

Other Policies and Procedures

DELINQUENT PAYMENT/NONPAYMENT OF PROJECT COSTS BY SPONSORS

PURPOSE:

To establish responsibility for the resolution of delinquent payment and/or nonpayment of project costs by sponsors.

POLICY:

- 1.** Unless otherwise noted in the agreement, Research Accounting is responsible for creation and submission of invoices to sponsoring organizations. Research Accounting is responsible for sending collection notices on unduly delinquent invoices as defined in #2 below. Research Accounting will notify the Office of Research and Sponsored Programs in the event that collection on invoices submitted to sponsors or scheduled payments due from sponsors are unduly delinquent or in question. If any party learns that the sponsor disputes any invoices or indicates it has issues effecting payment, the information should be relayed to all other concerned parties.
- 2.** Research Accounting, in consultation with the Office of Research and Sponsored Programs will be responsible for ascertaining the reasons for nonpayment. Collection efforts should begin once an invoice is identified as being unduly delinquent (i.e. outstanding for 90 days, 60 days if the unpaid balance for an account is greater than \$50,000.00 and 30 days past due if the sponsor is identified as a “High Risk”)
- 3.** In the event that it is determined that payment for costs incurred is not forthcoming, Research Accounting in conjunction with the Office of Research and Sponsored Programs and General Counsel may seek legal remedy, if warranted.
 - a.** General Counsel can issue a request for payment letter to the sponsor
 - b.** If the request for payment is unsuccessful, further discussion is necessary between Research Accounting, the Office of Research and Sponsored Programs and General Counsel to decide if the use of an outside legal firm to file a legal complaint is necessary and who should cover all legal costs of the outside firm.
- 4.** Should all prudent collection efforts fail and unless compelling circumstances dictate otherwise as determined by the Vice President for Finance and Administration and Vice President and Associate Provost for Research and Graduate Studies, uncollectible claims will be written-off to the appropriate department or responsibility center. Uncollected balances will be written off to the responsible department or center even if a legal complaint is filed for the outstanding receivable balance. If payment is subsequently received, the write off will be reversed for the amount of the payment received.