debtors (administered through the Student Management System) which are processed via student enrolment rules and processes, or accommodation debtors which are processed through the University Accommodation system.

4.2 General Information

- Officers of the University may be liable for all, or part of any loss suffered by the University due to their deliberate or serious disregard of a reasonable standard of care.
- Failure by staff to comply with these processes may be regarded as a deliberate or serious breach of their statutory duty and may lead to disciplinary action.
- University accounting records are maintained in Australian dollars.
- It may be possible to vary the process in this document for specific situations. Any such variations must have the prior written approval of the Chief Financial Officer.

Debtors may arise by any means including the following:

1. The provision of goods or services or the disposal of University assets without prior receipt of full payment in cash or its equivalent.

2. The dishonour of cheques or declined EFTPOS transactions (credit/debit card) payments used to purchase assets, goods or services from the University.
3. Overpayments to staff members or contractors of the University.
4. Unpaid rent and other non-teaching charges for services or penalties.
5. Payments due to the University (for example grants) from organisations including Governments and their agencies; and
6. All other monies due to the University by private individuals and businesses, including corporations

4.2.1 Generating Income

University staff must ensure that the supply of goods and services achieves the best economic outcome for the University and is aligned to University strategies.

Other factors to also consider:

- The terms and conditions of any agreement should be reasonable and compatible with the University's policies. The proposed agreement must be approved in accordance with relevant delegations before committing the University
- All relevant risks in negotiating for the supply of goods and services should be appropriately managed.
- The University's taxation status as a not-for-profit entity must not be compromised. Where any doubt exists, the matter should be referred to the Finance Officer, Taxation & Treasury.
- Price and the pricing method should be managed, as a minimum exceed expected total cost, including direct and indirect overhead costs.
- Income is generated in Australian Dollars only.
- When the amount of work involved is uncertain, instalment billing for a period of time at an agreed rate may be appropriate.
- The accounts receivable section of Finance is responsible for managing the collection of receivable debtors, outstanding debts and raising correct tax invoices. Student Finance is responsible for managing the collection of student fee related debt.
- In order to manage its resources effectively and efficiently the University must ensure that all monies owed to the University are paid within a reasonable timeframe.
- Standard University payment terms are 30 days.

4.2.2 In managing debtors, the University must

Ensure that proper accounts and records are maintained for each debtor of the University Promptly bring all debtors to account in the accounting records of the University; and instigate debt recovery processes if the debt is not paid within the University's normal terms of trade.

4.2.3 Managing Risk

Credit risk arises when a service/good is provided before payment is received. Credit risk must be managed for all transactions.

The University must have the capacity to meet its commitments. The risk of non-completion must be understood, reduced and managed appropriately.

Non-compliance may result in unnecessary loss, and/or failure to comply with financial management processes and external legislation.

4.2.4 Transaction Recording and Accountability

All University invoicing must be completed accurately and on a timely basis and within the University's receipting and accounting systems to avoid delays and losses in income for services and goods provided.

All income credited to the University are University funds. Funds are to be used for University business purposes only.

4.3 Considerations prior to providing goods or services

Staff must consider and comply with the documented process prior to entering into transactions with new or existing clients or suppliers.

An agreement needs to be signed by all parties and filed in the University's Legal Office before goods and services are provided by the University. These agreements must be approved by the University's Legal office prior to signing. A register of these agreements is maintained by the University's Legal Office.

There are approved categories of agreements that do not need to be filed in the University's legal Office e.g.: Employment agreements, independent contractor fixed rate agreement (ICFRA), student accommodation agreements. A register of these approved categories of agreements is maintained by Financial Services.

Receivable Debtors are invoiced preferably when a Purchase Order has been received or the amount has been agreed by all parties in writing.

4.4 Creating a new Customer or change of existing Customer details

Nominated Finance officers have the ability to access the customer database in the University Finance System. Prior to creating a new or altering an existing customer, the customer risk assessment checklist must be completed.

If the customer exists you will be able to locate them in the customer listing, if not, nominated finance officers have the ability to create/alter new customers.

A New Customer Application/*Change of Customer Details Form is required prior to any changes along, with the Risk assessment checklist and Trade References (if applicable).

4.5 Customer Account Risk Assessment

Customer risk assessments for new clients should be undertaken for the following:

- Non-Government agencies with a value of \$20,000 or greater
- 2 Trade References must be provided
- Standardised checklist form to ensure riskassessment has been completed and documented accordingly

For current existing customers an internal risk assessment should be undertaken to identify any outstanding amounts and/or bad debts according to their payment history. This should be reflected under the customer credit profile risk status and prior to generating any new debt. Staff must ensure that the standardised checklist form to ensure risk assessment has been completed and documented accordingly.

4.6 Request to Raise an Invoice

A standard tax invoice is to be raised via myFinance. Upon the provision of services, the receipt of a purchase order or signed contract/agreement (whichever is appropriate) should occur.

- Invoices may only be requested when the University is contractually entitled to do so.
 - The Finance team is responsible for issuing all Invoices upon the request of the incurring Portfolio, School or Section.
 - Confirmation that delivery in full has taken place, or where partial delivery has taken place, indicate what proportion of completion.
 - Include any supporting documentation such as an attachment.
1. Evidence of a fully executed contract or formal agreement between the University and the client or reference number; and details of any contract changes since the previous Invoice was raised.
 2. Purchase order raised by the debtor.
 3. Copies of emails or other communications with the debtor where a contract or formal agreement is not in existence; and/or
 4. Other relevant documentation from the debtor.
- Include cost centre and line-item detail for revenue allocation.
 - Invoice requests with a GST coding other than C (including GST) must be submitted to the Senior Accountant, Taxation, Treasury and Insurance for authorisation prior to processing to the University's finance system.
 - Before issuing an Invoice, the Finance team must be satisfied that: At the time an Invoice is issued, it must be entered on the University's finance system without any unreasonable delay.
 - There is not financial delegation applicable to the approval of debtor invoices, however financial delegation applies to the signing of any initial contracts.

Each Invoice must:

1. Contain details of the service or goods provided and the amount owing.
2. Contain information of the University's normal terms of credit including the requirement for the debt to be paid in full on or before the due date.
3. Provide account contact details for any information.
4. Provide payment details and payment methods.
5. Satisfy all GST legislation requirements.
6. The value (excluding GST) of the Invoice will be raised as revenue for the initiating area in the University's financial accounts at the time the Invoice is raised into the finance system. If payment is not received, or a credit note is subsequently issued, the revenue will be reversed.

4.7 Request to Raise a Credit Note

If a standard tax invoice has been provided to the customer, where the terms and conditions of the original Invoice have changed, a Credit Note to reflect the changes may have to be issued. Changes that may necessitate the issue of a Credit Note may include:

- Reduction in Invoice amount (for example due to incomplete delivery under the original agreement).
- If agreement has been revised by the debtor or the University, sighting of the fully executed revised agreement, including reason for revision.
- If the University failed to meet the terms of the agreement, a written explanation of what the failure was.
- Reversal of the original Invoice due to incorrect details, dispute; or
- Where the originally agreed Invoice amount is to be increased requiring the original Invoice to be cancelled and to be replaced by a new Invoice.

- Requests to issue a Credit Note must be completed and submitted via the Finance system. Approval Authority must be from both the incurring area and the Finance term, any documentation supporting the request must be attached to the form. The Manager Financial Services or delegate must be satisfied with the reason for issuing a Credit Note. Where doubt exists, the request must be referred to the Associate Director, Financial Operations and Student Finance or nominee.
- All credit notes must be processed promptly in the University's finance system and must reference an invoice and have appropriate supporting documentation.

4.8 Debt Recovery

The University's standard terms for general debtors are payment in full within 30 days from date of invoice. Terms in excess of 30 days must be approved in advance by the Financial Controller or nominee.

Reports about aged debts will be provided to management on a monthly basis for review. Follow up will include telephone contact and written correspondence requesting settlement of debt. The debt may be placed with a debt collection agency or the University Legal Office for further action.

If standard term invoices remain unpaid after invoice due date, Accounts Receivable, Finance team, will instigate the following dunning process:

1. If an Invoice issued remains outstanding after a further 7 days from invoice due date the Finance system will generate an Overdue Notice along with a copy of the invoice with payment due date, please pay now.
2. If an Invoice issued remains outstanding 14 days from the invoice due date and 7 days from an overdue notice generated the Finance system will generate a legal letter with due date as immediate payment.
3. If the invoice remains outstanding the Manager, Financial Services in conjunction with the Legal Office, may proceed with a Garnishee Order, and
4. Approval for recovery proceedings must be referred to the Associate Director, Financial Operations or nominee.

The finance system will continuously send statements of account to the customer on a monthly basis until the debt is cleared.

Accounts receivable team or nominee will continue to follow up outstanding debts via phone, email etc. and record conversations, terms etc. on the Aged analysis spreadsheet within Finance. Areas from which the invoice was raised will also receive an updated listing on outstanding invoices and the actions taken for debt recovery.

All Debt recovery must be carried out promptly and vigorously.

Under some circumstances it may not be cost effective for the University to pursue outstanding debt, including in the following circumstances:

1. The debtor has moved address and cannot be located.
2. The medical, financial or domestic circumstances of a debtor have made the debt unrecoverable even though legal action is available.
3. The cost of further action will exceed the debt likely to be recovered; or
4. The debtor is already bankrupt or gone into liquidation.

4.9 Smaller Balance Debits/Credits

If a debit or credit balance of less than \$10.00 (excluding GST) remains outstanding on an account and it is not economically viable to recover the debit or refund the credit, the balance will be written off or credited to the University wide cost centre.

4.10 Refunds

For audit purposes, all requests for refunds must be received in writing and signed by the customer (if possible) and 2 staff members (authoriser and approver). Supporting documentation must be attached with the reasons for the refund being processed.

4.11 Repayment of Debt by Instalment - Payment Plan

There may be situations, where it is not possible for an amount to be paid in full immediately e.g.: where full and immediate repayment could lead to financial hardship for the customer. At this stage a delegated officer within the accounts receivable team may agree to the recovery of debt by instalments. A payment plan is to be negotiated between the University and the customer, once approved the terms of the agreement must be signed by all parties.

If customers default on their mutually agreed repayments under a payment plan, action will be taken to recover in full the balance of the debt owing.

4.12 Debts incurred without Prior Approval

There may be occasions when the University has no prior opportunity to approve a debt for example, overpayment of wages, reimbursements, allowances, dishonour of payments already receipted. There is no requirement to obtain prior approval for these debtors.

4.13 Deductions of overpayment or monies owing by Employee

The University will advise and consult with a staff member when an overpayment has been identified. The University will write to the staff member to inform them about the amount of the overpayment and the options available for repayment. As part of this, the staff member may authorise the University to deduct an amount or amounts from the staff member's salary payments. The timeline for repayment shall be of reasonable length, having regard to the particular circumstances, including the size of the overpayment.

Where an outstanding amount remains upon termination or resignation of a staff member, the University may deduct the outstanding amount from an amount or amounts payable to the staff member upon termination or resignation. Nothing in this manual is intended to prevent the University from using debt recovery processes to recoup the outstanding amount.

4.14 Doubtful Debts

The provision for doubtful debts will be reviewed every quarter and adjusted accordingly to reflect the risk of non-recovery of outstanding monies.

4.15 Debt-Write Offs

The University will write-off any bad debts annually after all attempts have been pursued vigorously and all legal options considered except, at the discretion of the Financial Controller, if:

1. It is not cost effective to pursue the debt further.
2. The debtor is already bankrupt, in receivership or in liquidation; or
3. Where legal proceedings have established, or legal advice is obtained, the debt that is unrecoverable.

Costs of debts written off will be charged to the initiating Portfolio, School or Section's cost centre.

Where the University becomes aware of a change of circumstances for a debt written off the Financial Controller may reactivate the debt. Should the debt be recovered, the amount recovered will be credited to the initiating Portfolio, School or Section's cost centre.

A register will be maintained of all debts written off and must include:

1. Last known details of the debtor.
2. Amount written off including costs.
3. Minutes from Resources Committee approving debt write-off above \$20K as per 2.4 of Delegations Band Value Limit Table.
4. Details of subsequent reinstatement of debt and result of any recovery action.
5. Approval of debt write off up to \$20k as per 2.4 of Delegations Band Value Limit Table.

4.16 Responsibility

4.16.1 The Chief Financial Officer, Financial Controller

The Chief Financial Officer, Financial Controller or nominated person is responsible for managing all relationships with organisations that provide banking services to the University. Opening and closing accounts when requested by authorised campus employees and maintaining an inventory of authorised University bank accounts.

Provides relevant and appropriate information to insurance carriers concerning University cashiering practices and processes.

4.16.2 Chief Financial Officer

Responsible for:

- Revenue, Cash and Cash Equivalent processes
- Providing general coordination and assistance to all campuses.
- Monitoring the implementation, outcomes and scheduled review of this document as the Document Owner.

4.16.3 Associate Director - Strategic Finance & Analysis

As the Document Owner is responsible for maintaining the content of this manual as delegated by the Chief Financial Officer.

4.17 Supporting Documents

- Manual Receipt work instruction EFTPOS Terminal work instruction Receipting & Depositing Foreign Currency work instruction
- Payment CreditIndustry (PCI) Data Security Standard (DSS) Procedures
- Australian Accounting Standards
- Financial Management Act 1994
- [Fraud & Corruption Control Procedure](#)
- Daily Cashflow work instruction
- Federation University Australia Act 2010
- [Risk Management Framework Procedure](#)

- [Delegations - Contract, Financial, Staffing and Tender Procedure](#)

5. Forms and Record Keeping

Title	Location	Responsible Officer	Minimum Retention Period
Armaguard Collection Summary Worksheet	Various	Chief Financial Officer	7 Years
FedUni Approved Collector of Revenue Nomination Authorisation	Mt Helen	Chief Financial Officer	7 Years
General Credit Card Voucher	Various	Chief Financial Officer	7 Years
Manual Receipt Book Request & Issue Record	Various	Chief Financial Officer	7 Years
Manual Receipt-Cash Register Revenue Collection Reconciliation	Various	Chief Financial Officer	7 Years
Daily Takings Summary	Various	Chief Financial Officer	7 Years
mySC Register Balance Sheet	Various	Chief Financial Officer	7 Years
Foreign Currency Deposits	Various	Chief Financial Officer	7 Years
Reconciliation Discrepancy	Various	Chief Financial Officer	7 Years
Safe Custody Transfer	Various	Chief Financial Officer	7 Years
Authorisation for Access to ANZ Online Remote Banking System	Various	Chief Financial Officer	7 Years
Accounts Receivable Deposit List	Various	Chief Financial Officer	7 Years
ANZ Company Account Change Authority	Various	Chief Financial Officer	7 Years

		Officer	
Credit Card Refund Request	Various	Chief Financial Officer	7 Years
Credit Card Telephone Authorisation Form	Various	Chief Financial Officer	7 Years

6. Rescinded Documents

This manual replaces the following documents that have been rescinded when this Manual was issued.

- Budgeting, Forecasting & Management Reporting Procedure FN1843
- Budgeting, Forecasting & Management Reporting Policy FN1842
- Revenue, Cash and Cash Equivalent Collection Procedure FN1833
- Revenue, Cash and Cash Equivalent Collection Policy FN1832
- Debt Management Receivables Policy FN1855
- Debt Management Receivables Procedure FN1856

Glossary