

Non-Student Fee Debt Management Policy

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| **POLICY TITLE** | Trade Debt Policy |
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| **APPROVING BODY** | Management Board |
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| **RELATED POLICIES / PROCEDURES / GUIDANCE** | Student Fee & Debt Management Policy 2022 |
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| **POLICY OWNER (JOB TITLE)** | Chief Officer (Resources) |
| **UNIT / SERVICE** | Finance |
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| **VERSION** | **DATE** | **REASON FOR CHANGE** |
| 1.0 | February 2015 | First Version |
| 2.0 | September 2018 | Periodic Review |
| 3.0 | March 2022 | Periodic Review |

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# **Introduction**

## Purpose

### This policy relates to all income, with the exception of student fees and accommodation charges, which is owed to the University and its subsidiary companies.

## Scope

### The policy covers trade debtors of the University and its subsidiaries. It also covers non fee related charges owed to the University by its students. A separate policy covers Student Fees and Debt Management.

### This policy applies to those owing money to the University and all budget holders and staff must comply with its guidance.

## Definitions

### Debtor – an individual or organisation owing money to the University for services or goods received

### Charges – payments raised to students/others for goods or services. This excludes tuition fees or accommodation charges.

### SRF – Sales Requisition Forms. These forms are completed by schools and departments, authorised by budget holders and submitted to the Finance Department as a request to raise an invoice.

### Contract – an agreement between the University and customer to provide goods or services. These should be agreed in accordance with the University’s financial regulations.

### Due Diligence– a check of the financial viability of new customers

# **Trade Debt**

## Invoicing for Trade activity is ordinarily undertaken by the Finance Department. With the following exceptions; PDR, Conferencing and School of Health Sciences.

## Schools and Departments are advised to undertake due diligence checks for new customers as a part of the contract agreement process.

## Unless the contract states otherwise, sales requisitions should not be raised until the contracted work has been completed.

## Sales Requisitions should be completed by Department/School and sent through to Finance to be processed on the University Finance System. The Customer is created (if not already on system) with default 30-day credit terms. Invoices will be raised immediately the sales requisition is processed.

## Monies due to the University from trade debtors shall be requested only on invoices approved by the Finance Department

## The basis for all fees, charges and rents are set annually and budget holders must ensure that invoices are raised in accordance with these rates.

## VAT must where appropriate be included on the invoice. Where there is doubt about the rate to be applied then Finance Department advice should be sought.

## Any changes to the original charge (e.g., Credit) must be communicated by Amendment/ Cancellation form directly to the Finance Department.

# **Non-Academic Related Student Charges**

## The individual School/ Department will determine when and how a charge is payable and will manage all follow-up correspondence with the debtor.

## No ‘in-year’ debtor sanctions will apply to students for charges raised and the University will not restrict academic progression or the production of any Certificate/ Transcript.

## If the charge remains outstanding once the enrolment period has expired, the debt will be referred to an external collection agency for further action. Any costs associated with this referral will be added to the balance payable.

## Notification will be sent to the registered correspondence address prior to this action taking place.

## Admission/ Enrolment to a new programme of study may be refused if financial liability has not been settled.

# **Credit Control**

## If an invoice remains unpaid after the standard 30-day credit term, a Statement with covering letter is sent to the customer by way of reminder.

## If after 60 days the invoice is still outstanding, a Final Notice will be sent to the customer requesting immediate payment. This will be followed up by a telephone call/email (if details available).

## If the charge remains outstanding after 91 days, the Department/School requesting the initial invoice will be consulted on referring this debt to one of our external collection agencies for further action. The above action can be placed on hold at the request of the School/ Unit, but Finance must receive regular communication about the status of the debt.

## Invoices raised to ‘partner’ institutions at the request of Global Engagement (GE) and the Schools will not be subject to standard credit control procedures. All liaisons will be managed by GE and the Schools, Finance will only raise and credit invoices at their request and will report on ‘current’ debt status.

# **Roles and Responsibilities**

## This policy applies to;

#### All trade debtors and all non-fee and non-accommodation charges raised to students.

#### Oversight of the policy rests with the Chief Office (Resources).

#### This policy is reviewed and monitored at Management Board.

#### Key questions on this policy should be addressed to the Head of Exchequer.

# **Related Policies and Procedures**

## This policy should be read in conjunction with the Student Fees & Debt Management Policy

# **Review and Approval**

## This policy is reviewed and approved by Management Board every 3 years