

UNIVERSITY CREDIT POLICY

1 Introduction

- 1.1 The policy details the credit terms applied by the University for all customers, regardless of sources of income, and is based on good financial practice. Included in the policy are payment terms, credit checks, and deposits along with terms and conditions. The policy does not cover debt collection which is detailed within the Student Debt Policy.
- 1.2 Any queries on the policy should be directed to Financial Accounting within the Finance & Procurement Section.

2. Payment Terms

- 2.1 Standard University payment terms is 30 days from date of invoice or in advance dependent on the service being provided. Details of services provided are in Section 5.
- 2.2 Sales Invoices to be raised monthly, where possible, in order to minimise the working capital impact in terms of cash flow.
- 2.3 Non-payment after 30 days will be subject to normal credit control procedures, and in the case of external bodies (non-students, non-charities, non-public sector) interest may be charged for late payment at the prevailing Bank of England base rate.

3. Credit Checks

- 3.1 All new customers (excluding students) with an estimated annual invoicing in excess of £25,000, will be credit checked. The credit check will be carried out by Financial Accounting or the Research Finance Manager following a set format and will include analysis of the customer's annual accounts, or a request for financial information from the customer. Costs of credit checks will be covered by Finance, and checks will be completed in a timely manner. For Research and Commercialisation work, the Research Finance Manager will co-ordinate all credit checks.
- 3.2 In some instances credit checks will not be required e.g. public body, government department, or university. The decision not to perform a credit check will be undertaken by the Research Finance Manager or Financial Accounting. Following the review, credit limits can be established within the Finance system. If a School/Directorate wishes to breach this threshold, approval must be sought from the Assistant Director (Financial Accounting) within Finance & Procurement Section. A database of companies checked will be maintained by Financial Accounting to ensure no duplication at a future date.
- 3.3 On an annual basis, customers with a turnover of £250k and above will be reviewed by Credit Control to ensure they are meeting University credit terms and that there are no issues with regard to payment. If this relates to a research funding customer, the details will be passed to the Research Finance Manager to take forward.

3.5 No extended credit should be given without approval of the Assistant Director (Financial Accounting).

4. Terms & Conditions

4.1 All business entered into with a customer must be subject to a contract which includes the terms and conditions of providing the service/goods and a purchase order must be obtained from the customer.

4.2 The following gives a list of the current practices:

- **Tuition Fees** – Standard admission terms and conditions as well as joining instructions.
- **Accommodation** – Standard terms and conditions signed prior to entering accommodation.
- **Research Grants & Contracts** – all contracts must be approved by Research & Innovation prior to commencing research.
- **Consultancies** – all contracts must be approved by Research & Innovation prior to the contract commencing.
- **Properties & Rentals** – formal lease held by Estates, signed prior to taking up residence. Room rentals are treated on an *ad hoc* basis due to the limited financial exposure.
- **Functions; Weddings; Room & Facilities Hires** - terms and conditions are provided by the Conference & Events Office at time of booking; these must be signed, and a deposit paid to secure booking.

5. Services

5.1 The following gives detailed payment terms for the main services provided by the University:

5.1.1 Tuition Fees (On Campus)

If a student registers but does not make a payment at registration, they will receive an invoice within 4 weeks of the registration date. The student can then either make the full payment within 30 days or request an instalment plan online– minimum of 50% payable immediately with the balance paid in three equal monthly instalments.

5.1.2 Online Learning Programmes and Short Courses Tuition Fees

Tuition fees for online learning programmes or short course must be settled in advance of the course (module) commencing.

5.1.3 Accommodation

£100 non-refundable reservation fee to secure booking. Payment by monthly direct debit or on a termly basis. Specific payment terms, cancellation fees etc for vacation-time accommodation are provided at time of booking and signed in advance to secure let.

5.1.4 **Research Grants & Contracts**

Research Councils all pay on a profile basis. All other funding bodies to follow standard terms and monthly invoicing where possible. Exceptions may exist with charities and Government bodies, but all other grants should follow standard terms e.g. UK industry and where possible payment received in advance.

5.1.5 **Other Services**

- **Language Courses** – payment received in advance.
- **Property rental** – monthly, quarterly or bi-annual in advance or arrears dependent on lease; deposit required prior to entry.
- **Functions, Weddings, Room & Facilities Hires** – 20% deposit when booking, remainder paid in full 7 days prior to event, or final invoice issued after event when goods cannot be quantified. Weddings require a £500 deposit, 50% six weeks prior to event and the balance 7 days prior to wedding.
- **Aberdeen Fertility Centre** – payment in advance of treatment.

5.2 All other goods and services provided should either be paid in advance or subject to monthly invoicing following standard payment terms.

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Owner	Director of Finance
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