**FINANCIAL POLICIES AND PROCEDURES**

**SECTION 4: REVENUE & RECEIVABLES**

**POLICY 4: RECEIVABLES**

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| **Policy Rationale** | It is prudent financial management that [organisation] maintains adequate controls over its receivables to ensure they are accurately recorded and accounted for and best practices are adopted to maximise cash flow and minimise exposure to bad debt risk. |
| **Policy Statement(s)** | [organisation] shall implement appropriate controls over its accounts receivables to ensure:   1. All debtor invoices and receipts are recorded into in [organisation]’s Accounts Receivable ledger in an accurate and timely manner 2. Statements for accounts receivable balances are generated and sent to debtors each month 3. Overdue accounts receivables are dealt with in accordance with the Debt Collection & Write-Off Policy 4. There is appropriate segregation of duties in relation to the processing of accounts receivable transactions and the processing of revenue receipts 5. That the Accounts Receivable ledger balances are actively reviewed by [organisation]’s CFO / Finance Manager in consultation with the relevant staff member(s) in order to maximise cash flow and minimise exposure to bad debt risk 6. [organisation]’s Statement of Financial Position includes a true and fair presentation of [organisation]’s Accounts Receivable   [organisation] is committed to addressing debtor queries both promptly and satisfactorily, and in a manner to enhance the collection of any outstanding balances.  In accordance with [organisation] ‘s Delegated Authorities and other Revenue Policies, credit notes shall only be issued where:   1. There is an appropriate and / or authorised need to decrease the price and / or quantity of goods or services invoiced 2. There is a bad debt and a credit note is required to affect the removal of the balance owing from the account’s receivable ledger 3. Overpaid invoices will only be refunded provided that there are no other outstanding balances |
| **Policy Implementation and Related Procedure Documents** | The implementation and review of these Receivables policies are the responsibility of [organisation]’s Audit, Finance & Risk Committee.  [organisation]’s Audit, Finance & Risk Committee may request that the External Auditors review receivables as part of the annual audit.  [organisation]’s CFO / Finance Manager is responsible for developing and implementing controls and procedures for the recording, monitoring and collection of accounts receivables, as well as the controls and procedures for issuing credit notes and refunding overpaid invoice balances. He / she is also responsible for providing [quarterly] reports to the Audit, Finance & Risk Committee on the status of [organisation]’s accounts receivable balances.  The following [organisation] policies and frameworks should be referred to in this regard:   * Finance Manual * Delegated Authorities Policy * Accountability, Internal Controls & Audit Policy * Financial Systems & Procedures Policy * Revenue & Receipting Policy * Debt Collection and Write-Off Policy * Tax Policy |
| **Legislative Compliance Considerations** | * Consumer Guarantees Act 1993 * Fair Trading Act 1986 * Part 3 of the Contract and Commercial Law Act 2017 * GST Act 1985 * Tax Administration Act 1994 |
| **Review Protocol** | Policy Reviewed By: Audit, Finance & Risk Committee  Date Reviewed: [Date]  Next Review Date: [Date]  Revokes Policy Reviewed: [insert date of policy superseded] |