

# WORONI

Australian National University Student Media

## ACCOUNTS RECEIVABLE POLICY

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1. Purpose:

To ensure that all accounts receivable are received in a timely manner and deposited, recorded and reconciled.

2. Principles:

1. The association must ensure that all monies owed are paid within a reasonable timeframe to assist in the effective management of association resources
2. Standard association payment terms are 14 days, variation of this must be approved by a motion of the board
3. Debt management and recovery requires early and sustained action at risk of debts becoming unrecoverable
4. Debt management is to be undertaken by the Managing Editor, with the assistance of the other Executive Officers of the association and subject to advice from representatives responsible for the debt
5. Only the board may approve the non-recovery of debt and only under one or more of the following conditions
  - a) the board, subject to advice where necessary, is satisfied that the debt is not legally recoverable, or
  - b) the board considers that it is not economical to pursue recovery of the debt, or
  - c) recovery of the debt would cause undue financial hardship to the debtor
6. Notwithstanding 2.5.b) and 2.5.c), the Board must weigh the value of the debt in determining whether or not to approve the non-recovery of debt

3. Procedure:

1. Where payment must be made to the association, the Managing Editor must issue an invoice in Xero and ensure that the payee receives this invoice physically or electronically
2. When payment is received the payment is to be reconciled with the invoice in Xero
3. Where payment is not received within 14 days of the issuance of the invoice
  - a) Issue reminder notices at 15 days and 22 days
  - b) If payment is still not received at 29 days call the debtor
  - c) If payment is still not received at 36 days contact association lawyers to prepare letter of demand
  - d) If payment is still not received at 43 days add to agenda of next board meeting, board to make decision on whether to write debt off or not
4. In accordance with 2.5 the Board may approve the non-recovery of debt at anytime after 3.3.b) subject to communication with debtors

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4. Policy details:

This policy replaced the previous Accounts Receivable Policy on 06/10/2022