

Cash Management and Billing Policy

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Approval Authority Vice-President (Finance) and Chief Financial Officer	
Implementation Authority Associate Vice-President (Finance)	
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1 Purpose

The purpose of this policy is to:

- a) clarify accountability for the billing, receipt and processing of payments for all revenue sources at the University of Calgary;
- b) implement best practices relating to the accounts receivable and cash handling processes (billing, payment receipt and processing of payments);
- c) improve internal controls to ensure the University’s cash is appropriately safeguarded;
- d) ensure customers are credit worthy prior to being granted credit by the university;
- e) ensure compliance with applicable legislation and regulations.

2 Scope

This policy applies to all activities related to billing, receipt, and processing of payments for all revenue at the University of Calgary, including operating, research, capital and any other source of revenue.

3 Definitions

In this policy:

- a) “Authorized” refers to the state of having appropriate authority to initiate or approve an action.
- b) “Billing” and “Invoicing” are used interchangeably.
- c) “Cash” refers to all forms of monetary transactions including but not limited to cash, cheques, bank drafts, credit card transactions, debit card transactions, and wire payments.
- d) “Credit” refers to providing a good or service before payment has been received.

- e) "Employee" means a person employed by the University of Calgary for wages or salary. For clarity, this term includes support staff, management and professional staff, the senior administration group, and faculty members.
- f) "Goods and Services" refers to anything tangible or intangible provided to a customer by or on behalf of the University.
- g) "GL" means general ledger.
- h) "Retail Revenue" refers to revenue whereby cash is received immediately at the time a good or service is provided.
- i) "PS" refers to PeopleSoft.
- j) "Revenue" refers to revenue as well as recoveries of expenses made on behalf of a third party.
- k) "Tuition" refers to any fee charged to a student related to attending the University.
- l) "University" means the University of Calgary.
- m) "Write Off" refers to the action taken on an invoice that is not believed to be collectable. The invoice is removed from accounts receivable and charged to bad debt expense, or if applicable, the allowance for doubtful accounts.

4 Policy Statement

Billing Methodology

- 4.1** All revenue except for tuition, donations and retail revenue will be invoiced in a timely manner by Authorized Employees through the PS Billing module.
- 4.2** Any exceptions to 4.1 must be approved in advance by the Office of the Controller.
- 4.3** External billing systems must have an automated system interface directly into PS Billing module.
- 4.4** All tuition revenue must be billed through the PS Student Administration System.
- 4.5** University stationery may only be used to invoice a third party if the revenue belongs to the University and will be deposited into the University's account. Employees will not direct payments owed to any party other than the University to the University address.
- 4.6** Financial Services is responsible for documenting, maintaining and publishing an External Billing Procedures that will be available on its website.

Billing Authorization and Responsibilities

- 4.7** Before choosing to advance credit, a documented agreement and/or contract will be approved by the proper signing authority within the department providing the goods or service
- 4.8** The invoice creator will ensure the accuracy of GL coding, GST treatment, Provincial tax treatment and terms. The invoice creator must ensure that the invoice is valid (necessary and appropriate), is complete (appropriate description as to the build-up of the amount being billed must be included), and be generated in a timely manner and coded to the correct period.

Granting Credit

- 4.9** Only those persons Authorized by Financial Services, Accounts Receivable may grant credit on behalf of the University. Only customers deemed to be credit worthy will be granted credit.
- 4.10** New customer requests must be made in writing to and Authorized by Financial Services, Accounts Receivable.
- 4.11** Financial Services, Accounts Receivable reserves the right to deny new accounts and/or deactivate any current accounts if the customer is believed to be a credit risk to the University.
- 4.12** With invoice authorization, the related department agrees to take on the associated responsibilities and risks of granting credit on behalf of the University.

Collections

- 4.13** Financial Services will provide procedures and expectations for collection of delinquent accounts.
- 4.14** Using the procedures set forth by Financial Services, departments creating invoices are responsible for prescribed collection activity on delinquent accounts. Financial Services will facilitate collection activities if necessary.
- 4.15** An allowance for doubtful accounts will be calculated on a quarterly basis and booked by Financial Services, Accounts Receivable. The resulting bad debt will be charged to the department that initiated the customer invoices being included in the allowance.
- 4.16** All third party collection expenses will be charged to the department that initiated the customer invoice.
- 4.17** Write offs must be made in writing to Financial Services, Accounts Receivable, and authorized by the department head. Write offs will draw down any applicable allowance for doubtful accounts or be charged to bad debt expense of the department.
- 4.18** Net recoveries from payments received for invoices that have been written off will be credited to the originating department.

Receipt of Payments

- 4.19** Any department accepting cash payments must adhere to the rules set forth in this policy as well as the Cash Management Procedures. Departments not willing to comply with these rules are not authorized to accept cash on behalf of the University
- 4.20** All payments that are not retail revenue or donations will be received, processed and deposited by Financial Services, Accounts Receivable.
- 4.21** If a department other than Accounts Receivable receives a payment, it will immediately forward the payment to Financial Services. It will also inform the customer that future payments must be sent directly to Accounts Receivable.
- 4.22** Invoices will state that payments must be sent directly to Financial Services, Accounts Receivable and request that customers provide the invoice number for ease of processing.

- 4.23** Any exceptions to the authorized method of payment receipt and processing must be approved in advance by the Office of the Controller.
- 4.24** A department that has been authorized by Financial Services to receive payments for retail revenue must:
- a) have a cash register or Point of Sale (POS) system that is approved by the office of the Controller; or
 - b) use official manual University of Calgary triplicate receipts.
- 4.25** The department must also:
- a) safeguard cash;
 - b) segregate duties appropriately; and
 - c) follow proper system and procedural controls in accordance with the Cash Management Procedures Handbook to mitigate the risk of error, fraud and theft.
- 4.26** A float is the responsibility of a sole custodian. Only the custodian or their designate should have access to the float. The float may only be used to make change for cash purchases and must at all times, contain the authorized and issued amount of cash. The float must not be used to reimburse expenditures. The University does not provide petty cash for expense reimbursement.
- 4.27** All cheques received for payment to the University must be made payable to the University of Calgary.
- 4.28** Only the Vice-President (Finance) and Chief Financial Officer has the authority to enter into banking, credit card, and other financial agreements. Faculty and staff do not have the authority to enter into such agreements.
- 4.29** Financial Services is responsible for documenting, maintaining and publishing a Cash Management Procedures document that will be available on its website.

Cash Ordering

- 4.30** Only the Treasurer is authorized to order cash from the bank.
- 4.31** Authorization from The Office of the Treasurer is required to become a department that may request the Treasurer to order cash on their behalf and receive a cash order.
- 4.32** Once a department has been authorized to request a cash order through the Office of the Treasurer, the department must follow the cash ordering procedures set forth by the Office of the Treasurer to place an order.

Violations

- 4.33** Violators of this policy may be subject to penalties under University policy, collective agreements, and under provincial and federal law.

Policy Review

- 4.34** This policy shall be reviewed annually on the anniversary of the effective date.

5 Responsibilities

5.1 Approval Authority

- a) ensure appropriate rigor and due diligence in the development or revision of this policy.

5.2 Employees

- a) become familiar with this policy and related procedures and instructions.
- b) ensure sound stewardship of financial resources and assets;
- c) understand and comply with the University’s policies, control procedures, and operating systems.
- d) act in good faith and solely in the best interests of the University.

5.3 Financial Services – Accounts Receivable

- a) provide guidance about billing to areas in the university outside Financial Services.
- b) provide training to all users of the AR and Billing systems.
- c) provide access and instruction for reports required to perform duties in accordance with this policy.
- d) process all payments made to the University of Calgary.
- e) manage the external collections process.
- f) facilitate the adoption and implementation of the Cash Management and Billing Policy and related procedures.
- g) provide ongoing education and training for users of this policy and related procedures.

5.4 Implementation Authority

- a) ensure that University staff are aware of and understand the implications of this policy and related procedures;
- b) monitor compliance with the policy and related procedures;
- c) regularly review the policy and related procedures to ensure consistency in practice; and
- d) sponsor the revision of this policy and related procedures when necessary.

6 Related Operating Standards

[External Billing Procedures](#)
[Cash Management Procedures](#)

7 History

March 31, 2010	Approved and Effective.
January 1, 2020	Editorial Revision. Updated format and links.
September 19, 2022	Editorial Revision. Updated titles.