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PART 3 REVENUE

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3.1 General Policy

Revenue of the University consists of "inflows or other enhancements or savings in outflows of economic benefits or service potential in the form of increases in assets or reductions in liabilities of the University, other than those relating to contributions by owners, that result in an increase in equity during the reporting period".

Revenue management of the university should be in accordance with Part 3 Division 2 of the *Financial Management Standard 1997*.

All gains of the University that qualify as revenue according to Australian Accounting Standards and Statements of Accounting Concepts are to be promptly brought to account.

Revenue of the University is to be safeguarded from loss and not to be foregone, waived, remitted or written off except where authorised in accordance with the current University Schedule of Financial Delegations.

Managers shall be responsible for the prompt recognition and recording of revenue in the University financial systems in a manner which allows the reporting objectives and accountability requirements to be achieved.

3.2 Revenue Generation

Managers are encouraged where possible to be pro-active in attempts to raise revenue for the University.

Both the manager suggesting the initiative and the respective divisional manager shall take into consideration the following issues when deciding to introduce a revenue generation program:

(a) the costs and risks associated with generating the revenue;

(b) the ability of the manager to institute the controls required to protect the monies once collected (refer to section 2.3.1 of this manual);

(c) the expected margin to be generated from the activity (higher margin activities are preferred to lower margin activities);

(d) the potential impact of raising a charge or a fee for a service that is currently provided free of charge to the users;

(e) the potential impact that the proposed initiative may have on the core programs of the manager's area of control;

3.2.1 Responsibilities

(a) the manager shall be responsible for:

  (i) undertaking the preliminary investigations which include, the determination of the operational issues associated with the proposal, the price to be charged, an investigation of the impact on the internal and external environments;

  (ii) ensuring that the introduction of the program does not in any way jeopardise or divert resources away from the core programs to be performed by the area (managers must be aware that their key responsibilities lie in the successful completion of the programs delegated to the managers' area of control);

(b) the divisional manager shall be responsible for approving the proposed revenue generation initiatives.

3.3 Identification of Revenue

The University has adopted the accrual method of accounting, thus all revenue earned by the University shall be promptly identified and recorded in the financial systems as revenue, even though payment, may not as yet have been received by the University.

The University of Southern Queensland is capable of receiving during the normal course of operations the following classes of revenue:

Commonwealth Grants
Higher Education Contribution Scheme
Queensland Government Grants
Private Grants and Donations
Full Fee Paying Students
Continuing Education
Other Fees and Charges
Investment Income
Sales
Other Income

3.3.1 Responsibilities

(a) the Group Manager, Finance and Facilities shall be responsible for:

(i) ensuring Financial Services Department staff are trained to identify the various types of revenues earned by the University;

(ii) the establishment of procedures and financial systems that are conducive to the timely collection of debts on or before the due date and records revenue in the financial system against the correct ledger accounts and against the correct debtors.

(iii) ensuring that all grant revenue recorded in the financial systems is reconciled to the grants actually received. Any inconsistencies between the grant schedules provided by the granting body and the grants actually received shall require immediate action;

(iv) ensuring all interest received on invested University funds is identified promptly in the bank reconciliation process and recorded in the financial systems promptly;

(v) ensuring the University Chart of Accounts is designed to clearly identify the various types of revenue of the University;

(vi) ensuring invoices are raised (where required) based on the assessments generated by the respective area of the University.

(b) all University managers are responsible for ensuring that all revenue earned by their area of control is recorded promptly in the financial systems by issuing an assessment notice.

3.4 Assessment

Managers are responsible for ensuring that revenue is promptly recorded in the financial systems, this is to be accomplished through raising the appropriate assessment in the financial systems.

3.4.1 Revenue in Respect of Student Activities

It shall be the responsibility of the Academic Registrar to ensure that fees and charges in respect of students' activities are assessed, in accordance with the schedule of fees and charges adopted by the University for these students.

Part 6 of the Manual of Financial Procedures and Information details the procedure for Non Standard Fee Assessment and Distribution.

It shall be the responsibility of the Director, Office of Preparatory and Continuing Studies to ensure that fees and charges in respect of students' activities are assessed, in accordance with the schedule of fees and charges adopted by the University for these students.

3.4.2 Revenue in Respect of Grants, Bequests, Donations etc

In these cases assessments will generally not be required. Managers shall ensure sufficient information is provided to the Group Manager , Finance and Facilities who shall then arrange for the revenue to be promptly recorded in the financial systems.

3.4.3 Revenue in Respect of Other Activities, eg Business Operations, Student Loans, etc

It shall be the responsibility of the manager in control of the respective area to ensure an assessment is raised promptly. In generating an assessment managers shall ensure operational procedures result in the revenue being clearly identified to the original source of that revenue.

Revenue which is recorded in the financial systems before payment is received shall also be recorded as a debtor in the University accounts receivable system.

Commercial activities and other activities of the University that result in cash sales and payments, shall not require the raising of an official assessment. The Group Manager, Finance and Facilities shall ensure procedures exist that result in the recognition of the payments received as revenue for the respective area of the University.

3.4.4 Debtors Assessment Notices

University Assessment Notices shall be raised as a means of recognising University revenue. It is the responsibility of the department manager to ensure procedures are established that result in all revenue of the University being recognised in the University Financial Systems in a prompt manner (refer 3.1 of the University Financial Management Practice Manual).

(a) Recognition:

As the University operates its accounting systems under the accrual system of accounting all revenue earned by the University shall be promptly identified and recorded in the financial systems as revenue, even though payment, may not as yet have been received by the University.

(b) Authorisation:

In the preparation of the Assessment Notice the cost centre manager shall ensure that all the details required on the Assessment Notice have been completed.

The preparer shall ensure the Assessment Notice contains sufficient details for raising the assessment. In addition the preparer shall be able to refer to original documentation to verify the generation of the assessment notice.

The Assessment Notice shall be authorised by an officer of the cost centre raising the assessment.

Under no circumstances will the preparer and the authoriser of the Assessment Notice be the same person.

All Assessment Notices shall be sent to the Financial Services Department for processing. Any Assessment Notice that has not been correctly authorised as described above shall be returned to the originating cost centre for such authorisation to be obtained.

3.5 Internal Controls

3.5.1 General Requirements

Managers are responsible for ensuring internal controls are established for the protection, recording and banking of collections received by the University.

Managers shall ensure the local controls are documented and all officers involved in the process are trained to meet the requirements and possess the skills required to perform their duties in a manner that is conducive to the safeguarding of University collections.

Managers are required to regularly review the internal controls and procedures adopted to ensure their continued adequacy.

3.5.2 Financial Services Department

The Group Maager, Finance and Facilities shall ensure that operating procedures and internal control procedures exist within the Financial Services Department to ensure the accuracy of revenue data processed and to prevent the occurrence of fraud.

The operational procedures instituted shall be documented and explained to all Financial Services Department employees, involved in the revenue identification, collection and recording processes.

The internal controls and procedures adopted by the Financial Services Department are to be reviewed by the Group Manager, Finance and Facilities to ensure their continued adequacy.

The internal controls adopted shall include the following:

(a) a monthly reconciliation of the University bank account, which is to be verified by a senior officer of the Financial Services Department;

(b) procedures to ensure the prompt clearance and review of all suspense accounts, including:

    (i) the preparation of quarterly reports detailing all items in suspense accounts, with additional reports for all items in excess of three months and all items in excess of six months;

(ii) the review of this report by a senior officer of the Financial Services Department; and

(iii) the recording of any action required in respect to items and the consequent following up of such actions.

(c) separation of duties within the Financial Services Department;

(d) verification that all University grants and repayments of investments and associated interest receivable on a set date, are in fact received and procedures exist to notify higher officers in the Financial Services Department if the amounts due are not received into the University bank account, on their due dates for payment;

(e) procedures instituted so as to:

(i) investigate all outstanding accounts of the University without delay and ensure that appropriate action is taken where required, so as to recover all amounts owed to the University;

(ii) undertake a monthly review of all debtor accounts, to ensure adequate follow up is occurring;

(f) quarterly reports to be generated of all debtors with outstanding amounts, in addition supplementary reports are to be generated that are aged to identify debtors:

(i) that are less than three months old;

(ii) that are between three months and six months old;

(iii) that are greater than six months old.

(g) the write-off of debts shall occur as detailed in the current University Schedule of Financial Delegations of Authority;

(h) a quarterly report detailing all those amounts considered to be irrecoverable and for which a provision for doubtful debts should be made is to be presented to the Group Manager, Finance and Facilities for approval;

(i) the maintenance of an accountable forms register:

(i) which details the location of accountable forms and the responsible officers in charge of a series of accountable forms;

(ii) which ensures the accountable officer responsible for the accountable forms sign the register confirming their acceptance of responsibility for the accountable forms;

(j) procedures over the refund of monies so that:

(i) all refunds are approved by the Group Manager, Finance and Facilities;

(ii) refunds are only approved upon obtaining satisfactory evidence and authorisation from the originating cost centre verifying the payment of the refund.

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