

Monash University Procedure

Procedure Title	Corporate Receivables Procedures
Parent Policy	Corporate Receivables Policy
Date Effective	12-March-2012
Review Date	
Procedure Owner	Director, Research and Revenues Accounting Services
Category	Operational
Version Number	1.0
Content Enquiries	Finance-corporatereceivables@monash.edu
Scope	All staff All Australian campuses Note: Student fees do not fall within the scope of this policy and its procedures.
Purpose	To ensure that monies owed to the University are collected in a timely manner and in accordance with legislative requirements in order to maintain University cash-flows and to minimise "bad debt".
PROCEDURE STATEMENT	

1. Customer Accounts

- 1.1. A customer account is to be set up in SAP for each customer that will be invoiced. A debtor creation request must be submitted; all customer details entered must be correct and include an ABN (and, if available, email address or fax number).

Responsibility

Research & Revenue Accounting Services

- 1.2. The customer details will be verified prior to the new account being approved. Only one account is to be set up per legal entity, even where there is a separate head office or multiple branch accounts.

Responsibility

Corporate Receivables

2. Customer Account Risk Assessment and Dunning

- 2.1. Customer accounts may be subject to credit risk assessment on an ongoing basis. Individual risk classifications will be assigned to identify accounts according to their payment history. This risk classification may be amended by Corporate Receivables as a result of changing payment history. The risk classification of an account will dictate the debt collection process or 'dunning profile' applied

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to a customer and, therefore, whether the customer is automatically contacted if their invoice payment is overdue.

Responsibility

Corporate Receivables

- 2.2. Corporate Receivables should be advised immediately when staff are notified/become aware of a change of ownership on a customer account.

Responsibility

All Staff

- 2.3. If the legal entity responsible for payment of the account has changed, the old account will be blocked and a new account opened in the correct entity name

Responsibility

Corporate Receivables

3. Raising Invoices

- 3.1. A standard SAP Tax invoice is to be raised upon the provision of services, the receipt of a purchase order or a signed contract (whichever is appropriate). Tax invoices must only be raised when there is a reasonable expectation of payment within 30 days. All tax invoices must be coded to an income account.

Responsibility

Research & Revenue Accounting Services

- 3.2. The tax invoice is to be reviewed and approved to ensure that the account codes and support documents are correct. There is no financial delegation applicable to the approval of debtor invoices, however, financial delegation applies to the signing of any initial contracts.

Responsibility

Invoice Approver

4. Raising Credit Notes

- 4.1. If a standard SAP tax invoice has been provided to the customer and an adjustment or cancellation is required, a SAP credit adjustment note must be raised. All credit adjustment notes must reference an invoice and have appropriate supporting documentation.

Responsibility

Research & Revenue Accounting Services

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- 4.2. The credit adjustment note is to be reviewed and approved to ensure that the account codes and support documents are correct. There is no financial delegation applicable to the approval of credit notes.

Responsibility

Credit Adjustment Note Approver

5. Receipting Monies

- 5.1. All amounts received over \$82.50 (inclusive of GST) must have a standard Monash tax invoice raised if practicable. Where a standard Monash tax invoice has not been raised, a manual tax invoice/receipt must be raised for funds received regardless of the amount being paid.

- 5.1.1. All amounts received greater than \$5,000 must have a standard tax invoice raised in SAP and the funds allocated against that invoice. Where the amount is for a donation an invoice request must be submitted to donor.services@monash.edu

Responsibility

Responsible Financial Officer and Revenue Accounting Services

- 5.1.2. For amounts over \$5,000 which are donations, a tax invoice is to be produced. These invoices will be kept on file only and not be sent to the donors unless a donor has specifically requested a tax invoice. Where no tax invoice has been requested, donors will be sent receipts for taxation purposes produced from the Raisers Edge database.

Responsibility

Revenues and Donations Coordinator

- 5.2. In circumstances other than those covered by 5.1.2, if a tax invoice is not raised, a ROMR form is to be completed and forwarded with the monies to the cashiers at the local campus, providing the correct SAP coding.

Responsibility

Responsible Financial Officer and Revenue Accounting Services

- 5.3. If an invoice has been raised and payment is received via cash, cheque or EFTPOS, a ROMR form is to be completed and forwarded with the monies to the cashiers at the local campus, referencing the appropriate SAP tax invoice number.

Responsibility

Responsible Financial Officer and Revenue Accounting Services

- 5.4. Sales over the internet need to have a standard Monash tax invoice or tax invoice/receipt issued. Staff need to ensure that GST is being appropriately charged. The tax team in Corporate Finance should be consulted if clarification is required.

Responsibility

Taxation Team, Corporate Finance

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- 5.5. For monies received other than in person, i.e. via internet or phone sales, a tax invoice/receipt must be completed and forwarded by mail to the customer if an invoice has not been raised.

Responsibility

Finance Officer

6. Allocation of Monies

- 6.1. Monies will not be allocated to individual tax invoices until either a remittance or confirmation email is received from the customer except at the discretion of Corporate Receivables. Requests to allocate monies to an invoice should be forwarded to: finance-corporatereceivables@monash.edu. Requests to allocate EFT received monies to a GL should be forwarded to: finance-corporatebanking@monash.edu

Responsibility

Corporate Receivables and Bank Reconciliation Officer

7. Debt Write-off

- 7.1. If all reasonable attempts have been made and the debt is not collected, the financial delegate can approve the write-off of the debt. A financially delegated officer must email confirmation to finance-corporatereceivables@monash.edu. This advice is to include the invoice number and a brief reason for the write-off decision.

Responsibility

Financially Delegated Officer

- 7.2. A journal will be raised to write the debt back to the cost centre after Corporate Receivables staff are satisfied that all appropriate action has been taken to recover the debt and that the officer requesting the write-off has suitable financial delegation.

Responsibility

Corporate Receivables

- 7.3. Corporate Receivables should be advised immediately when staff are notified/become aware of an account being placed in administration, liquidation or in any way becoming insolvent.

Responsibility

All Staff

- 7.4. If a customer is placed under administration, liquidation or bankruptcy, Corporate Receivables will coordinate correspondence with the trustees. In the event of no funds being available to settle the debt, the financial delegate will be advised and the debt written off.

Responsibility

Corporate Receivables

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8. Small Balance Debits/Credits

- 8.1. If a debit or credit balance of less than \$20.00 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.

Responsibility

Corporate Receivables

9. Debt Collection

- 9.1. Research and Revenue Accounting Services and Corporate Receivables are responsible for the timely follow-up of invoices raised. A monthly report of outstanding debts per cost centre is sent by email to the cost centre owner. Follow-up will include telephone contact and written correspondence requesting settlement of debt.

Responsibility

Responsible Finance Officer

- 9.2. Upon request from the cost centre owner by email to corporate.receivables@monash.edu and in consultation with Corporate Receivables, the debt may be placed with a debt collection agency for further action. The cost centre will fund the costs associated with the debt collection process.

Responsibility

Responsible Finance Officer

- 9.3. Reports about aged debts will be provided to management on a monthly basis for review.

Responsibility

Corporate Receivables Officer

- 9.4. A doubtful debt provision will be raised twice a year. The provision must relate directly to invoices on customer accounts and may not be a percentage of trade receivables.

Responsibility

Corporate Receivables Manager, Group Accountant

10. Recipient created tax invoices (RCTIs)

- 10.1. Corporate Finance Division (Taxation) must grant approval when an external party wishes to enter in to an agreement with Monash University for an RCTI. Taxation Team, Corporate Finance will maintain a central register of agreements and will list the party and circumstance of the RCTI agreement on the [Finance intranet](#).

Responsibility

Taxation

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- 10.2. All RCTIs received must be sent via internal mail to Corporate Receivables along with details of the relevant general ledger account, cost centre and fund to which the money is to be credited. If cheques are attached, these should also be forwarded to finance-corporatereceivables@monash.edu

Responsibility

Corporate Receivables

- 10.3. An RCTI invoice (document type GR) will not be raised in SAP until payment from the customer has been received in the University bank account.

Responsibility

Corporate Receivables

11. EFTPOS Terminals and Merchant ID's

- 11.1. Corporate Receivables is responsible for setting up, closing and maintenance of EFTPOS machines. Requests of this nature should be sent to finance-corporatebanking@monash.edu.

Responsibility

Bank Reconciliation Officer

- 11.2. Corporate Receivables is responsible for the setting up of merchant identification numbers for e-payment systems, gateways and interfaces. Requests for these must be forwarded to Corporate Receivables for review and approval. No merchant ID will be set up until specific information is received. Requests of this nature should be sent to finance-corporatereceivables@monash.edu.

Responsibility

Corporate Receivables

- 11.3. When an EFTPOS transaction is processed by staff at a point of sale, an online Record of Monies Received (ROMR) form must be completed within 24 hours of settling the machine. This ensures that all monies credited to the bank account can be reconciled.

Responsibility

Research and Revenue Accounting Services or responsible financial responsible for terminal

12. Refunds

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

Responsibility

Responsible Financial Officer and Manager/Supervisor

- 12.2. The appropriate method for a refund depending on the original payment method may be identified at <http://intranet.monash.edu.au/finance/revenue-accounting/non-invoiced-revenue/refunds.html>. All appropriately completed forms must be forwarded to Corporate Receivables for processing.

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Responsibility

Responsible Financial Officer

13. PCI-DSS

All EFTPOS transactions are subject to a set of guidelines developed to help organisations that process credit card payments to prevent credit card fraud, hacking and various other security issues. A company processing, storing or transmitting credit card numbers must be PCI-DSS compliant or they risk losing the facility to process these payments. Therefore, it is essential that staff who process credit card payments understand these rules and ensure no breaches occur. Further information can be found in the [Payment Card Industry Data Security Standards \(PCI-DSS\) Procedures \(Australia only\)](#).

Responsibility

All Staff

Responsibility for implementation	Director, Research and Revenues Accounting Services Manager, Revenues and Corporate Receivables Research and Revenues Accounting Services
Status	Revised
Approval Body	Name: Vice-President (Finance) Meeting: n/a Date: 14-March-2012 Agenda Item: n/a
Definitions	ABN: Australian Business Number: Single identifier for business dealings with the Australian Taxation Office and other government agencies. Accounts Receivable: Money due or owed to a business by a customer for products and/or services provided by the business Cash: Money in the form of notes or coins, currency Doubtful Debt Provision: An amount shown in a financial statement representing amounts formerly classified as a receivable that will probably be written off as a bad debt Dunning: The process of methodically communicating with customers to ensure the collection of overdue accounts receivable. In this instance, dunning refers to the system where standard reminder letters are sent automatically when invoices become a certain number of days overdue EFT payment: Electronic Funds Transfer payment EFTPOS: Electronic Funds Transfer at Point of Sale GST: Goods and Services Tax Merchant ID: A number provided by the bank that enables businesses to accept payments via EFTPOS systems and other online payment methods RCTI (Recipient Created Tax Invoice): A tax invoice issued by the purchaser of goods/services to the seller (must be a formal written agreement in place)

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	<p>ROMR: Record of Monies Received</p> <p>Purchase Order: A formal document initiated by a buyer and forwarded to a supplier normally used to form the basis of a one-off contract between the parties for the supply of goods and/or services to the buyer</p>
Legislation Mandating Compliance	<p>A New Tax System (Goods and Services Tax) Act 1999</p>
Related Policies	<p>Goods and Services Tax Policy</p> <p>Revenue Handling Policy</p> <p>Electronic Information Security Policy</p> <p>Delegated Authorities Policy (Aust Only)</p> <p>Academic Programs from Multiple Campuses Policy</p>
Related Documents	