

A'Sharqiyah University Policy
CREDIT CONTROL POLICY

Policy name	Credit Control Policy		
Policy number	FN0003		
Contact Person	Director of Finance		
Approval Authority	Board of Directors/Trustees		
Date first approved	June 18, 2020	Last substantive review	NA
Policy Review Cycle	Annual	Next review	2021

1. Definitions

Terms / Abbreviations	Definition
Non-MoHE Students	All students who are not sponsored by Ministry of Higher Education
Dormitory Students	All students who opt to register at the dormitory.
Students	Applicants who successfully registers in any of the programs and is an active learner at ASU.

2. Purpose

The overall objective of this policy is to provide a framework for accounts receivable and credit management within the University. This policy establishes the requirements for payment terms with A'Sharqiyah University SAOC's (ASU) customers, that primarily

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includes students of A'Sharqiyah University, as well as the monitoring and maintenance of these terms. This policy should be read in conjunction with the part of receivable policy and, subsequently, constitutes part of the Finance policy manual.

3. **Scope**

This policy applies to all credit hours sold to students and student dorms executed with lessees of ASU owned or leased premises. Any other type of sales/revenue or income shall be dealt on a case by case basis.

4. **Policy Statement**

A'Sharqiyah University SAOC students shall pay their tuition or dorm fee in accordance with the criteria listed below:

Students:

All students (both new and old) shall pay 30% of their tuition fee in advance.

Maximum basic credit that can be granted, is equal to 70% of their one semester fee in case they meet the following qualifying criteria.

1. Must have cleared all dues relating to previous years/semesters (applicable to old students).
2. Must demonstrate the ability to pay the remaining tuition fee by providing post-dated cheques.
3. The student shall settle the balance 70% fee before the end of the Semester.

Any non-repayment shall impose the finance bar on the student and the student cannot get registered for the next semester, until the outstanding amounts are settled in full.

For students who have completed their final semester and sustain an outstanding debt, they will not be eligible to receive their results and/or graduation certificate.

In case student wishes to withdraw from ASU, he/she shall obtain financial clearance from finance department before issuance of any documentation or certification from ASU.

Exception to the policy:

Vice Chancellor and Deputy Vice Chancellor (Resources and Institutional Support) shall have the authority to waive the 30% advance requirement under the following conditions:
The students;

1. Must sign a pledge to repay the amount with mode, before the end of the Semester.
2. Must have cleared all dues relating to previous years/semesters (if any).
3. Must provide security, such as PDCs (Post-dated checks) and any other form of acceptable security.
4. The Vice Chancellor and Deputy Vice Chancellor (Resources and Institutional Support) can make an exemption from the requirement of submitting the PDCs, either for the payment of 30%, 70% or 100% of their tuition fees, on a case by case basis.
5. Vice Chancellor has the authority to waive any requirements under this policy on

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specific case bases.

Non – MoHE Sponsors:

For sponsors other than MoHE, maximum basic credit that can be granted is equal to 100% of the one semester fee of their sponsored students, in case they meet the following qualifying criteria:

1. A letter confirming that the student shall be sponsored by the Company in every semester or for the entire degree/course.
2. The sponsor must pay all the dues relating to previous years/semesters.
3. Student shall meet the sponsorship criteria.
4. The sponsor must demonstrate ability to pay the remaining tuition fee.
5. The sponsor shall settle the outstanding amount before the end of the Semester.

Any non-repayment shall impose the finance bar on the student and the student cannot get register until the due amounts are settled by the sponsor.

For students who have completed their final semester and sustain an outstanding debt, they will not be eligible to receive their results.

Exception to the policy:

Vice Chancellor and Deputy Vice Chancellor (Resources and Institutional Support) shall have the authority to make exceptions to this policy considering the following conditions:

1. Credibility of the sponsor
2. Agreement between the sponsor and ASU

Dormitory Students:

1. Student shall sign a tenancy agreement in order to obtain hostel facility offered by ASU.
2. All students staying in a dormitory shall pay one month's dorm charges at the beginning of the semester.
3. Thereafter, the students can continue to pay the dorm charges on a monthly basis.
4. No dues could be carried over to the next Semester.

Declaration

All new students registering with A'Sharqiyah University shall sign a declaration stating that ASU reserves the right to use all legal possible means to collect the outstanding amount, including but not limited to, hiring services of debt collection agencies.

5. **Key Stakeholders**

All students.

6. Procedures and Guidance

Invoicing

All invoices should follow the standard template from A'Sharqiyah University SAOC's accounting software package. Invoices should contain all necessary information for the customer to pay promptly. All customers should be invoiced within seven days of the order being completed (unless otherwise agreed).

Collections

A standardised collection communication schedule should be undertaken in order to encourage the client to pay on time. This should involve:

Contact	When
SMS	14 days before the registration date
Barring to register in the system	Automatic when amount is overdue
Email	7 days overdue
SMS – Parent/Guardian/Sponsor	2 Months Overdue
Call – Parent/Guardian/Sponsor	2 Months overdue
Email	1 Month overdue
Debt Collector (After notifying to the parent/guardian)	2 Semester Overdue

A link to the students' statement of account shall be sent while communicating the outstanding balance with the student.

In the event that an amount is overdue, the system shall automatically put on a stop until the outstanding amount is paid. After 2 semesters, a third-party collection agency should be tasked with recovering the monies owed. A notification to the student and his/her parents/guardian shall be communicated 2 weeks for a final settlement before sending it to the debt collection agency.

Payment method

The preferred method of payment is through bank transfer using electronic payment channels, credit card, banker's draft. Cash collection should be minimised and discouraged at all point in time.

Terms & conditions

This policy is designed to be applied in conjunction with A'Sharqiyah University SAOC's general terms & conditions of its tuition and related services.

Evaluation

This policy should be revised every 12 months, ideally within the first quarter of the financial year.

Early payment incentives

ASU shall give following incentive for early payments made by the students, If student pays 100% fees for specific semester (minimum 12 Cr. Hours) then student will be eligible for 5% discount of tuition fees due.

7. **References**

These should follow the APA format for referencing