 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

Overview

UOS follows a systematic approach for raising invoices, recognizing revenue and applying VAT as per the Executive Regulations to the VAT Decree-Law, for each of its revenue streams. UOS also follows a standardized process for following up on outstanding revenue and processing refunds.

Scope


The scope of the Accounts Receivable process includes the following:

- Student Revenue from Sponsored and Non- Sponsored Students (including Admission Fees, Seat Reservation Fees, Tuition Fees, Housing Fees, Late Payment Fee/ Penalty, Administrative Fee, Libraries Photocopies and IELTS Examination)
 - Invoicing
 - Revenue recognition
 - Collection and Follow-up
 - Refund
- Revenue from Business Centers and Research Department
- Credit Note to Customers
- Reporting

Purpose

The purpose of this process can be determined by the following:

- Prepare Invoices for all goods and services provided to customers in a timely and consistent manner;
- Ensure consistency in application of revenue recognition and management to ensure compliance with international accounting standards;
- Ensure controls are embedded in the revenue management processes to protect UOS' interests;
- Ensure income is recorded accurately and in the correct period, with appropriate and adequate documentation of transactions;
- Adhere to all applicable VAT laws related to supply of goods and services as outlined by FTA to avoid non-compliance; and
- Institute an effective mechanism for managing receivables and collections that limits bad debts for UOS.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

Abbreviations and Definitions

UoS: University of Sharjah

AR: Accounts Receivable

IFRS: International Financial Reporting Standards

VAT: Value Added Tax

PDC: Post- Dated Cheque

“Account”: refers to classification code as part of UOS’ Chart of Accounts to identify line items (such as assets, liabilities, revenue, expenses, etc.) within the Budget.

"Approving Authority": refers to the Person/ Committee within UOS who is responsible for approving the activity. The full list of Approving Authorities shall be obtained from the DOA.

“Bounced cheque”: A bounced check occurs when the writer of the check has insufficient funds available to fulfil the payment amount on the check to the payee. (Non-availability of funds, Instruction to the bank to withhold payment against the cheque or technical errors like mismatched signatures, no or wrong date, over-written or scribbled text).

“Contract”: is an arrangement / promise between the End User and Vendor concerning the supply of materials / services, over a specified period of time, on the basis of predefined terms and conditions.

“Delegation of Authority”: is the subdivision and sub-allocation of powers to the subordinates in order to achieve effective results.


“IAS/IFRS”: are accounting standards issued by the IFRS Foundation and the International Accounting Standards Board (IASB). They constitute a standardised way of describing the company's financial performance and position so that company financial statements are understandable and comparable across international boundaries.

“Invoice”: is a time-stamped commercial document that itemizes and records a transaction between a buyer and a seller.

“Journal Voucher”: is a document that contains essential information about an accounting transaction (such as unique identifying number, transaction date, description, amount, accounts impacted, etc.). It is written authorization to make a transaction entry.

“Refund”: is a repayment of funds from the original payee to the original payer

“Revenue”: refers to money received by UOS from Students and other customers for services provided by UOS.


 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

Policy

Student Revenue

Student Fees and Discounts


1. Student Fees for the Semester/Program shall be approved by the Finance Committee before the commencement of admission for the Semester/Program.
2. Based on the Courses and Programs enrolled by the students and the respective approved fee structure, an Invoice shall be issued to non-sponsored Students after the 'Add & Drop' period.
3. Invoice to Sponsors shall be issued within three weeks from the 'Add & Drop' period based on the official letter received from Sponsors.
4. A Student/ Sponsor Invoice shall contain following particulars:
 - "Student Invoice" (or "Sponsor Invoice" in case of Sponsor) clearly displayed at the top
 - The name, address, logo of UOS
 - Invoice Number
 - The date of issue of Invoice
 - Student Name and ID
 - Sponsor's Name and Address (If Applicable)
 - Detail of Semester/ Program
 - The gross amount payable expressed in AED
 - Payment due date
 - Stamp of UOS Finance Department
5. In case the service provided to Students are taxable, a "Standard Tax Invoice" shall be issued with the following additional particulars:
 - The words "Tax Invoice" clearly displayed at the top
 - Tax registration number of UOS
 - The Tax amount payable expressed in AED
 - (Please refer to VAT Policy for more details).
6. Discount and scholarship shall be applied and accordingly calculated as per the "Discount & Scholarship Framework". Please refer to the latest policy Framework at <https://www.sharjah.ac.ae/en/Admissions/fees-scholar/Pages/gfd.aspx>
7. Discounts and scholarship shall be applied on the gross tuition fees if the student receives partial financial support.
8. Student can apply for financial support as per the "Student Support Fund Framework". Please refer to the latest policy at <https://www.sharjah.ac.ae/en/Administration/fd/Pages/SSF.aspx>. This service shall be available for all students except newly (first semester in University) admitted students. In case the URL is not available, refer to the relevant section in the UOS Website

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

Collection and Follow-up from Students

- Following mode of Payments are available for Students to pay their Fees.
 - Online/ Credit Card
 - Direct Deposit in UOS bank account
 - Cheque (Current and Post Dated)
- Upon confirmation of Student application, a Student ID shall be created and access to student online portal shall be provided by Admission and Registration Department.
- Students are encouraged to pay through student online portal unless the payment mode is through cheques, wherein the Student shall deposit at UOS Collection Counter.
- Postponement of cheque deposits shall only be approved by AR Head if following conditions are fulfilled:
 - 50% of the outstanding is immediately paid; and
 - Deposit of Cheque is deferred up to 10 days.
- Current dated or post-dated cheques received from Student shall be tracked separately and adjusted prior to follow-ups with Students for the outstanding balances.
- Two instances of bounced cheques by a Student, shall result in Student ID being flagged. This will disable acceptance of Cheque as a mode of payment for the respective student.
- On a monthly basis, AR Head shall also request Admission and Registration Department to provide list of Students exposed to academic dismissal/ disciplinary actions/ withdrawals to access the recoverability of outstanding amount.
- Following Dunning activities shall take place:

Dunning	Timeline	Activity
1	5 days prior to due date	Automated Alert via Email and SMS
2	Due Date	Automated Alert via Email and SMS
3	7 days post-due date	Automated Follow-Up Letter via Email and a subsequent call from AR Accountant
4	15 days post-due date	<ul style="list-style-type: none"> - AR Head to share List of defaulters to Registration and Deanship of Academic Support Department and inform that an access to the Learning Management System shall be put on hold due to non-compliance with payments terms within a week. - The Account Receivable Team shall activate financial holds on student accounts in case of non-compliance with UOS

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

Dunning	Timeline	Activity
		student payment terms. This action shall restrict the access to view grades, and registration for upcoming courses.


9. Document Control and Record-Keeping Unit shall issue the Graduation Certificate and Official transcript to Students only after obtaining NOC from Accounts Receivable Team and shall deactivate the Student ID.

Refund

1. Students shall be eligible for Refund in the following cases:


Scenario of Refund	Documents Required
Students who have received Scholarship after paying the Tuition Fees	a. Scholarship Certificate / Sponsorship Letter (Indicating the % of Scholarship) b. Payment receipt
Withdrawal of application from UOS before Census date	a. Clearance Certificate from University b. Payment receipt
Dorms Deposit	a. Clearance Certificate from Dorms Dept. b. Payment receipt
Visa Deposit	a. 'Confirmation on Cancellation' from Passport Section b. Payment receipt
Surplus in Graduate Student Account	a. Clearance Certificate from University

2. A Refund can be only requested through E-SERVICE channel along with a Refund Request Form.
3. Refunds shall be processed twice a month i.e. on 15th and 30th of the month if the required documents (along with the Form) are submitted 5 days prior to processing date.
4. Refunds shall be directly credited to the account holder from whom the initial payment has been received.

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

5. Students need to submit no objection letter from the Sponsor to get the refund amount in case the credit balance is available in the Student account from Sponsor support.


Timeline	Penalty
Within first month	25% of the total Housing Fees
Within second month	50% of the total Housing Fees
After second month	100% of the total Housing Fees

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

Revenue from Business Centers and Research Department

Details of UOS' Revenue Sources

Source of Revenue	Description	Revenue Recognition	Full/ Partial Refund Criteria
Rental Properties & Retail Sites	Revenue collected from tenant for UOS properties	Straight-line basis over the tenure period	Request from Client (in line with Ejari Contract)
General Research Grant	Revenue received for research projects from Sponsors without any underlying conditions/ restrictions	Upon receipt of funds	Not Applicable
Restricted Research Grant	Revenue received for specific research projects from Sponsors	Upon fulfillment of the attached conditions	Unused funds upon project completion
Miscellaneous Government Assistance	Revenue received from government sponsors for general purpose	Upon receipt of funds	Not Applicable
Dental	Revenue received from customer to take dental services	Upon provision of services	Not Applicable
Day Care	Revenue received from customer to take Day Care services	Upon provision of services	Not Applicable
Centre for Continuing Education (CCE)/ Clinical Training Centre (CTC)	Revenue collected for providing training programs and courses	<ul style="list-style-type: none"> ▪ Straight-line basis over the course/ program period ▪ Upon course completion (Duration of course less than a month) 	Course/ Program Cancellation
Conference	Revenue collected from conferences organized by the different Departments	Upon completion of conference	Conference Cancellation


 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

Source of Revenue	Description	Revenue Recognition	Full/ Partial Refund Criteria
Passport/ Visa Service	Revenue collected for the passport/ visa service provided to students/ employees and their dependents	Upon provision of services	None
Planetarium	Revenue collected from the visitors visit the Planetarium	Upon sale of ticket	None
Sale of Books	Revenue collected from sale of UOS Books	Upon sale of book	Return of book due to quality issue

Invoice Preparation

- Upon confirmation of service delivery or receipt of payment (whichever is earlier), an Invoice shall be submitted, and shall contain the following particulars:
 - The word "Invoice" clearly displayed at the top
 - The name, address, logo of UOS
 - Invoice Number
 - The date of issue of Invoice
 - Customer Name and Account Number
 - Details of Goods/ Services provided
 - The gross amount payable expressed in AED
 - Payment Due Date
 - Stamp of UOS Finance Department
- In case the service/goods sold is taxable, a "Standard Tax Invoice" shall be issued with the following additional particulars:
 - The words "Tax Invoice" clearly displayed at the top
 - Tax registration number of UOS
 - The Tax amount payable expressed in AED

(Please refer to VAT Policy for more details).
- Walk-in customers shall be issued POS generated Invoice.
- Respective Business Centre shall request for Invoice in case of Corporate Clients for which below documents shall be required:
 - Signed contract copy/ Approved Purchase Order


 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

- Service delivery progress confirmation (such as confirmation of courses and programs)
5. For Internal Customers (UOS Students and Employees (and their dependents)), Invoicing shall take place directly against their respective accounts through their Student / Employee ID
 6. During Invoice generation, the relevant Tax code shall be entered and confirmed by the AR Team in line with the VAT Policy.

Collection and Follow-up from Business Centers and Corporate Customers

1. Following mode of payments are available for Customers to pay.
 - Online payment gateway
 - Credit Card
 - Cheques
 - Bank Deposits
2. Cash Payment shall NOT be allowed as a viable mode of payment.
3. AR Team shall generate an 'Accounts Receivables Ageing Report' with aging buckets for Past Due Amounts (1-30 days, 31-90 days, 91-120, 121-365 and >365 days) on a monthly basis or as required, to review overdue receivables and collection progress compared to the previous month.
4. The following dunning activities shall be conducted (at minimum):

Dunning	Timeline	Activity
1	5 days prior to due date	Automated Alert via Email and SMS
2	Due Date	Automated Alert via Email and SMS
3	7 days post-due date	Automated Follow-Up Letter via Email and a subsequent call from AR Accountant
4	15 days post-due date	Automated Follow-Up Letter via Email and a subsequent call from AR Head
5	30 days post-due date	Encashment of financial guarantee received from Customer (if available) and notification to Customer (or) Automated Follow-Up Letter via Email and a subsequent call from FC Head
6	60 days post-due date	Consultation with Legal Department for Recovery

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs


- Encashment of financial guarantee (if available) or initiating legal procedure to recover the outstanding amount shall require prior approval of the Finance Director.

Revenue Recognition

- UOS shall recognize revenue when it satisfies its performance obligation to the customer, either over time or at a point in time. As per **IFRS 15 Revenue Recognition**, UOS shall recognize revenue over time if one of the following criteria is met:
 - The customer simultaneously receives and consumes all of the benefits provided by UOS as part of its operations;
 - UOS's performance creates or enhances an asset that the customer controls as the asset is created; or
 - UOS has an enforceable right to payment for performance completed to date.
- If UOS satisfies its performance obligation at a point in time, revenue shall be recorded in accordance with IFRS 15 Revenue Recognition if one of the following criteria is met:
 - UOS has a present right to payment for the goods/ services provided;
 - The customer has legal title to the asset; or
 - UOS has transferred physical possession/ risks and rewards of the asset to the customer.

Income from Rental Properties & Retail Sites

- UOS shall be listed as the Landlord on all Ejari contracts for Rental Properties and Retail Sites.
- Inventory of all properties shall be maintained with detail of occupancy status, period of occupancy and agreed rental for the period. Soft copies of the Ejari shall be uploaded against each occupied property by dedicated Property Management Team.
- Rental funds received but not eligible for Revenue Recognition shall be recognized as 'Deferred Revenue'.
- Funds received shall either be recorded as 'Deferred Liability account for Student Welfare/ Research Fund, depending on the classification of the property and shall be utilized for the specified purpose.
- Rental Security deposits received shall be recorded as a liability until the end of the contract. Any non-refundable amount of the deposit shall be recorded as Other income upon confirmation from the Property Management Team.
- Bounced PDCs shall be communicated with the Property Management Team for follow-up with the customers.


 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

Research Grant Revenue

1. A unique code shall be generated for every Research project undertaken after the submission of signed contract to FC Team by Research Department and shall include the contractual terms, duration, milestones, total budget.
2. Research Grant Revenue shall be categorized as follows:
 - **General Research Grant:** Grant received from Sponsors for a general purpose
 - **Restricted Research Grant:** Grant received from Sponsors for a specific purpose (such as nature and scope of project)
3. Expenses that are required to be reimbursed by the Sponsors, should be pre-approved prior to incurring it.
4. Monthly meeting (every 1st working day of the Month) shall be performed with Research Team to discuss and assess the following (but not limited to) items retrieved from MIS for the Open projects (Internal/ External):
 - Invoicing Requirements
 - Recognition of cost based on time charged on the projects and other expenses incurred (OPEX and CAPEX)
5. Restricted Research Grants shall be recognized as 'Deferred Liability' until completion of the Grant criteria, upon which they shall be recorded as Revenue.

Credit Note to Customer

1. Credit Notes shall be raised to document any adjustment that shall decrease the right of UOS towards Customers.
2. Credit Notes shall be raised to record all instances of exceptional discounts, waivers and refunds processed in line with the AR Policy, including (but not limited to):
 - Approved Request for Refund by College/Business Centre/Research Department;
 - Partial/Complete Waiver to the invoiced amount;
 - Exceptional one-off discounts;
 - Unsettled/disputed invoices; or
 - Any other adjustment to Student/Sponsor/Corporate Client account.
3. The following elements shall be included (at minimum):
 - The words " Tax Credit Note" clearly displayed on the document;
 - The name, address, logo of UOS;
 - The name and address of Customer;
 - The date of issuing the Credit Note;
 - Reference to the original Invoice and Purchase Order/ Contract;
 - A brief explanation of the circumstances giving rise to the issuing of the Credit Note;

 جامعة الشارقة UNIVERSITY OF SHARJAH	Policy Main Title	Fiscal Resources	Effective Date	1/10/2022
	Policy Subject	Accounts Receivable	Last Review date	4/10/2022
	Policy Number	FR-13	Next Review date	1/9/2025
	Responsible Entity	Finance Department	Approved By	Vice Chancellor for Administrative and Financial Affairs

- For VAT related purposes, TRN of UOS and Customer, along with tax charge relating to the difference in amount.

Reporting

Accounts Receivable Team shall extract below (but not limited to) key reports for the purpose of reporting and to ensure close control over account receivable balances:

- Receivables Ageing Report.
- Semester Fee Due Report.
- Late Payment Charge Report.
- Unidentified Receipts with ageing buckets.
- Accounts Receivable Adjustments Report.
- Cheques Return Request Report.
- Semester wise Registered Student Report.
- Student Discount Allocation Report.
- Non-invoiced sales/service Record.