

Collection of Sponsored Funds: Receivable Monitoring

Time Frame	Responsibility	SPS Involvement	Action – Failure to Pay*	Action – PI Performance*
			Financial Risk – Department/University	Financial Risk - Department
Less than 30 Days	<ul style="list-style-type: none"> • Research Specialist 	<ul style="list-style-type: none"> • Research Specialist 	<ul style="list-style-type: none"> • Remit is 30 days • No follow up at this stage. 	<ul style="list-style-type: none"> • None
30 – 60 Days	<ul style="list-style-type: none"> • Research Specialist 	<ul style="list-style-type: none"> • Research Specialist 	<ul style="list-style-type: none"> • HIGH RISK ONLY– Initial sponsor contact made via email with copy of invoice 	<ul style="list-style-type: none"> • None
60 – 90 Days	<ul style="list-style-type: none"> • Research Specialist 	<ul style="list-style-type: none"> • Research Specialist • RA Manager 	<ul style="list-style-type: none"> • HIGH RISK – Second sponsor notice sent via email (notify that work may be suspended) - SPS notify PI, subcontractors and copy Business Office • All Others - Initial sponsor contact made via email with copy of invoice - SPS notify Business Office 	<ul style="list-style-type: none"> • SPS notify Business Manager
90 – 120 Days	<ul style="list-style-type: none"> • Research Specialist • RA Manager 	<ul style="list-style-type: none"> • Research Specialist • RA Manager 	<ul style="list-style-type: none"> • HIGH RISK – Third sponsor notice sent via email (inform that work will be suspended at 120 days) - SPS notify PI, subcontractors copy Business Office and inform the Department Head • All Others – Second sponsor contact made via email with copy of invoice - (inform that could impact your credit rating or future projects with the University) - SPS notify PI, subcontractors and copy Business Office • Research Specialist and RA Manager review to determine additional actions and further notifications 	<ul style="list-style-type: none"> • SPS notify PI and Business Manager • Business Manager should notify the Department Head that if the company does not make the payment it is a department responsibility to cover the cash deficit on the account including obligations to the subcontractors. • SPS notify Chief Corporate and Global Affairs Officer
120 – 180 Days	<ul style="list-style-type: none"> • Research Specialist • RA Manager • Post Award Director 	<ul style="list-style-type: none"> • Research Specialist • RA Manager 	<ul style="list-style-type: none"> • HIGH RISK – Upon approval Post Award Director Lock Account - SPS notify PI, Business Office and Department Head • All Others – Third sponsor contact made via email with copy of invoice - inform that we may have to suspend work on this project and turn the past due balance over to a collection agency and/or pursue legal action - SPS notify PI, subcontractors and Business Office and seek PI assistance in contacting the sponsor to obtain payment • Research Specialist and RA Manager review status with the Post Award Director (>120 days)and with the Senior Director at >150 days 	<ul style="list-style-type: none"> • SPS notify PI, Business Manager, DFA. • SPS separately request Business Manager to ask the Department Head if he/she wants to take additional actions and to forward the email trail for future documentation. • Final technical reports should be submitted to the sponsor within 6 months of the due date. If the report is not submitted within 6 months, the Department will be responsible for any payments that are tied to the final report until

			<ul style="list-style-type: none"> • Senior Director and Director, Post Award will determine if the account should be sent to collections and activity suspended at 180 days. If the recommendation is to suspend the activity, input will be requested from the PI and Department Head before proceeding • SPS notify Chief Corporate and Global Affairs Officer • Account added to the SPS write-off watch list 	such time that the report is complete. The Department will be refunded this amount when the University receives final payment from the sponsor.
Over 180 Days	<ul style="list-style-type: none"> • Research Specialist • RA Manager • Post Award Director • Senior Director • URCO/Cash Manager 	<ul style="list-style-type: none"> • Research Specialist • RA Manager • Post Award Director • Senior Director 	<ul style="list-style-type: none"> • Upon approval of the Senior Director - Lock Account, notify subcontractors and send to collections** - SPS notify PI, Business Office, DFA, Department Head and Director of Business Managers. • RA Manager will work with URCO and Cash Manager to determine how account should be handled • Sponsor should be added to the HIGH RISK SPONSOR LIST 	<ul style="list-style-type: none"> • Upon approval of the Department Head - SPS will lock the account and inform the subcontractors
Annually	<ul style="list-style-type: none"> • Research Specialist • RA Manager • Post Award Director 	<ul style="list-style-type: none"> • Research Specialist • RA Manager • Post Award Director 	<ul style="list-style-type: none"> • Review HIGH RISK SPONSOR LIST for additions or deletions 	

**Based on response and situation, contact or follow-up will be made by phone.*

***Please see [Responsibility for the Collection of Sponsored Funds](#) document for additional details.*

University Collections Process

Contact: Manager, University Collections (currently vacant)
Interim contact is Rick Shoaf

What to send:

- Copies of unpaid invoices
- contracts/agreements
- debtor contact information including names, addresses, emails, etc.
- a brief overview of the situation
- recent collection notes may help

Process for uncollectible sponsored program accounts

In accordance with the University's Accounts Receivable Write-off Policy dated October 18, 1999, all sponsored program grants that have been expired for two years with delinquent account receivables will be deemed uncollectible and subject to write-off. Uncollectable balances will be classified in one of three categories:

1. **Administrative Write-offs** - Failures to Perform, Administrative Error and Failures to Bill will all represent administrative write-offs. Administrative write-offs *do not* cover cases of failure to perform or failure to provide deliverables on a timely basis. (see Administrative Write-off's Process Doc)
 - **Failure to Perform** – In situations where the PI fails to provide required deliverables on a timely basis responsibility of the debt lies with the Academic Department.
 - **Administrative Error** – When inaccurate budgeting or system derived issues results in the debt, the debt will be evaluated on a case by case basis to determine if responsibility lies with Central Administration, the Department, or should be shared between both parties.
 - **Failure to Bill** - In the event that Sponsored Program Services fails to bill a sponsor, or fails to bill in a timely manner, Central Administration will cover the unfunded costs.

Administrative errors are typically funded through Central Administration resources, Departmental resources, or a combination of Central Administration and Departmental resources. Regardless of the source of funds used, treatment of these unfunded costs will be recorded as **cost sharing**. There will not be an entry recording bad debt expense.

Administrative Write-Offs will be identified by Post Award Staff (including the Ag Field Office) and forwarded to the Director of Post Award. While identification of these errors should be brought forward as they are identified, the Director of Post Award will request them twice annually for submission to the Senior Director of SPS. Administrative Write-Offs are then forwarded to the Senior Vice President and Assistant Treasurer for approval.

2. **Bad Debt Write-Offs - Insolvency of Sponsor and Failure to Pay** will typically be treated as bad debt through generally accepted accounting principles. If a sponsor fails to pay for completed work that was properly invoiced, legal action will be considered. Unrecovered costs associated with bad debt will be funded centrally. (see Administrative Write-off's Process Doc

In order for a receivable to be considered as a bad debt write-off, the account must be sent to University Collections *and* the account must have been expired for two years. Monthly, the SPS Senior Operations Manager will report potential bad debt write-offs to University Collections and SPS Director of Support Services. Bad Debt Write-Offs are solicited annually from the Comptroller's office in June. Sponsored program accounts that have been expired for 2 years as of 07/01/xx (current year) will be identified by the SPS Director of Post Award, reviewed with the Senior Director of SPS, and submitted to the Senior Vice President and Assistant Treasurer for approval.

3. **Other Circumstances** - In the event of circumstances not previously described, a decision regarding any uncollected costs will be made by the Senior Director of Sponsored Program Services and Senior Vice President and Treasurer, with input from the Comptroller and Department Head as appropriate.