

PROCEDURE:	MANAGEMENT OF BAD DEBTS
NVR Ref:	Standard 7
MCC Ref:	MCC-3-M 1
Action/Method	<p>Debt Recovery - Client Fees</p> <p>The Institute is advised of outstanding client fees by invoice on a 5week cycle.</p> <p>The CEO / FINANCE MANAGER will monitor debts, issue reminder notices and where possible speak to clients to negotiate payment options if payment is not received after 30 days of becoming due.</p> <p>Clients with debts over 60 days will be issued with a letter.</p> <p>Clients with outstanding debts are not eligible to receive results and certification until the debt is paid.</p> <p>Debts are followed up by the CEO / FINANCE MANAGER and if commercially viable, the debt will be referred to an external collections agency or legal representative as appropriate.</p> <p>Write Offs</p> <p>Debts may be written off:</p> <ul style="list-style-type: none"> • where it is not cost effective to pursue the debt • where legal proceedings have proved, or on legal advice, would prove unsuccessful • where the debtor is bankrupted, in receivership or in liquidation • When the medical, financial or domestic circumstances of a client do not warrant further action. <p>The act of approving the non-recovery of a debt does not expunge the debt in law. If the circumstances that led to the debt being recoverable materially change, then recovery of the debt will be reinstated.</p>

<p>Action/Method (cont)</p>	<p><u>EXPENDITURE</u></p> <p>Employees</p> <p>All employees are inducted and provided with information regarding their employment conditions and the Institute's procedures regarding salary payment.</p> <p>All employees must complete a tax declaration form. This information is transferred to the Institute's data payroll system.</p> <p>Full time employee work attendance is monitored via a daily 'sign in-sign out' system; Casual employees are required to complete daily timesheets</p> <p>Notification of wages and salaries paid include employee's name, tax deducted, superannuation, tax file number, address etc.</p> <p>Payments are made via electronic transfer.</p> <p>Contractors</p> <p>Trainers operating as contractors are required to submit a Tax invoice according to the contract service and product specifications, payment schedule and agreed payment method. All invoices are subject to the Institute's financial payment procedures. Payments are made via electronic transfer or cheque as requested by the contractor.</p> <p>Payroll</p> <p>The Institute's salaries and wages are operated by the Administration Section.</p> <p>The control of budgets and accounting expenditure relating to employment, and the payment of salaries and wages are administered by the CEO / FINANCE MANAGER.</p> <p>Each week employees' net salaries and deductions are compared to the transactions on the company's banks and financial institutions as nominated by the employees.</p> <p>The amount of net salaries and deductions are compared to the transactions on the company's bank statements and reconciliation is performed by the Administration section.</p> <p>Superannuation</p> <p>The Superannuation Guarantee Legislation requires employers to make superannuation contributions on behalf of their employees. The Institute's contribution payments are made to their chosen superannuation providers.</p> <p>Purchasing Control</p> <p>The procedure covers the purchasing of all education and training products, courseware, resource materials, course programs, training packages and any other purchased item or service which may have an effect on the Institute's performance.</p> <p>Orders for the purchase of all relevant products and materials are covered by the issue of a numbered computer generated purchase order.</p> <p>Only the CEO / FINANCE MANAGER has the authority to sign all purchase orders and verbal orders may only be made at the sole discretion of the CEO / FINANCE MANAGER.</p>
--	---

	<p>The Administration Office will ensure that the order clearly defines the exact nature of the goods or services required and ensure the products ordered were in fact received.</p> <p>In the event that the goods and services supplied are not in accordance with the purchase order, the supplier is contacted immediately to arrange corrective action.</p> <p>The Institute keeps records of invoices and receipts of purchased products as proof of purchase, verification, communication and response to non-conformities, to support the Institute's quality standards, and in order to demonstrate its own conformity and compliance with relevant statutory and regulatory requirements. These documents are held under control of the CEO / FINANCE MANAGER.</p> <p>Preference is given to the suppliers who have a quality system in place and/or have a history of acceptable supply. A list of preferred suppliers is recorded on an Approved Suppliers Log Form held with the purchase order/invoice records for easy reference.</p> <p>Ethical Purchasing Policy</p> <p>Ethical purchasing is a priority for the Institute, which recognises that there are factors other than financial cost and profit to consider when shopping for goods and services. The cost to the environment and society should be considered.</p> <p>The Institute will:</p> <ul style="list-style-type: none"> • support, where possible, companies which promote social harmony and environmental responsibility; • take into consideration the ethical implications of all business enterprises; • encourage students to be socially and environmentally responsible in their consumer habits; • consider the triple bottom line - environmental, social and financial costs - in all its business dealings. <p>Payment of Accounts</p> <p><i>Invoice Processing:</i></p> <p>Invoices will be directed to the Institute's Administration section.</p> <p>After certification and approval, invoices will be actioned by the Administration Office.</p> <p>The Institute will pay creditors for goods and services received on receipt of a duly authorised invoice, and in accordance with the agreed terms of trade.</p> <ul style="list-style-type: none"> • All payments/invoice should be submitted to the accounts department for processing. • All payments can be received by mail, fax or hand delivered. <p>Cheque Signing Authority</p> <p>Only the CEO / FINANCE MANAGER is authorised to sign cheques. Two signatures may be required for specific purchases and/or payments.</p>
<p>Action/Method</p>	<p>Open Cash Cheques</p>

<p>(cont)</p>	<p>The practice of open cash cheques is strongly discouraged. Cheques will be banked by the payees and cleared in the normal manner with the exception of petty cash reimbursements.</p> <p>Reimbursement of Expenditure</p> <p>Reimbursement of expenditure, especially in relation to travel is made on production of receipts and is to be paid via Accounts Payable as it does not need to be included in individual's group certificates.</p> <p>Security and Archiving of Financial Records</p> <p>To ensure security and integrity for all financial record keeping, the Institute:</p> <ul style="list-style-type: none"> • maintains delegated password protected entry and retrieval of records; • files hard copy files according to date order (where issuing/receiving signed cheques) in a locked filing cabinet; • backs up all electronic data on a daily basis • reviews files quarterly in preparation for archiving • reviews accounting files for archiving on 30th June each year. <p>Refer also to the Records Management, Maintenance and Security Procedure.</p> <p>Travel Allowance Claims</p> <p>Where a staff member or contracted trainer is requested to travel intrastate or interstate as part of their duties, approval must be granted by the CEO / FINANCE MANAGER prior to travel taking place.</p> <p>On completion of the travel, a Travel Expenses Claim form is to be completed and appropriate receipts relevant to the travel attached and forwarded to the Administration Manager and approved by the CEO / FINANCE MANAGER. No reimbursements/claims will be made where travel has not been approved or receipts are not supplied.</p> <p>The reimbursement claim should be filed with the Administration Manager for processing within 10 working days of the approved travel. Any claims lodged outside of a 12 calendar month period will not be processed.</p> <p>Once the CEO / FINANCE MANAGER has approved the claim it is then forwarded to the Accounts Department for payment to the claimant. Payment will be made either through a cash reimbursement or in conjunction with a wage payment - this is to be identified at the travel request/approval stage.</p> <p>The employee/contractor who is carrying out this work is eligible to claim travel from the first trainee's workplace to the proposed workplaces on that day according to the proposed visit schedule. The employee/contractor cannot claim kilometres from their residence to the first workplace or from the last workplace of the day returning to their residence. Claims for workplace visits must be documented on the Expenses Claim Form, forwarded to the Administration Office and approved by the CEO / FINANCE MANAGER. Where travel is outside of an 80 kilometre radius of either their residence or CBD a hire car can be approved using a Travel Request Form. The completed form should be forwarded to the Administration Office for CEO / FINANCE MANAGER approval. A maximum distance of 100 km only can be claimed on any given day.</p>
---------------	---

VERSION CONTROL**Review/ amendment history****Policy Approved by:** Chief Executive Officer**Responsible Officer:** Chief Executive Officer**Next Policy Review Date:** July 2018

Version	Date	Details
1.0	July 2014	Policy issued
2.0	Dec 2014	Updated to reflect Standards for Registered Training Organisations (RTOs) 2015
3.0	July 2015	No material change
4.0	July 2016	No material change
5.0	June 2017	No material change