Invoicing and Receivables Guidelines

March 2012
Invoicing and Receivables Guidelines

Responsible Position: Manager, Financial Operations
Approved by: Chief Financial Officer

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**Overview**

**Purpose**

This guideline covers general provisions for the collection and recording of funds to the University.

This guideline needs to be considered in conjunction with other University policies, procedures and guidelines.

All references to monetary amounts in this guideline are on a GST inclusive basis.

**Coverage**

The Invoicing and Receivables Guidelines apply to all University budget centres including Institutes, Centres, Divisions and the Foundation.

This guideline only provides the rules for invoicing and receivables. Please refer to the Financial Services Training Room for training and how to raise invoices in system.

**Exclusions**

This guideline also excludes information on:

- Guidelines for invoicing and receivables back office functions (Financial Services only) – refer to Invoicing and Receivables Back Office Guidelines.
- Cashiers and receipting functions – refer to Cashiering and Revenue Collection Guidelines.
- Cashiering back office functions (Financial Services only) – refer to Cashiers Back Office Guidelines.

**Guideline Objectives**

**Probity and Accountability**

All funds received by the University must be correctly receipted, recorded and banked in accordance with all relevant policies, procedures and legislation.

All University staff should observe the following ethical standards:

- All business should be conducted in the best interests of the University, avoiding any situation which may impinge, or might be deemed to impinge, on impartiality
- Maintain confidentiality in all dealings
- Maintain all sensitive revenue information in a secure manner
- Decline gifts, gratuities, or any other benefits which may influence, or might be deemed to influence equity and impartiality
Key Considerations

Responsibilities

Budget centres are responsible for ensuring that all funds owed to the University are accounted for and an invoice is raised where applicable.

Financial Services are responsible for maintenance, monitoring and follow up of University customers.

Funding and Approval

All invoices raised must be approved according to the Schedule of Financial Delegations and must be for University business purposes.

Invoicing

Conditions for Raising an Invoice

The University raises tax invoices for the supply of goods and services to outside bodies.

Invoices should only be requested for true and valid debts or for milestones, once the milestone has been met.

Invoices in TechOne Financials

All invoices for general customers must be raised through TechOne Financials. Exceptions include student fees, accommodation and other services which are raised through other administrative systems linked to TechOne Financials.

Invoice Approval

Invoices must be raised in TechOne Financials and approved through workflow. Financial Services will perform a verification of the invoice prior to it being transmitted to customers.

Staff without access to TechOne must refer any requests to a TechOne user within their budget centre.

A request for a tax invoice should be authorised within the Delegations of Authority and be supported by relevant documentation. A user with the correct delegation may approve an invoice they have raised themselves.

In addition, an invoice arising from a contract related to the RT (Research Trust) ledger must be endorsed by the Manager, Financial Reporting, prior to the tax invoice being issued to ensure it is in line with contract conditions:
**Tax Codes**

Users must ensure that the correct Tax Code is used for all transactions appearing on the invoice. Refer to the Financial Services Training Room for details.

A copy of the Accounts Receivable GST Tax Codes is attached at Appendix A.

**Invoice Documentation**

Where University policy requires supporting documentation, this must be kept in the budget centre according to the University Records Management Policy.

The documentation may also be scanned and attached to the invoice in TechOne Financials.

**Trading Terms**

The University’s normal credit terms are that payment should be received within 30 days from the date of invoice.

Interest may be charged on overdue accounts at the discretion of the Manager, Financial Operations.

**Invoice Printing**

**Invoice Print Runs**

Invoices must be generated on a daily basis to facilitate quicker debt recovery.

Invoices raised by budget centres will be verified by Financial Services and sent to the appropriate user for printing on a daily basis.

**Electronic Invoicing**

The University encourages the generation of electronic invoices for fax or email to customers. New customers should be set up so the invoice is faxed or sent by email wherever possible.
**Adjustment Notes**

**Adjustment Notes Conditions**

The University will issue an adjustment note if:

- Goods are returned or services not provided; or
- Administrative adjustments and corrections to a tax invoice are required including:
  - Reducing the value of a tax invoice where an overcharge has been made
  - Cancelling a tax invoice raised in error
  - GST corrections
  - Foreign currency conversion differences.

**Adjustment Notes and TechOne**

All adjustment notes must be raised through TechOne Financials by Financial services staff only. Users in budget centres request an adjustment note and forward it to Revenue Services with any documentation to support the request.

Financial Services will generate the adjustment note through TechOne Financials. This will be sent to the budget centre for approval. Once the adjustment note is approved, the funds will be reversed from the budget centre. Financial Services will forward the adjustment note to the customer if they deem it necessary.

**Student Charges**

**Student Fees**

Invoices for Student fees are administered through Student Administration, (fees) Commercial Services and Development (Accommodation) and AMC (VET fees) are an exception to the guidelines for general University customers.

Financial Services staff may refer to Invoicing and Receivables Back Office Guidelines for information on recovery of Student debts to the University.

**Allowable Student Charges**

The University may only charge students directly for expenses related to courses under particular circumstances, as outlined by the Department of Education, Employment and Workplace relations (DEEWR).

Where the University is required to charge students directly for course related incidental expenses, all charges must be in accordance with the DEEWR Administrative Information for Higher Education Providers: Student Support.

Budget centres wishing to charge students for incidental expenses should refer to the DEEWR website for details [http://www.deewr.gov.au](http://www.deewr.gov.au).


**Research Invoices**

Invoices raised against the RT (Research Trust) ledger will be reviewed by Corporate Reporting and Finance prior to being transmitted to the Customer.

All research invoices will be printed and sent out by the Research unit.

**Creation of New Customer**

Where a user is unable to locate a valid customer in TechOne, a new customer must be created. Users should complete Supplier/Customer Creation Request and send this to Financial Services for creation.

Financial Services will inform the user when the new customer is created and the invoice can be generated.

**Debtor Management**

**Debt Management and Recovery**

Financial Services is responsible for the collection of all funds owing to the University, with the exception of student fees, accommodation and VET fees.

The budget centre concerned will be consulted, as necessary throughout the recovery process.

**Bad Debts**

An authorised officer in a budget centre or officer from Financial Services may recommend that a debt be written off if they:

- are satisfied that the debt is not recoverable; or
- consider that it is not economical to pursue recovery of the debt.

A budget centre or Financial Services should prepare a written recommendation for a debt to be written off giving detailed reasoning for the recommendation. It should be forwarded to Financial Services (Revenue Services) with supporting documentation.

The write off must be authorised in accordance with the Schedule of Delegations.

If it has not already been done, the amount of the outstanding debt will be charged to the budget centre’s bad and doubtful debts expense (account 39505) to recognise that the debt will not be recovered.
Relevant Policy Document

Invoicing and Receivables Policy

Other Related Policy and Practice Documents

Policies

Records Management Policy
Schedule of Financial Delegations

Procedures and Guides

Invoicing and Receivables Back Office Guidelines
Cashiering and Revenue Collection Guidelines
Cashiers Back Office Guidelines

Forms

Adjustment Note Request (also called a Debtor Journal)
Supplier/Customer Creation form

Links


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<tr>
<td>Responsible Officer</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Name</td>
<td>Garry Hennessy</td>
</tr>
<tr>
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<tr>
<td>Author</td>
<td>Jo Murray/David Nolan</td>
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## Appendix A - GST Receivable Tax Codes

<table>
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<th>Research and Contract Agreement Income</th>
<th>General</th>
<th>Overseas*</th>
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<tbody>
<tr>
<td>Research/Contract Income - Salary Contributions</td>
<td>Taxable</td>
<td>Tax Status</td>
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<tr>
<td>Research/Contract Income - General Expenses Reimbursement</td>
<td>Taxable</td>
<td>T</td>
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<tr>
<td>Research/Contract Income</td>
<td>Taxable</td>
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<tr>
<td>Research donations and bequests (sponsorships are taxable)</td>
<td>Non BAS</td>
<td>N</td>
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</tbody>
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**Consultancies**

| Consultancies | Taxable | T | Export | E |

**Other Income**

| Donations and Bequests (sponsorships are taxable) | Non BAS | N | Non BAS | N |
| Scholarships and Prizes | Non BAS | N | Non BAS | N |
| Sale of Goods / Services | Taxable | T | Export | E |
| Royalty Income | Taxable | T | Export | E |
| Rental Income / Venue Hire | Taxable | T | Taxable | T |
| Proceeds from the Sale of Assets | Taxable | T | Not applicable |
| Sponsorship Income | Taxable | T | Taxable | T |
| Conference Registration Income | Taxable | T | Taxable | T |
| External Income - Salary Contributions | Taxable | T | Export | E |
| External Income - General Expenses Reimbursement | Taxable | T | Export | E |
| Commissions Received | Taxable | T | Not applicable |
| Sale of Farm products as food | GST Free | F | Not applicable |
| Sale of other farm products | Taxable | T | Export | E |
| Subscriptions | Taxable | T | Export | E |

* Overseas - where the supply is to be used/utilised by the customer in Australia it will be a taxable supply.