

1.0 POLICY STATEMENT

- 1.1 MacEwan University (the “University”) shall monitor and collect outstanding account receivables in an environment of fiscal stewardship, best practice and compliance.

2.0 PURPOSE

- 2.1 To establish consistency for the extension of credit to customers of the University, minimize the cost of collecting accounts receivable and maximize the University’s cash flow.

3.0 APPLICABILITY

- 3.1 This Policy applies to all transactions that deal with monies owed to the University, specifically Student Accounts Receivable and Trade Accounts Receivable.

4.0 DEFINITIONS**Accounts Receivable**

All monies owed to the University for goods or services received, including both Student Accounts Receivable and Trade Accounts Receivable.

Allowance for Doubtful Accounts

An estimated calculation of the amount of Accounts Receivable deemed uncollectible.

Customer

Anyone purchasing goods or services from the University, including students.

Financial Services

The division of Finance responsible for financial accounting and reporting.

Net 30

Full payment is due in 30 days from date of the invoice or service. Interest is charged on the overdue amount that is unpaid after the published payment deadline or the date on the invoice.

Overdue Account

A Student or Trade Accounts Receivable customer account that is not paid by the payment deadline.

Student Accounts Receivable

All receivables due from students for tuition and all other student fees as approved by the Board of Governors and the Students’ Association of MacEwan University.

Trade Accounts Receivable

All receivables due from Customers for merchandise sold or services rendered, excluding student tuition and all other student fees as approved by the Board of Governors and the Students’ Association of MacEwan University.

Uncollectible Account

The overdue portion of monies owed to the University which it does not expect to collect from a Customer.

5.0 POLICY ELEMENTS

5.1 Responsibilities

5.1.1 The Office of the University Registrar is responsible for:

- 5.1.1.1 Assessing students' tuition and all other student fees approved by the Board of Governors and the Students' Association of MacEwan University;
- 5.1.1.2 Publishing the date for fee payment deadlines in the Academic Schedule, in consultation with Financial Services;
- 5.1.1.3 Suspending student privileges for any overdue Student Accounts Receivable; and
- 5.1.1.4 Support Financial Services with collection efforts prior to an Account Receivable being deemed an Uncollectible Account.

5.1.2 Financial Services is responsible for:

- 5.1.2.1 Collection of all receivables, timely bank deposits, Allowance for Doubtful Accounts, past due notifications, updating payment service indicators, and third-party collection agency efforts;
- 5.1.2.2 The calculation and administering of the Allowance for Doubtful Accounts,
- 5.1.2.3 Forwarding overdue Accounts Receivable to collection agencies; and
- 5.1.2.4 Setting up, tracking and maintaining all payment plan arrangements.

5.1.3 Departments that generate revenue are responsible for administrative aspects of revenue generation, including:

- 5.1.3.1 Preparation of invoices; and
- 5.1.3.2 Approval of invoices.

5.2 Accounts Receivable

- 5.2.1 Payment terms for Student Accounts Receivable are outlined by the Academic Schedule.
- 5.2.2 Payment terms for Trade Accounts Receivable are Net 30 unless otherwise stated on the invoice or in the applicable contract.
- 5.2.3 Where permitted by law, contract, or policy, refunds will first be used to reduce or eliminate any outstanding amounts owed by that Customer to the University.
- 5.2.4 Where permitted, University scholarships and bursaries awarded to students will be used to reduce or eliminate any outstanding amounts owed by that student to the University.

5.3 Overdue Accounts Receivable

5.3.1 Financial Services will levy a charge on unpaid balances monthly in accordance with the following:

- 5.3.1.1 Overdue Student Accounts Receivable are subject to interest charged at one percent per month (1% per month); and
- 5.3.1.2 Overdue Trade Accounts Receivable are subject to interest charged at one percent per month (1% per month), unless otherwise stated on the invoice or in the applicable contract.

5.3.2 Financial Services may, at its sole discretion:

- 5.3.2.1 Assess or reverse the interest charges in exceptional situations,

5.3.2.2 Deem an Account Receivable as an Uncollectible Account.

5.3.3 Financial Services may, at its sole discretion, forward and report Uncollectible Accounts to collection agencies to recover the debt. The Uncollectible Account will be assigned to the collection agencies no earlier than 120 days from the end of the specified term.

5.3.4 Financial Services may, at its sole discretion, extend payment terms through a payment plan arrangement with the Customer, subject to:

5.3.4.1 Clear, written documentation; and

5.3.4.2 Signed agreement by the Customer.

5.3.5 The Office of the University Registrar may suspend student privileges for overdue Student Accounts Receivable in accordance with relevant policy (Assessment and Payment of Tuition and Student Fees Policy).

5.4 Applicable Principles and Standards

5.4.1 The University shall adhere to Canadian public-sector accounting standards in recording, valuing and writing-off of Accounts Receivable.

5.4.2 The following principles provide guidance for the management of Accounts Receivable:

5.4.2.1 Prudent risk management practices and management decisions support the collecting of monies and granting credit; and

5.4.2.2 Decisions to grant credit will be a function of services rendered; capacity for payment; credit worthiness; past payment history; dollar value; terms of transactions; and/or references.

6.0 RELATED POLICIES, FORMS, AND OTHER DOCUMENTS

- Financial Management
- Assessment and Payment of Tuition and Student Fees
- Refunds of Tuition and Student Fees

References and Acknowledgements:

University of Regina, Public Sector Accounting Standards section 1000 – Financial Statement Concepts, and section 1201 – Financial Statement Presentation

7.0 ACCOUNTABILITY

Policy Sponsor

Vice President Resources and People

Office of Administrative Responsibility

Chief Financial Officer

Approval Authority

Board of Governors

8.0 HISTORY**Relevant Dates**

Approved:	18.12.13
Effective:	18.12.13
Next Review:	23.12

Modification History

81.10.22:	D3025 Accounts Receivable – Students approved by Board Motion 14-5-81/82.
87.09.15:	Editorial revisions approved by Executive Officers' Committee.
97.10.07:	Editorial revisions approved by President's Council.
03.02.01:	Titles and format updated – “Director of Financial Affairs” changed to “Chief Financial Officer”, “Director of Students Services” changed to “Executive Director of Student Services”, and “Vice President, Operations” changed to “Vice President, Resources”.
10.02.18:	This policy replaces D3025 approved by Board Motion 01-02-18-2009/10.
18.12.13:	Revised to establish an interest charge on overdue Accounts Receivable. Approved by Board Motion 02-12-13-2018/19.