

<b>SECTION:</b>	Finance and Facilities
<b>TOPIC:</b>	Credit and Collections
<b>EFFECTIVE:</b>	23 November 1990

Policy Information	
Policy No:	AD-F-2.01
Approved by:	Executive Management
Approval Date:	November 23, 1990
Amendment Date:	
Executive Responsible:	VP Finance/Admin
Administrator Responsible:	Controller
Date of Last Review:	

**POLICY:**

The College's financial position depends on the efficient use of capital and a resulting good cash flow. It is important that Receivables be collected as quickly as possible so that capital turnover objectives are met and cash flows maintained. If they are not, then the College will experience loss of interest income, collection agency expenses, and ultimately, the write-off of bad debts.

**CREDIT OBJECTIVES**

1. The adequate turnover of Accounts Receivable.
2. The minimization of Bad Debt loss.

Both objectives to be achieved without undue loss of revenue or community goodwill.

The College's services are normally offered on a "cash" or "cash alternate" basis; however, individuals or companies may be place on an "Approved for Credit" listing, in accordance with established procedures.

The College's invoice terms are (a) for courses "Due and Payable on commencement of course", and (b) for all other services "Due and Payable upon receipt", and service charges will be added if accounts are not paid in 30 days. Exceptions to these terms, in special circumstances, require the prior authorization of either the Comptroller or Vice-President, Administration/Bursar, or in the absence of both, their designate.

**PROCEDURE:**

1. Credit Granting
  - 1.1 The credit application, either consumer or mercantile, depending if the applicant is an individual or a company, must be completed, signed by the applicant, and forwarded to the Comptroller's office for approval.
  - 1.2 The authority to grant credit is the responsibility of either the Comptroller or the Vice-President, Administration/Bursar or, in the absence of both, their designate.

## Continued: Credit and Collections

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### 2. Collection

#### 2.1 Reminder Stage

Statements produced in a timely and effective manner

An impersonal action taken to collect the outstanding receivable on its due date.

#### 2.2 Follow-up Stage (Personal)

The second form letter 10 working days after the first form letter is sent.

A series of telephone calls and follow-ups starting 10 working days after the second form letter is sent.

#### 2.3 Drastic Action Stage

Place account with Collection Agency after internal collection efforts have been exhausted without success.