Financial Management Policy

Section 1 - Key Information

Policy Type	Administrative – University Council
Accountable Executive – Policy	Chief Operating Officer
Responsible Manager – Policy	Chief Financial Officer
Review Date	17 November 2026

Section 2 - Purpose

(1) This Policy sets out the principles of financial management applicable to all financial activities undertaken by or on behalf of La Trobe University.

Section 3 - Scope

(2) This Policy applies to:

a. all University campuses, entities, and operations
b. all staff

(3) This Policy does not apply to Asset Management principles or practices (see Asset Management Policy and Procedure).

Section 4 - Key Decisions

Key Decisions	Role
Approves the opening and closure of University bank accounts	Vice-Chancellor
Approves additions and/or deletions to University bank account signatories	Vice-Chancellor

Section 5 - Policy Statement

(4) The University is highly committed to the proper use and management of all funds (both public and private) for which it is responsible, including:

a. placing a critical priority on propriety, financial control, honest administration, and its compliance with all reporting requirements ensuring all assets and funds are utilised for appropriate and approved purposes only;
b. establishing and maintaining effective internal control systems that ensure both the safety of its assets, and the satisfaction of all compliance obligations in accordance with:

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i. the Australian Charities and Not-for-Profits Commission Act 2012
ii. Australian Accounting Standards (AAS and AASB Directors) and other mandatory professional reporting requirements in Australia,
iii. Financial Management Act 1994, Standing Directions 4.2c and applicable Financial Reporting Directions and Guidelines for the preparation of financial statements.

c. regulating non-compliance with policies and procedures with the appropriate action when required.

(5) The University expects all staff to:

a. act honestly and with integrity in relation to the use and management of funds and comply with this and any related financial policies and procedures;
b. report any potential breach of this policy to Commercial, Legal and Risk.
c. report concerns regarding fraud, corruption or other improper conduct to the Office responsible for receiving alleged fraud or whistle-blower concerns as outlined in the Public Interest (Whistleblower) Disclosure Policy and Fraud and Corruption Control Policy.

(6) Non-compliance with finance policies and procedures may result in the following consequences:

a. the removal of a person's access to the University Finance System
b. the withdrawal of a person's financial delegation
c. the suspension and/or cancelation of a person's credit card; and/or
d. disciplinary action and, in serious cases, referral to public agency bodies, such as the Police and/or the Independent Broad-based Anti-corruption Commission (IBAC).

Section 6 - Procedures

Part A - Financial Accountability and Authorisations

(7) To ensure all financial transactions are enacted with integrity and in an appropriate and approved manner, all staff have the responsibility to ensure:

a. the commitment of funds are appropriately authorised in accordance with the University's financial and contract signing delegations;
b. all financial transactions are appropriately documented, approved, reported and reconciled in the University financial ledgers in an accurate and timely manner;
c. amounts due to be collected by the University are collected in a timely manner and reported on regularly (see below Part F – Debt Management).

(8) Any signatories to a bank account opened without official authorisation will not be authorised signatories of the University and, as such, will have no authority to transact banking business on behalf of the University (see below for further details on University Bank Accounts).

Part B - Financial Statements and Reconciliations

(9) The financial statements of the University must present its financial position, performance and cash flows accurately and fairly in accordance with governing legislation and on the basis that the University is a not-for-profit entity.

(10) Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in

accordance with the definitions and recognition criteria of assets, liabilities, income and expenses as set out in the AASB Framework, including:

a. The maintenance of annual (calendar year basis i.e. January to December) account keeping and reporting;
b. Regular Balance sheet reconciliations as determined by Corporate Finance in consultation with the Chief Financial Officer, and in accordance with appropriate risk assessment(s).
c. Bank accounts must be reconciled each month to the Finance System. All reconciliations must be prepared using the template approved by Corporate Finance;
d. The University, as a parent, will present consolidated financial statements in which it will include all controlled entities of the University. Financial statements of the University must:
    i. be prepared using the accrual basis of accounting, except for cash flow information;
    ii. be prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment;
    iii. be prepared on the assumption that the University is operating as a going concern (and will continue to do so in the foreseeable future, which is at least 12 months from the balance sheet date);
    iv. present each mater class of similar items separately. Items of a dissimilar nature or function shall be presented separately unless they are immaterial; and
    v. must be consistent from one period to the next, especially with regards to the presentation and classification of items. Exceptions in this case include a requirement to align to an Australian Accounting Standard, or an appropriate change following a significant change to University operations.

(11) Assets,liabilities, income and expenses, must not be offset unless required or permitted under the Australian Accounting Standards.

Part C - University Bank Accounts

(12) Any University body which is considering opening of a new University bank account should first discuss the matter with the Chief Financial Officer or the Associate Director, Corporate and Reporting.

(13) No bank account using the name “La Trobe University” may be opened or closed unless it has been authorised in writing by the Vice-Chancellor and on recommendation from the Chief Operating Officer and either the Associate Director, Corporate and Reporting or Associate Director, Forecast & Business Partnering.

(14) Following the opening of an account, the Associate Director, Corporate and Reporting will advise the Finance and Resources Committee that a new bank account has been established.

(15) The Associate Director, Corporate and Reporting is responsible for reviewing and recommending updates, additions and deletions to bank account signatories to the Chief Financial Officer as required or on an annual basis as a minimum.

(16) Any additions or deletions to the bank accounts signatories must be authorised in writing by the Vice-Chancellor on the recommendation of the Chief Financial Officer.

(17) Changes to bank signatory incumbents must be provided in writing to the bank/s.

(18) A record of authorised bank account signatories must be held on a file maintained by Digital Records.

Part D - Impaired/Doubtful and Bad Debts

(19) Australian Accounting Standards classify an impaired or doubtful debt to be one that is considered unlikely to be

collected, examples include:

a. debtor is unable to be contacted;
b. debtor is uncooperative and not making any payments;
c. debtor is making minor payments, but the debt will not be completely paid within a year;
d. the personal circumstances of the debtor are such that the debt is unlikely to be paid e.g. unemployment, long term illness;
e. debtor is known to be facing financial problems;
f. debtor is in dispute with the University.

(20) The University accounts for an impaired/doubtful debt, including but not limited to, the following:

a. those who have been determined as such following appropriate initial debt recovery procedures and/or a review of current outstanding debts. A periodic review of all debts >120 days are carried out as at 30 June and 31 December by the Finance, Procurement, Data and Analytics Office (FPDA). Prior to this, initial debt recovery procedures are required by the relevant Department with a minimum of 2 reviews required per calendar year.
b. those referred to the University's approved debt collection agency for collection. Established debts of $50 or more, still unpaid after all University processes are exhausted, are referred to the University's approved debt collection agency.

(21) Debts that are considered completely irrecoverable are written off and classified as Bad debts. If a debt has not been able to be collected after being referred to the University's approved debt collection agency then it is considered a Bad debt. Debts may also be considered bad rather than just impaired/doubtful if the debtor has passed away or has been declared bankrupt.

Part E - Write Offs

(22) When an outstanding debt has been classified as a Bad debt, FPDA is responsible for making the decision to take any further legal action or to submit the debt for write-off. The decision is made according to the amount of money spent to date on locating and persuading the debtor to pay the amount of the debt, and the present and future financial situation of the debtor.

a. Debt up to $15,000 – requires the approval of the Associate Director, Forecast & Business Partnering
b. Debt in excess of $15,000 and up to $30,000 – requires the approval of the Chief Financial Officer
c. Debt in excess of $30,000 and up to $50,000 – requires the approval of the Vice-Chancellor
d. Debt in excess of $50,000 – requires approval by the University's Finance and Resources Committee (FRC)

(23) The FDPA Division will immediately arrange for the write-off of student related entries to be processed. The written-off amounts are recorded as sanctions in SISOne, thereby enabling recovery should a student debtor approach the University in the future.

(24) A general debtor customer with unpaid written off debts is blocked on SAP system and cannot be transacted against. It is highly recommended that the University does not deal with customers who have a history of a written off debt.

(25) Costs associated with debt collection, whether successful or not, are borne by the area concerned. Any debt written off is also borne by the area concerned.

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Part F - Debt Management

(26) Accounts Receivable are responsible for invoicing, debtor report generation and debt management.

(27) Business areas must provide sufficient information to Accounts Receivable to enable appropriate debt management.

(28) Business areas are required to report to FPDA on the remedial action taken in response to on any outstanding debts.

(29) For overdue invoices, Accounts Receivable will liaise with the relevant business areas for collection of overdue monies.

(30) Accounts Receivable and the relevant business areas are jointly responsible for the follow up of potential doubtful debts. All doubtful debts must be referred to FPDA in writing, examples may include:

a. where a domestic student challenges a referred debt;
b. where an international on-shore student challenges a referred debt;
c. where the sponsor of an international off-shore student challenges a referred debt;
d. where the sponsor informs the University (via the School/FPDA/Student Administration) of a late or non-paying student and instructs that their enrollment be cancelled;
e. commercial customers (domestic and international).

Part G - Credit Worthiness Checks

(31) It is advisable that prior to a contract being signed with a new, existing or potential debtor that due diligence is undertaken as per the Contracts Policy.

(32) A School/division can request that a credit check is undertaken on a new, existing, or potential debtor. It is highly recommended by FPDA that no one transacts with any high-risk organisation on behalf of the University, and if this is necessary that a credit check is undertaken before transacting with them (based on the points below).

(33) Consideration of the below factors should be undertaken to determine the potential impact a credit check may have:

a. a credit worthiness check will need to be undertaken prior to formal interaction with the potential customer and would be required to be undertaken by an external organisation approved by the University; and
b. adequate time must be provided to FPDA to arrange for the assessment prior to any formal agreement with the client.

Section 7 - Definitions

(34) For the purpose of this policy and procedure:

a. Controlled entity: is an entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).
b. Control: is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
c. A parent: is an entity that has one or more controlled entities.
d. Reconciliation: The process of comparing information from two different sources (e.g. a general ledger account

balance from the Finance System and an external (to SAP) source, i.e. an invoice, or email, investigating and analysing differences and making corrections so that the information is accurate, complete and consistent in both sources.

e. Signatories: a handwritten (and sometime stylized) depiction of someone's name that a person writes on documents as a proof of identity and intent.

Section 8 - Authority and Associated Information

(35) This Policy is made under the La Trobe University Act 2009.

(36) Associated information includes:

a. Financial Management Procedure - Taxation
b. Asset Management Policy
c. Finance and Procurement Intranet

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Status and Details

Status	Current
Effective Date	16th November 2023
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Approval Date	17th November 2023
Expiry Date	Not Applicable
Responsible Manager - Policy	Jodie Banfield Chief Financial Officer
Enquiries Contact	Finance

Glossary Terms and Definitions

"staff" - Staff means any person employed by the University as per the definition in the La Trobe University Act 2009 (Vic).