

# Sponsored Awards Accounts Receivable Monitoring

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Last Revised: New 07/08/10

## 1.0 Background

A sponsored award accounts receivable is created when an invoice is sent to a sponsor for payment. Monitoring of accounts receivables is necessary to ensure timely payments by sponsors and to minimize aging receivables and write-offs.

## 2.0 Purpose

The purpose of this procedure is to outline the University's general practice for monitoring accounts receivables for federal, state, and privately sponsored awards.

## 3.0 Responsibility

The Chief Financial Officer, Provost, Comptroller's Office, and the Division of Research (DoR) are responsible for identifying and determining the appropriate course of action for problematic or concerning receivables.

## 4.0 Definitions

None

## 5.0 Procedure

### 5.1 Frequency

The Comptroller's Office monitors accounts receivables during the monthly reconciliation process, which typically includes an *Aging of Research Accounts Receivable Report*, and during monthly and quarterly invoice preparation.

## 5.2 Monthly Reconciliation and Report

- 5.2.1 During the monthly reconciliation process, the Assistant Chief Accountant generates an *Aging of Research Accounts Receivable Report*. This report identifies all unpaid invoices for sponsored award accounts and the number of days an invoice is outstanding (30/60/90/120 days).
- 5.2.2 The Assistant Chief Accountant and the Research Accountant review the *Aging of Research Accounts Receivable Report* and discuss the most appropriate course of action for problematic or concerning receivables past due.

Course of action is often dependent on the award agreement, the sponsor's previous payment history, and pending reports or deliverables due to the sponsor. Invoices outstanding past 30 days are generally not concerning or problematic.

However, when a delay of payment occurs (60/90/120 days) the following actions may be taken.

- 5.2.2.1 The Comptroller's Office will contact the sponsor to determine if an administrative, procedural or billing problem exists.
- 5.2.2.2 The Comptroller's Office will stay in close contact with the sponsor until the receivable becomes current.
- 5.2.2.3 An aging receivable identified as problematic or concerning, will typically be brought to the attention of Comptroller and Assistant Comptroller for further review.
- 5.2.2.4 If a receivable is still concerning or problematic, the Comptroller's Office will consult with the Grant and Contract Administrator and/or the Director of Research (DoR). Consultation may include the DoR contacting the PI or sponsor to discuss possible reasons for the delinquency.

Note: Consultation with the DoR may be accomplished one-on-one or by discussion during Sponsored Projects Management Committee (SPMC) meetings.

- 5.2.2.5 If after consultation with the DoR, a receivable still remains problematic or concerning, it may be referred to the Chief Financial Officer and/or the Provost for review.

Note: Problematic or concerning receivables may be communicated individually or by generating and forwarding a modified summary of the *Aging of Research Accounts Receivable Report*.

5.2.2.6 If the receivable remains delinquent, the Comptroller's Office/DoR determines the University has fulfilled all obligations, and consultation with the Chief Financial Officer and /or the Provost has taken place, the following may occur:

- Comptroller's Office will freeze additional spending against the account, including salary expenditures;
- Other awards existing with the same sponsor may be reviewed and result in the account(s) being frozen;
- No new awards will be activated with the sponsor; and/or
- Delinquent account(s) will be turned over to collection agent and reported to credit rating agencies.

### 5.3 Monthly and Quarterly Invoicing

5.3.1 The Assistant Chief Accountant and Research Accountant prepare monthly and quarterly invoicing for review by the Associate Comptroller. If an aging receivable is identified during this process as problematic or concerning, it is typically brought to the attention of the Comptroller.

5.3.2 If an invoice indicates a balance forward, the actions identified in sections 5.2.2.1 through 5.2.2.6 of this procedure may be taken.

### 6.0 References

None

### 7.0 Approvals

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James Fish, Comptroller

Approved By: [Signature] Date: 9/3/10  
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### Revision History

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