

TRADE DEBTOR PROCEDURES 2017

Issued by: Chief Financial Officer
Dated: 5 December 2017
Last amended: 11 December 2017 (Administrative Amendments Only)
Signature:
Name: Wayne Andrews

1 Purpose and application

- (1) These procedures set out principles for managing:
 - (a) the University's trade debtors recorded in the PeopleSoft finance system; and
 - (b) the trade debtors of specified associated or controlled entities.
- (2) These procedures apply to anyone involved in raising invoices for and collecting:
 - (a) the University's trade debts; or
 - (b) trade debts of any of:
 - (i) the United States Studies Centre Pty Ltd;
 - (ii) the Warren Centre for Advanced Engineering Limited; or
 - (iii) Sydney Talent Pty Ltd.
- (3) These procedures do not apply to student debtors.

Note: Student debtor data is recorded in the University's student management system.

2 Commencement

These procedures commence on 5 December 2017.

3 Interpretation

approver	means a staff member in a faculty, University school or professional service unit who is authorised to approve invoices, and adjustments to invoices, that have been raised in the PeopleSoft finance system.
customer	means a trade debtor set up in the PeopleSoft finance system.
delegate	means a person authorised by the Senate to act on behalf of the University in specified situations, as provided by the University of Sydney (Delegations of Authority – Administrative Functions) Rule 2016

FCT	means Financial Control and Treasury within the University's Finance professional services unit.
requester	means a staff member in a faculty, University school or professional service unit who is authorised to raise invoices, and make adjustments to invoices, in the PeopleSoft finance system.
satellite debtor system	<p>means any of the following, which are approved debtor systems operated outside the PeopleSoft finance system.</p> <ul style="list-style-type: none"> • Animal Information System: used for University veterinary teaching hospitals at Sydney and Camden; • Events Pro: used for Campus Infrastructure Services events, Sydney Law School legal professional development, and Dentistry events; • OnCourse: used for Centre for Continuing Education and Sydney Learning; • StarRez: used for student accommodation at Camperdown/Darlington campus, Camden campus, Cumberland campus, and School of Rural Health; • NAB Asset Servicing: used for investments and unitisation.
student debt	<p>means any amount owed by a student on account of University fees and financial obligations, as that term is defined in the Student Debtor Sanctions Policy 2014. As at the date of this policy this includes but is not limited to:</p> <ul style="list-style-type: none"> • • tuition fees • • student contribution amounts • • overseas student health cover charges • • student loans • • stipend overpayments • • charges for administrative services provided by the University • • charges for internet use and printing • • library debts • • student services and amenities fees
trade debtor	<p>means a person or organisation external to the University who buys goods or services from the University with credit and pays the University at a later date.</p> <p>Note: Internal University transactions are not trade debts.</p>

PART ONE: TRADE DEBTS IN PEOPLESOFT FINANCE SYSTEM

4 General principles

- (1) All services supplied by a trade debtor must be approved by a relevant delegate.

Note: A range of activities are subject to delegations, including but not limited to pricing of services, sales of business activities, research agreements, educational services agreements, clinical services, commissioned research and commercial activities. .

See [University of Sydney \(Delegations of Authority- Administrative Functions\) Rule 2016](#).

- (2) Unless the relevant contract provides to the contrary, a faculty, University school or professional services unit must raise invoices after the goods and services have been provided.
- (3) A faculty, University school or professional services unit must record invoices in Australian dollars in the PeopleSoft Trade Debtor system.
 - (a) For foreign currency invoices in USD, GBP and Euro, details of the foreign currency can be entered in the Trade Debtor system and the system will convert the foreign currency to Australian dollars.
 - (b) For other foreign currency invoices, complete the [Invoice Request form](#) and send it to Billing and Collections, FCT, who will convert the foreign currency to Australian dollars and enter it in the system.
 - (c) The foreign currency is converted to Australian dollars on the day the invoice is issued in the system.
- (4) A faculty, University school or professional services unit must raise invoices for any amount greater than AUD 82.50 (GST inclusive).
 - (a) Lesser amounts can be paid to the University directly.
Note: See the [methods of receipting payments webpage](#) for details of direct payments.
- (5) Standard payment terms for trade debtors are 30 days from either:
 - (a) the invoice date; or
 - (b) any payment date specified in the contract.
- (6) Exceptions to these principles can be approved in appropriate circumstances by either:
 - (a) the Order to Cash Manager; or
 - (b) the Supervisor, Billing and Collections in FCT.

5 Creating and amending customer records

- (1) New customer records and amendments to existing customer records must be established by the relevant requesters and approved by the relevant approvers.
- (2) Requesters are responsible for attaching appropriate documentation to support any customer record creation or amendment.
 - (a) Supporting documentation should include the signed contract and correspondence which includes customer details and their ABN (Australian Business Number).
 - (b) Credit checks are not required unless specifically requested by a requestor or approver. The Billing and Collections team can organise credit checks if necessary.
- (3) All customer creations and amendments must be reviewed and approved by either:
 - (a) the Supervisor, Billing and Collections; or
 - (b) the Billing and Collections Specialist in FCT.

6 Raising an invoice

- (1) **Requesters** are responsible for raising a trade debtor invoice, ensuring that:
 - (a) the appropriate customer is invoiced for the goods and services provided;
 - (b) the appropriate revenue classification codes are used;
 - (c) the appropriate GST codes are applied; and
 - (d) the following documentation is scanned and attached to the invoice raised:
 - (i) contract agreement including the payment schedule;
 - (ii) work papers with details of calculations;
 - (iii) confirmation from the Chief Investigator or appropriate staff member that the deliverable milestones in the contract agreement have been met; and
 - (iv) all relevant correspondence.
- (2) **Approvers** are responsible for reviewing and satisfying themselves that the requester responsibilities specified in clause 6(1) have been correctly discharged before approving the trade debtor invoice.
- (3) All trade debtor invoices must be reviewed and approved by a staff member in Billing and Collections, FCT.
 - (a) In special circumstances recurring invoices may be arranged through Billing and Collections, FCT.
- (4) Trade debtor invoices are generally emailed to the customer through the PeopleSoft Trade Debtor system daily.
 - (a) Billing and Collections, FCT are responsible for the daily correction of any invoice that fails to be sent in the PeopleSoft Trade Debtors system. An exception report is run to identify failure of email delivery and the correct address is entered for the next invoice run.
 - (b) Invoices may be issued on an *ad hoc* basis if necessary.

7 Adjusting an invoice

- (1) Adjustments to invoices can be made by relevant requesters and approved by relevant approvers using the [Credit Note request form](#).

Note: Adjustments to invoices are generally to correct data entry errors, contract changes and calculation changes.
- (2) Requesters cannot approve invoice adjustments.
- (3) The responsibilities specified in clause 6 apply to any such adjustments. In particular, supporting documentation relevant to the changes must be attached to the invoice.
- (4) In some instances, it may be necessary to cancel the original invoice and create a new invoice.

8 Overpayments by customers

- (1) If a customer makes an overpayment, the relevant requester must review the customer's outstanding debt position and:



- (a) apply the overpayment to the oldest outstanding debt; or
 - (b) refund the overpayment to the customer by completing a payment request form which is processed in the accounts payable system.
- (2) Billing and Collections, FCT will write off low value foreign currency exchange rate variations.
- (3) Refunds or write offs of trade debtor overpayments must be approved by the relevant delegate.

9 Trade debtor statements

Billing and Collections, FCT will distribute trade debtor statements to each customer monthly

10 Reconciliation of trade debtors in PeopleSoft

Billing and Collections, FCT are responsible for the trade debtor reconciliation in the PeopleSoft system, including reviewing and correcting:

- (a) transactions that are rejected by the PeopleSoft system and listed in the sundry debtors suspense account (class 1188); and
- (b) errors in the daily finance system report (SUARV158 Trade Debtor/GL reconciliation) which compares the general ledger balance with the trade debtor transaction total.

11 Debt recovery

- (1) Billing and Collections, FCT are responsible for monitoring the aged debtor report.
- (a) Invoices that are unpaid more than 30 days from the due date must be reviewed and emails sent to the customers seeking payment.
 - (i) Emails should generally be issued to customers weekly.
 - (b) Invoices that remain unpaid more than 180 days must be reviewed by Billing and Collections and referred back to the relevant finance manager to:
 - (i) arrange to write off the debt; or
 - (ii) refer the outstanding debt to a debt collection agency, for debts in excess of \$1,000.
- (2) Billing and Collections, FCT are responsible for processing the debt write off or referral to a debt collection agency.
- (a) Write offs must be approved by the relevant delegate.
 - (b) If a debt is written off, a debit charge will be made to the relevant cost centre when the trade debtor invoice is cancelled in the PeopleSoft finance system.
 - (c) If a debt collection agency is retained, its charges will be debited to the relevant cost centre.

PART TWO: SATELLITE DEBTOR SYSTEMS

12 General principles

- (1) The Group Controller, Financial Control and Treasury is responsible for:
 - (a) approving all satellite debtor systems; and
 - (b) arranging for the required financial information to be included in the PeopleSoft finance system on a regular basis.
- (2) All services supplied by a trade debtor must be approved by a relevant delegate.

Note: A range of activities are included in the delegations, including but not limited to pricing of services, sales of business activities, research agreements, educational services agreements, clinical services, commissioned research and commercial activities.
- (3) Standard payment terms for trade debtors are 30 days from either the:
 - (a) invoice date; or
 - (b) payment date specified in the contract.
- (4) The relevant finance manager must undertake or review the satellite debtor reconciliation each quarter and include a provision for doubtful debts if required.
- (5) The relevant finance manager is responsible for debt recovery, including where appropriate:
 - (a) writing off the debt with the approval of the relevant delegate; or
 - (b) referring the debt to a debt collection agency.

13 Rescissions and replacements

This document replaces the Trade Debtors Procedures which commenced on 7 September 2010, which are rescinded as from the date of commencement of this document.

NOTES

Trade Debtor Procedures 2017

Date adopted:	5 December 2017
Date registered:	11 December 2017
Date commenced:	5 December 2017
Administrator:	Director, Financial Control and Treasury
Review date:	5 December 2022
Rescinded documents:	Trade Debtors Procedures

Related documents: University of Sydney (Delegations of Authority – Administrative Functions) Rule 2016

AMENDMENT HISTORY

Provision	Amendment	Commencing
Notes	Administrative Amendment	11 December 2017