

Liabilities Policy

Section 1 - Management of Liabilities

(1) QUT is required to establish and record all financial transactions so that any liabilities are recorded and the financial statements correctly reflect current expenditure and future expenditure commitments.

(2) Liabilities are the claims held against an organisation or individual's assets. Liabilities may constitute goods or services received and for which later payment is due, or expenditure commitments relating to employees such as long service leave, accrued annual leave etc.

(3) The Associate Director, Financial Control is responsible for accounting for all University liabilities and developing and maintaining adequate systems to monitor and ensure:

- a. liabilities are not incurred without proper authority;
- b. liabilities are promptly identified, assessed and recorded; and
- c. appropriate authorisation and payment procedures apply when liabilities are settled by payment of money.

(4) Liabilities to be accounted include those listed below.

Section 2 - Payables

(5) A payable is a debt that is currently due. Payables include:

- a. trade creditors (invoices with regular trade customers that have been incurred but not yet paid);
- b. goods and services received but where invoice has yet to be forwarded;
- c. claims incurred but not reported under superannuation, insurance, grant or subsidy schemes;
- d. accrued salaries (salary costs yet to be paid at the end of a period);
- e. accrued expenses (the recognition of activities that have occurred but have yet to be invoiced);
- f. any other costs that have been incurred but not yet paid.

(6) Policies relating to expenditure transactions and the implications for the liability of payables are outlined in finance policies.

Section 3 - Interest Bearing Liabilities

(7) Interest bearing liabilities are liabilities that attract an interest cost to the debt. These include:

- a. finance leases for which the University must receive approval from the Treasurer of Queensland to enter into (if over a certain value), and
- b. other financial arrangements which incur an interest charge.

Section 4 - Tax Liabilities

(8) A tax liability is a debt owed to the Australian Taxation Office. Although QUT itself does not have to pay income taxes, the University has a number of subsidiaries that are liable for taxation. Finance Business Solutions maintains a register of related QUT companies that may be liable for taxation.

Section 5 - Provisions

(9) Provisions relate to the act of providing or accounting for future events. Provisions for QUT predominantly relate to employee entitlements. These include accrued annual leave, long service leave, any superannuation obligation for which the University is responsible and, in the case of sick leave, all of the current entitlement where accrued and payable on termination of services or, where not so payable, that part of the entitlement accrued which will be required to satisfy any eligible claim arising from a past event.

Section 6 - Other Liabilities

(10) Other liabilities may include a range of transactions relating to other debts or claims that have occurred including:

- a. unearned revenue / revenue received in advance where there is an obligation to provide future benefits or in default to refund;
- b. borrowings or debt servicing arrangements;
- c. loan arrangements through [Government Funding Programs](#);
- d. any other material liabilities.

Status and Details

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Policy Owner	Darryl Crawford Associate Director, Financial Control
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