

Trade Debt Policy

POLICY COVERSHEET

# Key Details

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| **POLICY TITLE** | Trade Debt Policy |
| **DATE APPROVED** | 15 May 2025 |
| **APPROVING BODY** | Academic Board |
| **VERSION** | 4 |
| **PREVIOUS REVIEW DATES** | February 2022 |
| **NEXT REVIEW DATE** | May 2028 |
| **OUTCOME OF EQUALITY IMPACT ASSESSMENT** | *\* No major change* |
| **RELATED POLICIES / PROCEDURES / GUIDANCE** | Student Fee & Dbt Management Policy |
| **IMPLEMENTATION DATE** | May 2025 |
| **POLICY OWNER (JOB TITLE)** | Chief Finance Officer |
| **UNIT / SERVICE** | Finance |
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# Version Control

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| --- | --- | --- |
| **VERSION** | **DATE** | **REASON FOR CHANGE** |
| 1.0 | February 2015 | First version |
| 2.0 | September 2018 | Second version  |
| 3.0 | February 2022 | Third version |
| 4.0 | May 2025 | Fourth version |

# Policy Hub

## For further information on policies:

1. You can go to the Secretariat pages on InSite at [https://outlookuwicac.sharepoint.com/sites/Secretariat](https://outlookuwicac.sharepoint.com/sites/Secretariat/);
2. You can go to the Policy Hub at [cardiffmet.ac.uk/about/policyhub](https://www.cardiffmet.ac.uk/about/policyhub); or
3. Contact policies@cardiffmet.ac.uk.

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# Introduction

* 1. Purpose

## This policy relates to all income, with the exception of student fees and accommodation charges, which is owed to the University and its subsidiary companies.

## Scope

### The policy covers trade debtors of the University and its subsidiaries. It also covers non fee related charges owed to the University by its students. A separate policy covers student fees and debt management.

### This policy applies to those owing money to the University and all budget holders and staff must comply with its guidance.

## Definitions

### Debtor – an individual or organisation owing money to the University for services or goods received

### Charges – payments raised to students/others for goods or services. This excludes tuition fees or accommodation charges.

### SRF – Sales Requisition Forms. These forms are completed by schools and departments, authorised by budget holders and submitted to the Finance Department as a request to raise an invoice.

### Contract – an agreement between the University and customer to provide goods or services. These should be agreed in accordance with the University’s financial regulations.

### Due Diligence– a check of the financial viability of new customers

# Trade Debt

## Invoicing for Trade activity is ordinarily undertaken by the Finance Department. With the following exceptions: PDR, Conferencing and the School of Sport & Health Sciences.

## Schools and Departments are advised to undertake due diligence checks for new customers as a part of the contract agreement process.

## Monies due to the University from trade debtors shall be requested only on invoices approved by the Finance Department

## Unless the contract states otherwise, sales requisitions should not be raised until the contracted work has been completed.

## Sales Requisitions should be completed by Department/School and sent through to Finance to be processed on the University Finance System. The Customer is created (if not already on system) with default 30-day credit terms. Invoices will be raised immediately the sales requisition is processed.

## The basis for all fees, charges and rents are set annually and budget holders must ensure that invoices are raised in accordance with these rates.

## VAT must where appropriate be included on the invoice. Where there is doubt about the rate to be applied then Finance Department advice should be sought.

## Any changes to the original charge (e.g., Credit) must be communicated by Amendment/ Cancellation form directly to the Finance Department.

# Non-Academic Related Student Charges

## The individual School/ Department will determine when and how a charge is payable and will manage all follow-up correspondence with the debtor.

## No ‘in-year’ debtor sanctions will apply to students for charges raised and the University will not restrict academic progression or the production of any Certificate/Transcript.

## If the charge remains outstanding once the enrolment period has expired, the debt will be referred to an external collection agency for further action. Any costs associated with this referral will be added to the balance payable.

## Notification will be sent to the registered correspondence address prior to this action taking place.

## Admission/Enrolment to a new programme of study may be refused if financial liability has not been settled.

# Credit Control

## If an invoice remains unpaid after the standard 30-day credit term, a statement with covering letter is sent to the customer by way of reminder.

## The University retains the right to charge interest on unpaid debts

## If after 60 days the invoice remains outstanding, a final notice will be sent to the customer requesting immediate payment. This will be followed by a telephone call/email (if details available).

## If the charge remains outstanding after 91 days, the Department/School requesting the initial invoice will be consulted on referring the debt to one of our external collection agencies for further action. The above action may be temporarily placed on hold on receipt of a valid business case from the School/Department. however the School/Department must provide Finance with monthly updates regarding the ongoing status of the debt.

## Debt collection costs will be charged to the debtor.

## Invoices raised to ‘partner’ institutions at the request of Global Engagement (GE) or Schools will not be subject to standard credit control procedures. All liaisons will be managed by GE/Schools who will provide regular updates on agreed repayment schedules. Only the Finance Dept can raise invoices to partner institutions. Only the Finance Dept can issue credit notes on a business case basis.

## The Finance Department will report monthly to the University Executive Group (UEG) on ‘current’ debt status.

## Debt write offs will be charged back to the originating school or department.

# Roles and Responsibilities

## This policy applies to;

## All trade debtors and all non-fee and non-accommodation charges raised to students.

## Oversight of the policy rests with the Chief Finance Officer.

## This policy is reviewed and monitored at Academic Board.

## Key questions on this policy should be addressed to the Head of Income and Payments.

# Related Policies and Procedures

## This policy should be read in conjunction with the Student Fees & Debt Management Policy

# Review and Approval

## This policy is reviewed and approved by Academic Board every 3 years