

Credit Policy

Effective from 1st August 2021

1. Purpose

To outline the University's approach to the collection of income from student and non-student activity.

2. What is covered by the policy?

Student activity: payment of tuition fees; maintenance and studentship payments; accommodation charges; refunds; other student debt

Non-student activity: customer master records; credit checks; currency; invoicing; payment terms; collection agencies; legal proceedings

3. Who does the policy apply to?

All staff, students, sponsors/embassies and University customers.

4. Roles and responsibilities

The Finance Office Income Section is responsible for the collection of revenue to the University.

The Accommodation Services team is responsible for the collection of income related to University accommodation.

All employees of the University are asked to co-operate fully with the Finance Office Income Section in the collection of revenue to the University.

5. Policy

Income collection from student and non-student activity is to be dealt with in a sensitive and positive manner in accordance with the University's Financial Regulations.

The University recognises that students are facing increasing financial burdens as they pass through the Higher Education system and seeking advice at an early stage before problems escalate improves the chances of finding a solution.

All correspondence with students must clearly state the amount and type of debt and the payment options available.

All correspondence with students will encourage them to seek help should they be facing financial difficulties. Advice may be sought from Student Financial Support, particularly in relation to the hardship funds it administers, and free and independent advice is available from the Student Advice Centre in the Union Building. The website can be accessed at: www.nusu.co.uk/sac/.

6. Related regulations, statutes and policies

[University Financial Regulations](#)

[University Regulations](#)

7. Procedure to implement the policy

Refer to Appendix 1.

8. Monitoring and reporting on compliance

What will be monitored?	Frequency	Method	Who by	Reported to
Payment of tuition fees	Continuous	Reconciliation of student records. Fee paid against due date schedule	Tuition Fees team - Income section, Finance Office	Income Section Manager
Payment of accommodation fees	Continuous	Reconciliation of student records. Fee paid against due date schedule	Accommodation services	Allocations Manager, Accommodation Services
Other student debt	Continuous	Reconciliation of unit records	Relevant unit within the University	Outstanding debt over £100 is reported to the Income Section manager
Credit checks	Periodically plus mandatory for all companies where the initial order is over £10k or where payment patterns have changed	Via credit reports	Credit Control team - Income section, Finance Office	Finance Senior Management Team as necessary
Follow up for unpaid non-student bills	Invoice by invoice basis once debt is past due date.	Reconciliation reports	Credit Control team - Income section, Finance Office	Units for authorisation to take further action

9. Failure to comply

9.1 Tuition fees

Tuition fees will normally be charged for a full academic year. Tuition fees are composite and include registration, tuition or supervision, access to library and IT services, examination, re-examination as an internal candidate and graduation at the students' primary campus. The arrangements for charging and collecting tuition fees are covered by the University's General Regulations. Failure to pay tuition fees can impact on a student registration and the services available to the student – see www.ncl.ac.uk/regulations/docs/.

Fees and other charges shall be paid at the times prescribed by the University. It is a condition of registration that the students have made adequate financial arrangements to cover the cost of all tuition fees and maintenance expenses for the whole period of study at the University.

Students who are supported by grant awarding bodies or other sponsors, or are deferring tuition fees by means of a fee loan from the Student Loans Company (SLC), shall provide the necessary information for the University to secure payment from the body concerned. Other students will be classified as self-supporting and will be responsible for the payment of their own fees.

Students who do not pay by the due dates may be liable to an administration charge of £25. Details of payment options are available from Finance and Planning.

Where there are any delays in the payments of tuition fees (or other charges relating to academic study at the University), whether by students themselves, a grant awarding body or other sponsor, and where those students cannot show reasonable cause and give a satisfactory assurance as to payment, the Academic Registrar or nominee may determine an appropriate sanction. Sanctions may include:

- suspension of the student's IT account, and thus access to University controlled facilities such as IT clusters and the Library;
- denial of the opportunity to sit University examinations or to have assignments assessed;
- denial of access to other University facilities, or such sanctions as may be approved from time to time by the Academic Registrar;
- exclusion from further study in the University. In special circumstances a student so excluded may be readmitted to the University on the authority of the Academic Registrar on payment of all outstanding fees and debts to the University together with an administration charge.

When sanctions are taken, the School/Graduate School and other relevant University departments who need to be aware of this will receive notification of which students are affected.

Any students who owe tuition fees will not be allowed to re-register at the start of the next academic year and will not be permitted to graduate. A notification will be sent to students to inform them of the situation.

No degree, diploma or other qualification shall be conferred upon students who have not fulfilled their financial obligations to the University, or are subject to ongoing disciplinary procedures. Any outstanding debt will be referred to an external collection agency and, if necessary, court action will be instigated.

These sanctions may only be applied in the event of non-payment of University tuition fees. They may not be used as a means for handling any other type of debt.

Where the University bank is unable to receive payments that involve either directly or indirectly countries that are subject to varying degrees of Economic Sanctions, students will need to make alternative arrangements to pay their fees.

9.2 Accommodation charges:

Outstanding balances on accounts will not be pursued for less than £50; similarly refunds will not be made (unless specifically requested) for less than £50.

9.2.1 Students

Students must make payments in line with their contracts. Students whose account continues to be in arrears may lead to referral to an external debt collection agency and in limited circumstances, a request to vacate the property.

Students may be able to re-negotiate their payment terms with the Accommodation Service.

Students with accommodation debt on their account at the time of Registration will not be allocated University accommodation and will be subject to an interview with the Accommodation Service to agree a repayment plan. Defaulters will be referred to a debt collection agency and if necessary, court action will be taken.

9.2.2 Visitors

In the event of continued non-payment of arrears (and after completion of follow up processes a decision will be made as to whether to refer to an external debt collection agency and/or in limited circumstances, a request to vacate the property.

These procedures will be followed in conjunction with the terms of the contract.

9.2.3 Students who have left the University

Students who have left Newcastle University with Accommodation charge arrears will be treated differently to current students.

Those leaving during the academic year will have their accounts referred to the Accommodation Credit Control team. The first letter to the student will outline the debt, future possible procedures and warning of the last chance for contact.

If no contact is made within seven days one final attempt will be made to recover the debt. The Allocations Manager will then make the decision as to whether to refer the debt to an external collection agency

9.3 Other student debt

Other student debt may be Library fines, disciplinary fines, Student Wellbeing short term loans, or any other such non- Tuition Fee debt as deemed ancillary by the University.

In the case of other debt the debt will initially be held and monitored by the relevant Unit within the University. An initial letter will be sent to the student requesting payment and it is expected that these debts will be paid back when they become due.

If payment is not made by the stated deadline, the individual Unit will send follow up letters in line with their individual procedures. Once the follow up letters have proved ineffective and the debt remains outstanding, for student debts over £100 only, the Unit will raise an invoice with payment terms of 7 days. Should the student dispute the amount or reason for the debt they must speak to the relevant Unit.

If the invoice then remains outstanding after the payment deadline the Finance Office will pass the debt to a Debt Collection Agency for their immediate action. Once the debt has been passed to the Debt Collection Agency the student should only enter into correspondence with the Debt Collection Agency regarding the debt.

9.4 Non- student activities

Follow-up activity with customers who have not paid their bills by the due date will be the sole responsibility of the Credit Control Team within Finance and Planning.

This is carried out on an invoice by invoice basis and consists of letters, e mails and phone calls as appropriate for the customer.

The Credit Control Team will send Units a request for authorisation to take further action approximately 7 days after sending the final notice to the customer.

The request must be completed and signed by an authorised signatory and returned to the Credit Control Team within ten working days.

Outstanding balances on accounts will not be pursued for less than £50; similarly refunds will not be made (unless specifically requested) for less than £50.

A number of collection agencies for use will be approved by the Income Section Manager.

Once a debt has been passed to an agency, or is with the County Court, Units must not enter into negotiations with the debtor.

Units will be charged with any recovery costs and with any bad debts, unless alternative arrangements have been made with the Executive Director of Finance.

The customer account will be blocked for use by all Units until the account has been cleared.

In limited circumstances it may be necessary to instigate legal proceedings for the recovery of debt. The Income Section Manager will take responsibility for all cases referred to the County Court.

Fixed court costs will be borne by the Unit on issue of the summons. The costs will be paid by the defendant if the claim is successful and the Unit reimbursed.

The Unit must co-operate fully with the Income Section Manager and the County Court's timetable e.g. providing information, contracts, statements etc.

The Income Section Manager will advise the Unit at all stages of proceedings and will advise on enforcement after Judgment has been obtained.

The customer account will be blocked for use by all Units until the account has been cleared.

Document control information		
Does this replace another policy? Yes / No If yes please state. NO		
Approval		
Approved by: Richard Dale, Executive Director of Finance		Date: 28/07/21
Effective from: 1 st August 2021		
Review due: June 2022		
Responsibilities		
Executive sponsor: Richard Dale, Executive Director of Finance		
Policy owner: (This maybe an officer or Committee)		Karen Carvell, Income Section Manager
Policy author:		Karen Carvell, Income Section Manager
Person(s) responsible for compliance: Richard Dale, Executive Director of Finance		
Consultation		
Version	Body consulted	Date
June 2021		
Equality Impact Assessment:		
Does the policy have the potential to impact on people in a different way because of their protected characteristics? Yes/ No/ Unsure: NO		
If yes or unsure please consult the Diversity Team in HR for guidance		
Initial assessment by:		Date:
Key changes made as a result of Equality Impact Assessment		
Document location		
https://newcastle.sharepoint.com/docs/Financial%20Policies/Forms/AllItems.aspx		

Appendix 1

Procedure to implement the policy

1. Students

1.1 Tuition Fees - Introduction

From August 2021 students will fall into one of 2 fee paying categories: Home Fees or International Fees. Which category the student falls into depends on whether certain criteria is met.

- Homes fees apply to *UK students, Irish students, Students from Crown Dependencies, other EU students who started their course before August 2021 and students with settled or pre-settled status.*
- International Fees apply to all other students.

1.2 Home Fee paying Undergraduates and PGCE students, excluding students from the Crown Dependencies

This applies to undergraduate and PCGE: UK students, Irish students, other EU students who started their course before August 2021 and students with settled or pre-settled status.

Students are not required to pay their tuition fees whilst they are studying. Instead, students may choose, if they wish, to defer the payment of all or part of their fees until after they have graduated. In order to defer the payment of fees (in full or in part), students must take out a fee loan through the SLC. The SLC then pays the tuition fee to the University on behalf of the student. If a student has previously studied at undergraduate degree level they may not qualify for an SLC loan and should contact the SLC for further information. Students who choose not to defer their tuition fees will be invoiced for payment in three instalments.

For self-funding students:

- Three instalments are offered with the dates 26th November, 31st January and 30th April or the nearest working day.
- Tuition fees that are paid in full by 26th November attract a discount of 2%.
- The preferred method of payment is direct debit.
- For all instalments due, an e mail reminder will normally be sent to students at least two weeks before the instalment becomes due.

1.3 Home Fee paying Postgraduate Taught Students (self-funding)

This applies to Postgraduate Taught: UK students, Irish Students, other EU students who started their course before August 2021 and students with settled or pre-settled status. In addition this also applies to Students from the Crown Dependencies.

Though full payment is not due upfront, students who pay their fees in full by the end of the Arrival, Welcome and Registration period will be entitled to a 2% discount on the part of the fees they are responsible for paying themselves.

Special arrangements can be agreed for registration pending payment. These special arrangements will be authorised by the Income Section Manager on a case by case basis and will not normally exceed one month.

Students studying on an eligible Postgraduate Taught Course will be eligible to pay tuition fees in six instalments (upon request for Students from the Crown Dependencies)

Eligibility Criteria

Students are eligible to pay by six instalments if they:

- Have accepted an offer to study an eligible postgraduate taught course
- Are studying on a course starting in September
- Are paying the Home tuition fees
- Have a UK bank account.

A taught postgraduate course could be one of the following:

- Postgraduate certificate (PGCert)
- Postgraduate diploma (PGDip)
- A Master's course (e.g. MA, MSc)

A list of eligible and non-eligible courses can be found at:

<https://www.ncl.ac.uk/tuition-fees/instalments/#homefeepayingstudents>

Students who do not take advantage of the 2% discount will need to make a payment of 20% of their annual tuition fee at or before registration. The remaining balance is payable in five instalments by Direct Debit only, on the following dates (or the nearest working day):

- 26th November: 16% of annual tuition fee
- Last working day of January: 16% of annual tuition fee
- Last working day of February: 16% of annual tuition fee
- Last working day of April: 16% of annual tuition fee
- Last working day of May: 16% of annual tuition fee

Direct Debit forms must be completed 3 weeks prior to the first instalment date. Exact dates will be displayed on S3P each year.

Failure to complete a direct debit could result in the student being asked to pay the remainder of funds immediately.

Students who can demonstrate they have applied for a Postgraduate Masters Loan and this has been approved are also eligible to pay their fees in 3 instalments in line with the dates of the payments of their loan.

For students not eligible to pay in 6 instalments:

- Two instalments are offered. The first is due at registration and the second on the 31st January or the nearest working day, or other date agreed by the Income Section Manager when the programme of study starts at a time other than the Autumn Term. An e mail reminder will normally be sent to students two weeks before the instalment becomes due.
- Tuition Fees that are paid in full at or before registration attract a discount of 2%.

1.4 Home Fee paying Postgraduate Research Students (self-funding)

This applies to Postgraduate Research: UK students, Irish Students, other EU students who started their course before August 2021 and students with settled or pre-settled status. In addition this also applies to Students from the Crown Dependencies.

- Two instalments are offered. The first is due at registration and the second on the 31st January or the nearest working day, or other date agreed by the Income Section Manager when the programme of study starts at a time other than the Autumn Term. An e mail reminder will normally be sent to students two weeks before the instalment becomes due.

- Tuition fees that are paid in full at or before registration attract a discount of 2%.
- Students who can demonstrate they have applied for a Doctoral Loan and this has been approved will be offered the chance to pay their fees in 3 instalments to coincide with the dates of the payments of their loan.
- Special arrangements can be agreed for registration pending payment. These special arrangements will be authorised by the Income Section Manager on a case by case basis and will not normally exceed one month.

1.4 International Fee paying Undergraduate and Postgraduate students (self-funding) and Home Fee paying Undergraduate students from the Crown Dependencies

- Two instalments are offered. The first is due at registration and the second on the 31st January or the nearest working day, or other date agreed by the Income Section Manager when the programme of study starts at a time other than the Autumn Term. An e mail reminder will normally be sent to students two weeks before the instalment becomes due.
- Tuition fees that are paid in full at or before registration attract a discount of 2%.
- Special arrangements can be agreed for registration pending payment. These special arrangements will be authorised by the Income Section Manager on a case by case basis and will not normally exceed one month.

1.5 Sponsors/Embassies

Invoices are raised with 30 day payment terms. No discounts or instalments are offered to sponsored students. Should a Sponsor/Embassy default on payment of tuition fees, the responsibility for payment of the fees will revert to the student.

1.6 Charging Policy for Students Withdrawing from the University or Suspending Studies

Any refund of tuition fees and/or reduction in fee liability is at the discretion of Newcastle University.

Charges will not be levied for students who withdraw in the first 2 weeks of Term 1.

In all cases any other tuition fee debts owing to the University will be subtracted from any refund of fees.

The University will apply the following rules when calculating the fee liability for students who are withdrawing from the University or suspending studies:

1.7 Home Fee Paying Undergraduate students, excluding students from the Crown Dependencies

This applies to undergraduate and PCGE: UK students, Irish students, other EU students who started their course before August 2021 and students with settled or pre-settled status

The amount of tuition fees the student will be liable to pay will depend on the term in which they withdraw or suspend. If the Student withdraws or suspends:

- From week 3 of Term 1 they will be charged 25% of the total academic year's fee.
- Anytime during Term 2 they will be charged 50% of the total academic year's fee.
- Anytime during Term 3 they will be charged 100% of the total academic year's fee.

1.8 International Fee paying Undergraduates, and Undergraduates from the Crown Dependencies, and all Postgraduate students

When withdrawing or suspending studies, students will be charged pro rata based on the number of weeks in attendance. Where payment has been made, refunds will be given calculated on the same basis.

- For undergraduate students the charges will be pro rata over 30 or 31 weeks (depending on how the University calendar falls).
- For all postgraduate students the charges will be pro rata over 41 or 42 weeks (depending on how the University calendar falls).

1.9 Refunds

Refunds should not be made to students who owe tuition fees and will only be made in accordance with Finance and Planning policies.

Refunds will not normally be made for amounts less than £50 unless requested by the student.

Deposits are non-refundable, so where a student has been required to pay a deposit it is preferable that all conditions have been met to secure a place on the programme prior to payment of the deposit.

Refunds will be returned via the same method as the original transaction (except where payment was made by cash¹ or cheque) and to the source of the original transaction. The University does not take any responsibility for payments made by a third party.

A refund request will be required where appropriate, including proof of payment leaving bank account if payment was made by cash¹ or cheque. For other reasons (e.g. card expired/bank account closed) where a refund cannot be returned via the same method, to the source of the transaction, proof will be required relating to who made the payment and from where, or any other such proof as requested by the Finance Office.

1.10 Maintenance and Studentship Payments

The University may reclaim any overpayment made to students should they interrupt or terminate from their study during the academic year.

This includes any overpayments due to changes in mode of study, maternity/paternity leave or sick leave.

¹ Cash is no longer accepted, but fees may have previously been paid by cash.

1.11 Accommodation Service (Newcastle based students)

1.11.1 Terms and Conditions of Contract

All details in respect of tenancy conditions, fees and charges and early termination charges can be found on the University website.

1.11.2 Payment Terms

Students can choose to pay the full year by debit/credit card, cheque or use bank transfer by Western Union. For security reasons we do not accept payment in cash. Those students with a contract for the full academic year or those studying for one semester only and paying the full charge within seven days of the commencement of the tenancy, may be eligible for a 2% discount on the full charge.

Students can choose to pay termly instalments by debit/credit card or bank transfer by Western Union. If these methods are not suitable then cheques will be accepted. Other instalments will be taken by Direct Debit.

1.11.3 Refunds

Refunds will not be made to students owing accommodation charges.

Refunds will not normally be made for amounts less than £50 unless requested by the student.

Refunds will be returned via the same method as the original transaction (except where payment was made by cash¹ or cheque) and to the source of the original transaction. The University does not take any responsibility for payments made by a third party.

A refund request will be required where appropriate, including proof of payment leaving bank account if payment was made by cash¹ or cheque. For other reasons (e.g. card expired/bank account closed) where a refund cannot be returned via the same method, to the source of the transaction, proof will be required relating to who made the payment and from where, or any other such proof as requested by the Accommodation Service.

2. Non Student Activity

2.1 Customer master records

All credit sales invoices require the existence of a valid Management Information System (SAP) customer record.

The Credit Control Team Sales-Master@ncl.ac.uk is responsible for creating and amending all SAP master records for customers and sales materials. Instructions for Units requesting new customer accounts and materials are provided at <https://nufin.ncl.ac.uk>.

This process will normally be completed within 24 hours of the request if all required information is provided and if the initial order value is within the recommended credit limit.

2.2 Credit Checking Procedure

The University wants to encourage business but at the same time maintain an accurate and up to date database of customers, whilst identifying consistent bad payers and potential bad debtors.

A credit check of all customers, where data is available, will be required if the initial order is over £10,000². The credit check must be done prior to confirmation of an order or contract.

² Where a credit report is available

The Credit Control Section in Finance and Planning will assess the credit check and:

- If the company is high risk they will inform Grants and Contracts/Research and Enterprise Services/JRO and CFM (for contracts originating from Research and Enterprise Services), or the originating Unit (other business). Authorisation from a member of the Finance Management Team will be required if the order is greater than the recommended level.
- If there is little to no risk and/or the value of the order is not significant, no further action will be recommended.
- Apply the relevant credit limit in SAP.

Additional safeguards should be considered when the credit assessment identifies significant risk or where the business relates to new or emerging markets (e.g. payment in advance and monthly credit terms).

The Credit Control Team will periodically review customers, using the above criteria. They will also investigate companies which change their payment patterns. If an invoice is to be raised which causes the credit limit to be exceeded a warning will be flagged. The Credit Control Team must be contacted when this occurs and they will seek authorisation from a member of the Finance Management Team where necessary before the credit limit can be raised above the recommended level.

The overall objective of the University is to limit the risk of a defaulting customer and not to hinder sales by Units.

When a customer does not conform to the University's credit terms; the University may cease trading with the customer by closing this account.

2.3 Currency

The University's preferred option is to invoice and collect in sterling.

The University is able to invoice and collect in Euros, US Dollars, Singapore Dollars and Malaysian Ringgit. Advice should be sought from the Income Section on the correct bank accounts for remittance of customer payments. Where payment is received in a different currency to that used to invoice, any exchange difference may be posted to the Unit responsible for raising the invoice depending on the amount and circumstances of the transaction. This decision will be the responsibility of the Income Section Manager.

Where an invoice is raised in any other currency, any exchange difference will be posted to the Unit responsible for raising the invoice. Where the currency is volatile, this could result in a very significant loss and Units are advised to seek help from the Legal team in Research and Enterprise Services before agreeing any contract on this basis.

2.4 Invoicing

Invoices should be raised in SAP for all expected streams of income unless otherwise expressly agreed by the Income Section Manager.

Research Invoices posted to a Research Account may only be raised by a member of Contract Financial Management (CFM).

An invoice will not be pursued and therefore should not be raised for less than £50. If the charge is for less than £50, the two options available are:

- **The University Webstore:** this is the preferred option. For more information please visit the WebStore at <http://webstore.ncl.ac.uk> to have a look at the current products or for additional queries, please contact webstorehelp@ncl.ac.uk.

- **Cash sales:** the 'cash sales' procedure should be used and payments secured in advance. More information can be found in the Cash Handling Policy:
<https://newcastle.sharepoint.com/docs/Financial%20Policies/Forms/AllItems.aspx>

2.5 Payment Terms

Wherever possible a purchase order should be obtained prior to raising the first invoice.

Standard University payment terms for invoices are 30 days. Any exceptions must be agreed in advance with the Income Section Manager and will depend on the nature of the customer and the services being supplied.