Outstanding General Debtors Policy

INTRODUCTION

The University is committed to the effective management and recovery of outstanding debts, whilst maintaining a fair, consistent and accountable approach to quality service. The Office of Financial Services is responsible for debtor risk management. Outstanding debts will be reviewed on a regular basis by Accounts Receivable to determine the most appropriate debt recovery action in accordance with the Outstanding General Debtors Procedures, which outlines the timely and efficient administration of outstanding general debtors.

STATEMENT OF AUTHORITY

The authority behind this policy is the Charles Darwin University Act 2003 part 3, section 15.

COMPLIANCE

This is a compliance requirement under the Charles Darwin University Act 2003 part 8, section 33.

INTENT

The document provides a consistent approach and standard to the University’s debt management and collection decisions for outstanding general debtors.

RELEVANT DEFINITIONS

In the context of this document

Authorised Officer (also referred to as Account Coordinator) means the person who is responsible for the account or signed a contract for goods and services on behalf of the University;

Accounts Receivable means the Ledgers/Accounts Receivable staff members responsible for raising invoices in the Oracle system, contacting debtors for overdue debts and authorised officer in relation to outstanding debtor follow up;

Bad Debt Write-Off means those debts where all avenues for recovery have been completely exhausted and the outstanding debts are considered not recoverable;

Credit means the provision of goods and services to customers before payment;

Debt Recovery means to collect or recover monies owed to the University by a debtor. Such action may include engagement of a debt collection agency to act on the University’s behalf;

Debtor means an individual, business or organisation that has an outstanding invoice to the University following the provision of goods and services;

Doubtful Debt means those debts where the potential for the non-payment of an invoice exists. When there is no longer any doubt that a debt is uncollectible, the debt becomes classified as a bad debt and can be written off; and
**Outstanding or overdue invoices** means invoices for the sale of goods and services on credit that have not yet been paid in accordance with the University’s standard credit arrangements.

**POLICY**

**Principles**

In order to minimise risk to the University, the Office of Financial Services will apply the following principles in the management and recovery of general debtors:

- Operate an effective invoicing and debt collection process that is simple to administer and cost effective;
- Minimise the amount of outstanding debt and recover monies owed in a timely and efficient manner;
- Issue statements to debtors on a monthly basis;
- Follow up on overdue accounts with phone calls to debtors;
- Explain to the debtor the rights and obligations in relation to any action that the University may take to recover the outstanding monies; and
- Ensure equity is applied to debtors.

**Credit Terms**

The University’s standard credit arrangement with debtors is that payments are due within thirty (30) days of the invoice date.

**Record of Debt Recovery Action**

The University will maintain full and accurate records of all recovery actions and communications with debtors of outstanding invoices.

**External Debt Collection**

The University may use an external debt collection agency to recover outstanding payments from debtors.

**Doubtful Debts Provision and Bad Debt Write-Off**

The Office of Financial Services will provide for doubtful debts where the invoice is still outstanding. The Office of Financial Services will exhaust all avenues for debt recovery of outstanding invoices prior to making recommendations for the debt to be written-off.

**ESSENTIAL SUPPORTING INFORMATION**

**Internal**

[Outstanding General Debtors Procedures](#)
### Document History and Version Control

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<thead>
<tr>
<th>Version</th>
<th>Date Approved</th>
<th>Approved by</th>
<th>Brief Description</th>
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<tr>
<td>1.00</td>
<td>12 Jun 2013</td>
<td>Vice-Chancellor</td>
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<td>• Amended the Sponsor from Vice-Chancellor to Chief Financial Officer</td>
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