# Revenue and Receipting Procedures

## Associated Policy

These Procedures have been developed in conjunction with the *Revenue and Receipting Policy.*

## Concept

These Procedures address the management of all accounts receivable debts to CIT other than student fees and is administered through the ACT Oracle Government Financials System (also known as ACT ORACLE GOVERNMENT FINANCIALS SYSTEM).

## Contents

### Raising Invoices

*External*

To produce an invoice in the Accounts Receivable (AR) module:
- Access the Shared Services website and follow this path: Home>Finance>select "Raise an invoice".
- Relevant supporting documentation should be attached to the form. E.g., Contract, grant, agreement or proposal documentation, email from the requesting director or BSM; If it relates to students or participants for a certain commercial course CIT is providing, a list of attendees may also be attached.
- The appropriate fields must be completed and the request forwarded within the system for approval by the relevant authorising officer (Delegation 4.01). ***It is important that the correct delegate be selected at this point.*** Once approved, the request is automatically sent to Shared Services Accounts Receivable for entering into ACT Oracle Government Financials System.
- The AR invoice is forwarded to the supplier by Shared Services.
- The Request form and invoice are filed for future reference and audit trail purposes by Shared Services.

*Internal*

Intra-Institute debts between Colleges or Divisions must always be managed by raising a journal.

The journal transaction must:
- Use the internal trading code 99.
- Dr the relevant expense account in the college or division cost centre receiving the service or good.
- Cr the relevant revenue account in the college or division cost centre providing the service or good.
- The journal is to be approved before posting.

## Sale of Products or Service Income, including CIT Retail Operations

Most product/service sales will involve an immediate payment and in many situations, this will be via EFTPOS. However, for the hire of equipment, facilities (refer to the CIT Facility Hire Procedure) and other commercial activities, an invoice should be raised, and the following applies:
As soon as a service or product is provided which will result in revenue to CIT, the relevant Business Support Officer must be advised so that an invoice can be raised (refer to Raising Invoices above).

## CIT goods and services provided to CIT Solutions Pty Ltd

An invoice must be raised (refer to Raising Invoices above) for moneys owed by CIT Solutions.
- Where the invoice relates to recovery of wages, the invoiced amount must include the associated salary on-costs (employer superannuation, long service leave and workers compensation) as well as the non-salary corporate on-cost charge.
- Invoices for services provided to CIT Solutions should always be credited to the natural account, Revenue from CIT Solutions 821908 and fund code, CIT Solutions Recoveries 5040.
- For overpayments CIT Solutions should invoice the relevant College or Division for the amount to be recovered, and must not offset such amounts from other invoices.

## GST Compliance

Business Support Officers are to ensure invoices raised comply with Australian Tax Office (ATO) Legislation and Rulings on GST. Business Support Officers must ensure the correct tax codes (Refer to Goods & Services Tax (GST) Procedures) are utilised when generating invoices in ACT Oracle Government Financials System. Refer to the following link for example invoices:
https://www.ato.gov.au/business/gst/issuing-tax-invoices/.

## Payment Options

Customers with ACT Oracle Government Financials System invoices are to make payments via EFT (subject to the provision of an acceptable remittance advice).

### Refunds
A credit balance will be refunded in instances such as:
- overpayment of an invoice;
- duplication of payment for an invoice; or
- where a service or facility provided by CIT has been cancelled after payment of the invoice.

An overpayment resulting in a credit balance to customer's account, which **cannot** be offset against any future invoice activity against that account, may be refunded to the customer.

- The transaction is to be processed in both the Accounts Receivable Module and the Accounts Payable Module.
- An Accounts Payable Invoice Cover Sheet, (available on Shared Services Customer Service Portal – use search function) must be prepared by the Business Support Officer outlining the case for refund.
- The claim is to follow the procedures as outlined in the Procurement Procedures.

## Amend/Cancel an invoice

In the instance where an invoice has been raised in error or issued for an incorrect amount and the customer has not yet paid the invoice:

- A credit note may need to be raised against a debtor's account.
- Access the Shared Services website and follow this path: Home>Finance>select "Amend/cancel an invoice". The appropriate fields must be completed, and the request forwarded within the system for approval by the relevant authorising officer (Delegation 4.01). Once approved, the request is automatically sent to Shared Services Accounts Receivable for entering into the ACT Oracle Government Financials System with supporting document attached where relevant.
- This process **cannot** be used to write off a debt, see the section below on handling unpaid accounts.

In the instance where the customer has already paid the invoice raised in error or issued for an incorrect amount:

- A refund is to be provided.
- An AP Invoice Cover Sheet must be submitted (refer to Procurement Procedures) with a copy of the AR Credit Adjustment Note form attached.
- Payment of the refund must be a debit to the income code against which it was originally receipted.

## Unpaid Accounts

- A monthly debtors report is to be provided to Business Support to facilitate follow-up of outstanding debts.
- A report of debtor's over 90 days due is to be included in the monthly Executive Financial Report.
- If a debtors account remains unpaid after the due date (30 days from date of issue of the invoice), CIT Corporate Services Business Support is responsible for pursuing the debt.
- Correspondence and evidence of follow-up efforts (e.g. dates of telephone calls) are to be forwarded to CIT Corporate Finance monthly.
- If debt still remains unpaid for greater than 90 days past invoice due date, an assessment is made as to its recoverability and documentary evidence is to be maintained.
- Debts over 90 days are provided for in a monthly provision for doubtful debts.
- Debts over 90 days without extenuating circumstances are handed over to the Debt Collection Agency where economical to do so or;
- If an account remains unpaid after all reasonable efforts have been exhausted or it is not economical to pursue the debt further then, a written request to write the bad debt off is to be sent to Finance, CIT Corporate Services. The bad debt write-off is authorised by the Director, CIT Corporate Services and sent to Shared Services for processing.
- All requests for collection agency action must be directed to the Finance, CIT Corporate Services.

- If the Debt Collectors are unsuccessful in their pursuit of the debt CIT may seek advice to purse the debt through the legal system.

## Receiving and Receipting Payments

This section encompasses the responsibilities of the various appointed officers when receiving money on behalf of CIT. When another officer is taking over any of these appointed responsibilities an official handover/takeover must take place.

### Receipting Officers
- Receipting Officers are to be appointed as per the CIT Financial Delegations Manual.
- Receipting Officers are responsible for collecting funds on behalf of CIT and paying those collections to CIT Corporate Services for banking.
- Official receipts, either from a cash register or handwritten from a receipt book, must be issued for all funds collected on behalf of CIT.
- Where the payment relates to an ACT ORACLE GOVERNMENT FINANCIALS SYSTEM invoice, receipts are issued on request by Shared Services.
- Where the payment relates to a Banner invoice, the receipt must be recorded in the Banner system. Refer to Student Fees Policy and Procedures.

### Receipting Payments – Cash
- All cash received must be secured until it is paid in to CIT Corporate Services and banked.
- Any short term cash float that is required must be obtained from CIT Corporate Services and repaid when the need for the float has passed.

### Receipting Payments – Cheques
The CIT receipt number and payer details (including CIT student number where appropriate) must be recorded on the reverse of the cheque prior to being secured for deposit with CIT Corporate Services. If a cheque is later dishonoured then the following must be performed:
- Repayment should be sought within 7 business days by a method other than another personal cheque (bank cheques are acceptable). A new receipt is not issued as the original receipt is still held by the payer.
- Any bank fees incurred by CIT should be passed onto the payer (an invoice can be raised in the Accounts Receivable module if required). A new receipt is to be issued for this amount only. Until these fees are paid in full, the debtor is subject to the same sanctions as any other person with outstanding debts to CIT.
- The rebanked amount including bank fees must be recorded on a separate balance sheet and paid into CIT Corporate Services immediately.

### Receipting Payments – Debit and Credit Cards
Process the transaction as per the EFTPOS terminal instructions provided with each terminal. Secure CIT copy of the printout to the official receipt for later attachment to the Receipting Officer's Balance Sheet.

### Depositing Collections with CIT Corporate Services
- Collections are to be paid into CIT Corporate Services without deduction.
- Under no circumstances are collections to be used for expenditure purposes.
- Collections must be paid to CIT Corporate Services every five (5) working days or when collections reach $500, whichever comes first.

- All collections must be secured in a safe until they are deposited with CIT Corporate Services and banked.
- All deposits with the CIT Corporate Services must be accompanied by a completed Receipting Officer's Balance Sheet (available on SIS).
- All sections of the Balance Sheet must be completed and supporting documentation attached.
- The total funds being deposited should balance to the total of the accompanying receipts. Any discrepancy between the two amounts must be accompanied by a Collection Discrepancy Report (available on SIS).
- All balance sheets must also be checked by an authorised Checking Officer prior to being taken to CIT Corporate Services.

## Checking Officers

It is the Checking Officer's responsibility to ensure that Balance Sheets are filled out correctly.

- Before a Receipting Officer's Balance Sheet is taken to the CIT Corporate Services completed for banking they must be checked and authorised by a delegated Checking Officer.
- Monthly spot checks of any advances, change floats and collections held by, Receipting Officers and Petty Cash Holders must be carried out by CIT Corporate Finance.

## Processing Debit and Credit Card Transactions EFTPOS (Electronic Funds Transfer at Point of Sale) Transactions

- Only one Receipting Officer is permitted to operate an EFTPOS unit at any one time. Before commencing your session on the EFTPOS terminal ensure the previous user has completed a Cumulative Totals report which must be attached to the Balance Sheet.
- EFTPOS PIN numbers must be changed regularly to ensure that CIT approved settings, refund limits in particular, are maintained.
- For information on how to use the EFTPOS terminal refer to EFTPOS terminal instructions provided with each terminal.
- In the case of a card transaction, wait for the EFTPOS printed voucher; circle the 'Approved' status on the printed voucher. Give the payer the top copy of the voucher and their official CIT receipt. Retain the duplicate copy for your balance sheet.
- At close of business each day, the day's transactions must be totalled electronically. The Settlement Total is to be attached to a balance sheet and sent to Corporate Finance.

## Recipient Created Tax Invoice (RCTI) Checklist

| RECIPIENT CREATED TAX INVOICE (RCTI) REQUIREMENTS | | |
|---|---|---|
| **Requirements** *(Note this checklist is to be used by registered government related entities as defined in GST Ruling 2000/10: Goods and Services Tax: Recipient created invoices)* | **Tax Invoice < $1,000 (GST incl.)** | **Tax Invoice >= $1,000 (GST incl.)** |
| • Supplier and recipient registered for GST at time invoice is issued | ✓ | ✓ |
| • Original or copy of RCTI issued to the supplier within 28 days of making the taxable supply | ✓ | ✓ |
| • Adjustments made to an already issued RCTI also issued to the supplier within 28 days of making the adjustment | ✓ | ✓ |
| • At the time of making any RCTI, the recipient and the supplier must have a current and effective agreement specifying the supplies to which it relates, agreeing that:<br><br>• the recipient can issue tax invoices in respect of the supplies;<br>• the supplier will not issue tax invoices in respect of the supplies;<br>• the supplier acknowledges that it is registered for GST when it enters into the agreement and that it will notify the recipient if it ceases to be registered; and<br>• the recipient acknowledges that it is registered when it enters into the agreement and that it will notify the supplier if it ceases to be registered for GST. | ✓ | ✓ |
| • "Recipient Created Tax Invoice" stated prominently | ✓ | ✓ |
| • Name or Trading name of the supplier | ✓ | ✓ |
| • ABN of Supplier | ✓ | ✓ |
| • Name or Trading Name of the recipient | Not required | ✓ |
| • ABN of recipient | ✓ | ✓ |
| • Date of issue | ✓ | ✓ |

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|---|---|---|
| • Brief description of each item supplied | ✓ | ✓ |
| • For each description of the item supplied the quantity of the goods or the extent of the services supplied | Not required | ✓ |
| • The GST inclusive price of the taxable supply | ✓ | ✓ |
| • If GST payable = 1/11th of total price either:<br>• Statement like "Total price includes GST";<br>OR<br>• The total amount of GST | ✓ | ✓ |
| • If GST payable < 1/11th of total price:<br>• The amount payable, excluding GST;<br>AND<br>• The total amount of GST | ✓ | ✓ |