PURPOSE:

To establish the policy and procedure to monitor accounts receivable (A/R) to ensure timely and accurate payment by sponsors. Sponsored Programs (SP) Financial Administration 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. SP Financial Administration is responsible for receiving and applying all moneys due. This office will also take appropriate action for those moneys that have not been received on a timely basis, in accordance with contractual terms. Interest will be charged by the Controller’s Office to any sponsor’s uncollectible amounts.

PROCEDURES:

1. On a monthly basis, the award account receivable’s 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. SP Financial Administration is responsible for initiating the contact who also evaluates all replies from sponsors.

3. Principal investigators (PI) are advised by SP Financial Administration of any collection problems.

4. When SP Financial Administration believes that continued collection efforts on its part will not produce results, it will, after approval by the Controller, contact General Counsel via a memorandum or via email.

5. If legal action is ultimately recommended by General Counsel, all parties will be informed of the decision prior to its implementation. In all instances, SP Financial Administration will consult with and advise all parties involved at all critical stages of the collection process.