1. Overview
   1.1 Purpose
   The purpose of this document is to outline the procedures relevant to the provision of student loans and emergency student cash payments.

   1.2 Coverage
   This applies to all University staff involved in the administration and granting of Student Loans.

2. Procedures and Guidelines
   2.1 Purpose of the Loan
   (i) Student loans are granted by the Financial Assistance Service, Student Support Services. Further information is available from the Financial Assistance Service section on the University of Sydney website.

   (ii) Student Loans are available for essential living and study expenses to Australian citizens and permanent residents. Loans are for full-time undergraduate and postgraduate students and in some circumstances, can be available for part-time students. Non-award and Continuing Education students are not eligible for student loans. Loan repayment criteria and guidelines are set out on the loan agreement signed by the applicant.

   (iii) The major loan funds were established with grants from the Commonwealth Government, such as the Sydney Student Loan Fund. There are a number of smaller funds established from private donations and bequests. Most of the funds developed from private donation and bequests are subject to restrictive conditions e.g. they are available only to students from a specific faculty or for a particular purpose.

   (iv) A list of loan funds available to students is detailed in Appendix A at the end of this procedure.

2.2 Issue and Approval of Loans
   2.2.1 Financial Assistance Service, Student Support Services
   (i) The student seeking financial assistance completes a Financial Assistance Application form and is interviewed by a Senior Financial Assistance Officer.
(ii) The Senior Financial Assistance Officer will make a recommendation for the loan and/or bursary assistance, specifying loan repayment dates and the method of payment as negotiated in the interview.

(iii) Student loans must be authorised by a delegated officer as specified in part 6.7 of the Delegations of Authority-Administrative Functions.

(iv) Once approval for the loan has been made and the student has accepted their loan, Financial Assistance Service will provide the following to Order to Cash:
   (a) Loan Data Entry Form;
   (b) Copy of the Loan Agreement, signed by the student and the Senior Financial Assistance Officer or Administrative Assistant, Student Support Services.
   (c) Copy of page 1 of the ‘Application for Financial Assistance’ form, filled out by the student.
   (d) Send the highlighted copy of the Loan Agreement form to Accounts Payable, Procurement Services for processing. Accounts Payable will create a vendor for the student if required and facilitate payment.

2.2.2 Loans Approved by HOS
   (i) Where a loan has been approved from departmental funds by the HOS, the following detail must be provided to Order to Cash:
      (a) Copy of the Loan Agreement, signed by the student and the HOS of the Faculty.
      (b) Copy of page 1 of the ‘Application for Financial Assistance’ form, filled out by the student.

2.2.3 Order to Cash, Financial Control and Treasury
   (i) The Student Loans Administrator is responsible for the entry of student loans, emergency cash payments, loan extensions and bursary offsets to loans in the Accounts Receivable system.
   (ii) Cheques are only produced under special circumstances as they have been replaced by EFT. Should a cheque be drawn then the Cheque number will be entered on the Loan File and the cheque either sent out to the student or held at the University’s Cashier’s Office for collection.

2.3 Issue of Emergency Cash Payments
2.3.1 Emergency Cash Payments of $500 or less paid through University Cashier
   (a) Financial Assistance Service, Student Support Services
      (i) A student seeking emergency cash assistance completes an Application for Financial Assistance and is interviewed by a Senior Financial Assistance Officer.
      (ii) A Student Loan – Emergency Cash Claim Form is prepared by a Senior Financial Assistance Officer, Student Support Services. A copy of the Loan Agreement is attached to the Emergency Claim Form.
      (iii) Emergency cash payments up to a maximum of $500 are approved by the Director, Student Administration and Support.
      (iv) The student takes the Student Loan – Emergency Cash Claim Form personally to the Cashier’s Office located on Level 3, Jane Foss Russell Building, G02 to arrange for urgent payment.
(v) Financial Assistance Services will provide the following to the Student Loans Administrator, Order to Cash:
   (a) Loan Data Entry Form;
   (b) Copy of page 1 of the ‘Financial Assistance Application form, completed by the student.

(b) University Cashier, Order to Cash
   (i) The student must have their student card or other appropriate means of identification to receive the funds
   (ii) The funds are loaded onto the Student Campus Card by the cashier and the student must sign the Student Loan Emergency Cash Claim form acknowledging receipt of the money.
   (iii) The payment is recorded by the cashier in OneStop and charged to the loan account as specified on the Student Loan Emergency Cash Claim form.

2.3.2 Emergency Cash Payments over $500 up to $5,000 paid through Accounts Payable
(a) Financial Assistance Services, Student Support Services
   (i) A student seeking emergency assistance completes an Application for Financial Assistance and is interviewed by a Senior Financial Assistance Officer.
   (ii) A Payment Request Form is prepared by a Senior Financial Assistance Officer, Student Support Services. A copy of the Loan Agreement is attached to the Payment Request Form.
   (iii) Emergency cash payments up to a maximum of $5,000 are approved by the Director, Student Administration and Support.
   (iv) The Senior Financial Assistance Officer sends the Payment Request Form to the Accounts Payable Office located on Level 2 (ground floor), Margaret Telfer Building, K07 to arrange for urgent payment. The payment is processed in the next pay cycle normally via EFT.
   (v) The Financial Assistance Services will provide the following to the Student Loans Administrator, Order to Cash:
       (a) Loan Data Entry Form;
       (b) Copy of page 1 of the ‘Financial Assistance Application form, completed by the student.

2.4 Repayment of the Loan from the Student
   (i) Student Loan statements are sent on a monthly basis by Order to Cash. The student is requested to send the remittance advice at the base of the letter with the payment to the Cashiers Office, Order to Cash for receipting in the Accounts Receivable system.
   (ii) The student can repay the loan by cash, cheque, credit card, money order, bank cheque or on-line web payment via www.epay.usyd.edu.au
   (iii) The Loans Administrator, Order to Cash reviews daily payments made through OneStop receipting to Peoplesoft Accounts Receivable to ensure all payments are accurately applied to the nominated student loan. If worksheets need to be applied, or manually posted, the Loans Administrator builds the worksheets.
2.5. **Inability to Repay**

(i) In the event that a student is unable to repay a student loan by the prescribed due date, they are advised to contact the Financial Assistance Service prior to the due date to apply for a loan extension. If a student fails to advise the Financial Assistance Service of their inability to repay prior to due date they are referred to the Student Loans Administrator who assess the situation and may refer the matter to the Collection Agency which results in the suppression of transcripts.

(ii) The student is required to complete an Application for Extension of Loan Repayment(s) and is interviewed by the Senior Financial Assistance Officer.

(iii) The Senior Financial Assistance Officer will make a recommendation to the Director, Student Administration and Support.

(iv) Once approval for the extension of loan repayment(s) has been made the Financial Assistance Service will provide the following to Order to Cash:

(a) Student Loans Loan Adjustment Data Entry Form.

(b) On receipt of the Adjustment Data Entry Form the Student Loans Administrator will enter the details into the system.

2.5.1 **Repayment of Loan from Bursary Account**

(i) If the student is deemed to be in financial need and meets the criteria for bursary assistance (i.e., a credit average in their results), the Financial Assistance Service can recommend a bursary to be applied to part, or the total sum, of the balance outstanding of the student’s loan.

(ii) Once approval has been made the Financial Assistance Service will provide the following to the Student Loans Administrator, Order to Cash:

(iii) A copy of the letter to the student notifying them that they have been awarded a bursary. On this letter the Financial Assistance Service will note that the bursary will be applied to the student’s loan and the account code from which the funds will come from.

(iv) On receipt of the letter the Loans Administrator shall enter a credit into the system to offset the loan and process a worksheet the following day to apply the credit to the loan.

2.6 **Recovery of Unpaid Loans**

2.6.1 **Current and non current students**

(i) The Financial Assistance Service, Student Support Services may arrange for the suppression of a student’s examination results if a loan account remains overdue for 28 days or more. This is coordinated by the Financial Assistance Service with the Student Centre based on the monthly Aged Analysis Report supplied by the Student Loans Administrator, Order to Cash.

(ii) The Student Loans Administrator coordinates referral of loan debts to the nominated collection agency for recovery. This process is applicable for loans overdue six to eight weeks with no payment arrangement in place.

2.6.2 **Students Discontinued or Withdrawn from Studies**

When a student withdraws or discontinues from studies, the loan instalments are brought forward to a lump sum and the due date is changed to 1 month after the date of withdrawal. The same procedures in 2.6.1 apply to students with overdue loans.
2.7 **Other Responsibilities of Order to Cash**

(i) Process and send out Monthly loan statements to students

(ii) Enter loans, administer extensions, debt recovery and maintain ledger.

(iii) The Student Loans Administrator provides a list of Debtors from the Student Loans Balances Report (Aged Analysis Report) at the end of each accounting month. A copy is sent to the Financial Assistance Service for review and action for suppressing results of students whose loans are overdue.

2.8 **Write-Off of Student Loans**

2.8.1 **Student Support Service**

The Student Loans Administrator will prepare a list of Bad Debts to be written off on a half yearly basis. The list is forwarded to the Director, Student Administration and Support for recommendation to write off of the loan against the Loan account in the General Ledger to Classification 6702. This will effectively reduce the available funds to be lent to other students in need.

2.8.2 A student loan will be written off under the following criteria:-

(i) Where the student fails to make a repayment within a 12 month period towards the loan and all efforts to recover the funds have failed.

(ii) Write off of student loans must be by a delegated officer specified in part 6.9 of the Delegations of Authority-Administrative Functions.

2.8.3 **Order to Cash**

The list of bad debts will be returned to Order to Cash for action as follows:-

(i) The Student Loans Administrator will write off the loan after ensuring approval from the Director, Student Administration and Support, or other delegated officer.

(ii) The Student Loans Administrator will ensure the account number allocated is correct.

(iii) The Student Loans Administrator will prepare a list of the loans to be written off for audit and end of financial year reporting purposes.

2.9 **Display of Student Loans in the University Accounts**

(i) Student loans are displayed in the balance sheet of the University under Current Assets as the loans are usually of a short term nature, i.e. less than 12 months duration.

(ii) Where the loans are for a longer period they will be displayed in the Non-current asset section of the balance sheet, for annual reporting purposes.

(iii) Emergency cash payments to be repaid must be shown as student loans.

2.10 **Reconciliation of Student Loans**

(i) The reconciliation of the Loan Accounts including Clearing Accounts and Suspense Accounts in the finance system is the responsibility of the Student Loans Administrator, Order to Cash. Each loan account in the ledger is supported by AR Aging Analysis report of student loans that must agree to the ledger balance. The reconciliations are to be prepared on a monthly basis and approved by the Manager, Order to Cash. (Other Loan Accounts to be reconciled monthly are detailed in Appendix B at the end of these procedures.)
(ii) All reconciliations are to be provided to the Financial Control and Treasury quarterly, the December one no later than the end of January, as they are required as supporting evidence for the end of year Balance Sheet.

(iii) An Nvision Report “Loans Debtors/General Ledger Reconciliation” is run daily by Financial Systems and must be checked by the Student Loans Administrator. Variances are to be investigated daily and reported to the Manager, Order to Cash.

3. **Internal Controls**

3.1 **Responsibilities/Accountability**

<table>
<thead>
<tr>
<th>Officers</th>
<th>Responsibilities</th>
</tr>
</thead>
</table>
| Director, Student Administration and Support | • Approve student loans and the write off of Bad Debts on student loans up to $10,000  
• Approve emergency student cash payments up to $5,000 |
| Deputy Vice Chancellor (Education) | • Approve student loans and the write off of bad debts on student loans over $10,000 |
| Senior Financial Assistance Officer, Student Support Services | • Interview and appraise students seeking loans and provide recommendations to the Director, Student Support Services. |
| Office of the General Counsel | • For review and legal advice regarding any changes to Loan Agreement. |
| Administrative Officer, Student Support Services | • Preparation of paperwork on student loans for forwarding to Order to Cash. |
| University Cashier, Order to Cash | • Emergency cash payments up to maximum $500  
• Record payment in Onestop |
| Accounts Payable, Procure to Pay | • Emergency cash payments over $500 up to a $5,000  
• Creation of Vendor for the student  
• Enter Voucher details into the Accounts Payable system |
| Disbursement Officer, Procure to Pay | • Produce EFT for student loans and forward EFT remittance advice to the Loans Officer, Order to Cash |
| Student Loans Administrator, Order to Cash | • Maintain Loans Ledger by entering student details, loans and extensions into the Accounts Receivable system.  
• Reconcile the student loans suspense and clearing accounts monthly  
• Issue Monthly Statement  
• Advise Student Support Services of outstanding loans and bad debts to be written off |
| Manager, Order to Cash, Financial Control and Treasury | • Review and approve monthly student loans suspense and clearing account reconciliations  
• Coordinate mid-year and annual account reporting requirements |
4. Related Information

4.1 Resources and weblinks.
   (i) Training Materials

   (ii) References
   • Delegations of Authority-Administrative Functions
     sydney.edu.au/policies/showdoc.aspx?recnum=PD0C2011/72&RendNum=0
   • Finance and Accounting Manual
     sydney.edu.au/finance/about/az
   • Student Services Financial Assistance
     sydney.edu.au/stuserv/financial_assistance_office/

   (iii) Forms
   • Student Loan Emergency Cash Claim Form
   • Payment Request Form
     sydney.edu.au/finance/docs/payment_request.xls

   (iv) Appendices
   • Appendix A: Listing of Loan Accounts that support the issue of loans to students
   • Appendix B: Listing of other Loan Accounts which are Reconciled Monthly by Order to Cash

4.2 University procedures superseded or replaced by this procedure:
   (i) Finance and Accounting Manual
   • Student Loan Procedures – Accounts Receivable: 30 June 2008

5. Contact and Review

5.1 Contact

   Unit: Order to Cash
   Phone: 9351 – 3422
   Fax: 9114 – 0556

5.2 Review

The Chief Financial Officer will approve changes to financial procedures and guidelines and will co-ordinate changes to financial policy, with the Vice-Chancellor delegated to approve University financial and infrastructure policy.

Amendments to forms, schedules and weblinks will be processed by Financial Services. Amendments to the Finance and Accounting Manual procedures and forms are listed on the Financial Services website under:-

• FAM Amendments
• Amendments to Forms

Please forward suggestions and comments on the Finance and Accounting Manual via the Feedback Form.
### Appendix A: Listing of Loan Accounts that support the issue of loans to students

<table>
<thead>
<tr>
<th>Name of Loan Fund</th>
<th>Account Code</th>
<th>PeopleSoft Code ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arthur and Renee George Fund</td>
<td>0104 64561 L0033</td>
<td>03</td>
</tr>
<tr>
<td>Brigitte Oppen Fund</td>
<td>0104 64561 L0037</td>
<td>06</td>
</tr>
<tr>
<td>Clinical Years Bursary Fund</td>
<td>0104 64561 L0039</td>
<td>08</td>
</tr>
<tr>
<td>S H MacCulloch Trust Fund</td>
<td>0104 64561 L0035</td>
<td>05</td>
</tr>
<tr>
<td>Sydney Students Fund</td>
<td>0104 64561 L0032</td>
<td>02</td>
</tr>
<tr>
<td>University Students Assistance Fund</td>
<td>0104 64561 L0038</td>
<td>07</td>
</tr>
</tbody>
</table>

### Appendix B: Listing of other Loan Accounts which are Reconciled Monthly by Order to Cash

<table>
<thead>
<tr>
<th>Name of Loan Fund</th>
<th>Account Code</th>
<th>PeopleSoft Code ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans Salary Deductions Clearing A/C</td>
<td>1246 24406 00000</td>
<td></td>
</tr>
<tr>
<td>Loans Clearing Control A/C</td>
<td>1249 A0001 00000</td>
<td></td>
</tr>
<tr>
<td>Legal Fees</td>
<td>0104 24406 00000 (Charged to Students)</td>
<td></td>
</tr>
<tr>
<td>Legal Costs</td>
<td>6900 24408 00000 (Non Recoverable)</td>
<td></td>
</tr>
</tbody>
</table>