

UNIVERSITY OF MANITOBA PROCEDURE

Procedure:	INVOICING AND COLLECTION
Parent Policy:	Invoicing and Collection Policy
Effective Date:	August 12, 2008
Revised Date:	March 18, 2014
Review Date:	March 18, 2024
Approving Body:	Vice-President (Administration)
Authority:	
Responsible Executive Officer:	President, delegated to the Vice-President (Administration)
Delegate:	Comptroller
Contact:	Comptroller
Application:	All University Employees

Part I Reason for Procedure

- 1.1 To establish the roles and responsibilities secondary to the Invoicing and Collection Policy.

Part II Procedural Content

Invoicing

- 2.1 In order to initiate a credit sale the Faculty or Unit (“Unit”) must first be an approved billing unit within Aurora Finance with on-line access to the University approved invoicing system. Approval and on-line access is granted through Aurora Finance Customer Service.
- 2.2 Based on Unit business requirements, Units may choose additional invoice approval functionality. Profiles are set up by request to Aurora Finance Customer Service.
- 2.3 Affiliated organizations are not permitted to issue University of Manitoba invoices.

- 2.4 The Unit is responsible for determining the credit risk of the external party. Financial Services is responsible for opening customer accounts upon receipt of a request from a Unit. In order to request a new customer account or account modification, the Unit must complete the Request to Add/Change Customer form and submit to Revenue, Capital and General Accounting (RCGA).
- 2.5 Units are responsible to issue invoices in a timely manner after a good and/or service has been rendered to the customer.
- 2.6 Units shall receive the revenue recorded for the invoiced amount (excluding taxes) in the appropriate FOAP (Fund Organization Account Program) once the invoice has been processed and posted to Aurora Finance.
- 2.7 The Unit creating the invoice is responsible to charge appropriate Federal and Provincial taxes. RCGA is responsible to assist the Unit with clarification and/or research any areas of tax application uncertainty.
- 2.8 All invoice terms are issued as due upon receipt.
- 2.9 Units shall direct customers to submit all payments directly to RCGA payable to "The University of Manitoba". The setup of Electronic Fund Payments (EFT) arrangements will be handled by RCGA.

Collection

- 2.10 Units are ultimately responsible for the collection of all invoices they have issued.
- 2.11 Where payment is returned by the bank for any reason, the customer account will be charged back the amount of the payment plus an administration fee and the unit will be advised of the chargeback.
- 2.12 If an account balance is not paid in full, a customer statement of account will be sent to the customer from Financial Services every 30 days. Beginning at 90 days past due, delinquency notices will be sent to the customer.
- 2.13 Units will receive an automated email report from RCGA listing the outstanding invoices/customer accounts greater than 90 days past due.
- 2.14 Units are responsible for communicating to RCGA any information that may prevent or hinder the timely collection of an account, such as address or contact changes, suspected changes in the financial health of the customer, or disputes with the customer.
- 2.15 Financial Services will work in consultation with the Unit on whose behalf the invoice was issued to resolve overdue accounts.

- 2.16 If the account is deemed collectible and satisfactory payment arrangements have been made, Financial Services will continue to follow up with the Unit as to the status of the account.
- 2.17 If the account is deemed not collectible, and all reasonable internal collection procedures have been undertaken, the Comptroller may approve a journal entry to charge the unpaid amount back to the Unit as a bad debt expense. The invoice may be given to a collection agency or to Legal Services. The cost of legal and collection services shall be borne by the Unit on whose behalf the invoice was issued.
- 2.18 If an account is not collectible based on customer default, customer credit will be suspended.

Procedure for Cancellation of Invoices

- 2.19 Units are not permitted to cancel an invoice once it has been entered. However, in certain situations a Unit may request that an invoice be cancelled or an amount be credited by Financial Services. For example:
 - (a) where the balance remaining is less than \$50 and the Unit has deemed the invoice balance to be uncollectible;
 - (b) where an invoice has been issued incorrectly (for example, the wrong customer was billed or the invoice was issued more than once) and a new invoice has been issued in its place. In such cases the replacement invoice number must be provided by the Unit;
 - (c) the Unit has determined that the invoice is not required, for example where a service has been cancelled or changed and the charges are no longer appropriate.

Procedure for Recovery of Bad Debt

- 2.20 Payments received for an amount previously written off and/or sent on collection fees, shall be sent to Financial Services. The amount will be credited back to the Unit, net of any legal fees, commission or other costs incurred in the collection process.

Part III Accountability

- 3.1 The Office of Legal Counsel is responsible for advising the Vice-President (Administration) that a formal review of this Procedure is required.
- 3.2 The Comptroller is responsible for the implementation, administration and review of this Procedure.

3.3 All University employees is/are responsible for complying with this Procedure.

Part IV Review

4.1 Governing Document reviews shall be conducted every ten (10) years. The next scheduled review date for this Procedure is March 18, 2024.

4.2 In the interim, this Procedure may be revised or repealed if:

- (a) the Vice-President (Administration) or Approving Body deems it necessary or desirable to do so;
- (b) the Procedure is no longer legislatively or statutorily compliant;
- (c) the Procedure is now in conflict with another Governing Document; and/or
- (d) the Parent Policy is revised or repealed.

Part V Effect on Previous Statements

5.1 This Procedure supersedes all of the following:

- (a) all previous Board of Governors/Senate Governing Documents on the subject matter contained herein; and
- (b) all previous Administration Governing Documents on the subject matter contained herein.

Part VI Cross References

6.1 This Procedure should be cross referenced to the following relevant Governing Documents, legislation and/or forms:

- (a) [Invoicing and Collection Policy](#); and
- (b) [Cash Control Policy](#).