

# AGA KHAN UNIVERSITY

## Guidelines, Policies and Procedures

<b>Policy Name</b>	Other Receivable Recovery Policy
<b>Policy Number</b>	AKU-K/FIN/PL - 013
<b>Approved by</b>	Chief Financial Officer
<b>Date of Approval</b>	4th November 2022
<b>Contact Office</b>	Office of the University Registrar

1. **Purpose:**

1.1. This policy provide guideline to monitor and recover receivable from customers such as Network Institutions, Suppliers, Granting Agencies etc. Term and conditions of contract between the Institution and the customer will be used for credit and other follow up and recovery terms.

2. **Scope:**

2.1. The policy is applicable to all units of The Aga Khan University Kenya (AKU-K). The word AKU-K is herein referred to as the "Institution".

3. **Responsibility:**

3.1. Finance Department's General Accounting Section and/or Grant Accounting Section would be responsible to maintain and monitor the account and initiate recovery proceedings.

4. **Terms and Definitions:**

4.1. **"Network Institutions"** relate to those institutions working under the Aga Khan Development Network, such as Aga Khan Health Services, Aga Khan Education Services, Aga Khan Foundation etc.

4.2. **"Suppliers"** are those vendor organizations, which have credible and cordial relationship with the Institution.

4.3. **"Granting Agencies"** are those international, government or non-government organizations, who provide monetary grant to the Institution.

4.4. **"Research and planning"** includes the preliminary feasibility workout and other groundwork regarding new institutions/ideas initiated by the Network.

4.5. **"Service Contractees"** means the organizations who receive services from the Institution.

4.6. **"Receivable Schedule"** is a document that is prepared at the end of each month and contains the name of the debtor organization and the amount due.

4.7. **"Invoice"** is a document through which, a claim is raised with the customer.

4.8. **"Reminder"** is a document that reminds the customer of an overdue account.

- 4.9. **“Customer”** All Network Institutions, Suppliers, Granting Agencies and Services Contractees would collectively be called as customers
5. **Process / Procedure:**
  - 5.1. **Observations and limitations**
    - 5.1.1. Service to customers may be suspended if invoices are not cleared within sixty days of failing due.
  - 5.2. **Procedure for agreement**
    - 5.2.1. Agreements between the customer and the Institutions can be written or in the form of a formal request.
  - 5.3. **Procedure for invoice/report & reminders**
    - 5.3.1. A Receivables Schedule shall be prepared by 15<sup>th</sup> of each month reflecting balance to the end of the previous month. Accounts due for billing shall be invoiced to the customer immediately.
    - 5.3.2. Overdue accounts shall be sent reminder at the end of the second month, with a copy to a higher authority.
    - 5.3.3. A second reminder is sent at the end of the third month informing the customer of possible withdrawal of future services
  - 5.4. **Procedure for action against the defaulting customers**
    - 5.4.1. In case of non-payment by the customer, all future activities may be suspended in relation to that customer at the discretion of the management.
6. **Review of Policy**
  - 6.1. This policy document shall be reviewed every three year or as required.
7. **Reference(s):**
  - 7.1. N/A
8. **Annexures:**
  - 8.1. N/A