PURPOSE:

To establish the policy and procedure to monitor accounts receivable to ensure timely and accurate payment by sponsors. Contract and Grant Accounting is responsible for routinely monitoring Sponsored Accounts Receivables (A/R) and for performing necessary follow-up procedures.

DEFINITIONS:

None

POLICY:

Cash received from sponsors will be credited to the receivable established in the award account. Contract and Grant Accounting is responsible for receiving and applying all monies due. This office will also take appropriate action for those monies that have not been received on a timely basis, in accordance with contractual terms. Interest will be charged as allowed under the terms of the award by the Controller’s Office to any sponsor’s uncollectible amounts.

REFERENCES:

None

PROCEDURES:

1. On a monthly basis, the award account receivable activity is reviewed, summarized, and aged, via computerized reports, to determine the payment status of each account.

2. When it becomes apparent that timely payment has not been made, contact is made with the sponsor through telephones or correspondence. Contract and Grant Accounting is responsible for initiating the contact.

3. All responses derived from past due notices are acted upon by Grant Accounting by contacting the designated agency contact person.

4. Principal investigators (PI) are advised by Contract and Grant Accounting of any collection problems

When Contract and Grant Accounting believes that continued collection efforts on its part will not produce results, it will, after approval by Controller, contact Legal Counsel via a memorandum. If legal action is ultimately recommended by Legal Counsel, all parties will be informed of the decision prior to its implementation. In all instances, Contract and Grant Accounting will consult with and advise all parties involved at all critical stages of the collection process.