



<b>SUBJECT:</b> Accounts Receivable Collection Policy	<b>Effective Date:</b> 01/24/13	<b>Policy Number:</b> 10.5.2	
	<b>Supersedes:</b> 02/23/11 05/14/10	<b>Page</b> 1	<b>Of</b> 7
	<b>Responsible Authorities:</b> Director Research Accounting		

**I. Background**

Florida Atlantic University (FAU) is required to collect all accounts receivables from Federal and Non-Federal sponsors in accordance with the terms and conditions of the award. In the absence of stated award collection terms and conditions, the FAU Accounts Receivable Collection Policy will prevail.

**II. Purpose**

The purpose of this policy is to establish uniform accounts receivable collection procedures for sponsored programs to ensure accountability and adherence to compliance requirements.

**III. General Statement**

Research Accounting is available to answer questions and address concerns regarding the requirements of the Accounts Receivable Collection Policy.

**IV. Policy**

It is the policy of Florida Atlantic University that invoiced or billed amounts be collected within thirty (30) days of the invoice date. This collection date may also be grant specific, deliverable-based, or established as usual and customary business practice for recurring sponsors.

Research Accounting will review the award document to confirm the existence of special circumstances, as described above. When Research Accounting concludes that special circumstances, if any, have been satisfied, collection procedures shall commence.

In the event that the invoice address is different than the award document, a collection notice shall be sent addressed consistent with the award document; or, if silent, the last stated invoice address shall be deemed standard for collection notice purposes. Collection notices shall be submitted by U.S. Mail.

Deliverable-based sponsored projects are subject to Deliverable Invoice Policy. [http://www.fau.edu/research/docs/policies/research-accounting/deliverable\\_invoice.pdf](http://www.fau.edu/research/docs/policies/research-accounting/deliverable_invoice.pdf)

All sponsored projects are subject to Unreimbursed Costs on Contracts and Grants Policy. [http://www.fau.edu/research/docs/policies/research-accounting/unreimbursed\\_costs.pdf](http://www.fau.edu/research/docs/policies/research-accounting/unreimbursed_costs.pdf)

## **V. Procedures**

Research Accounting, after having reviewed the conditions as stated above, will issue an informal notification of delinquency (i.e. email, telephone, or facsimile), if appropriate.

Research Accounting will issue Collection Letter #1 after 60 days of delinquency. This letter shall state the invoice date, invoice number, and the invoice amount together with a demand for payment.

Research Accounting will issue Collection Letter #2 after 90 days of delinquency. This letter shall state the invoice date, invoice number, and the invoice amount together with a demand for immediate payment.

Research Accounting, after 120 days of delinquency, will assemble the accounts receivable collection correspondence together with supporting documentation and present this information to the Division of Research attorney. The Division of Research attorney shall execute Collection Letter #3 demanding the delinquent amount and stating that if payment is not received within ten (10) days appropriate action will be taken.

To address questions or concerns, Research Accounting contact information shall be provided on each Collection Letter. A copy of each letter, when issued, shall be provided to the Principal Investigator, Business Manager, and the Budget Coordinator.

Research Accounting shall place copies of collection documents, inclusive of notes, email, and other correspondence in the project file.

The Directors of Research Accounting and Sponsored Programs will review collection events and circumstances, as appropriate, to determine if the project should be placed on hold. If the project is placed on hold, future expenses (payroll as well as non-payroll) will be prevented from being charged to the project until such time that the accounts receivable delinquency has been settled. This status is unrestricted and may be employed at any time during the accounts receivable collection process.

Notifications	Timing / Delivery
Informal Notification	After 30 days subsequent to invoice date / email, telephone, facsimile
Collection Letter #1	After 60 days subsequent to invoice date / U.S. Mail
Collection Letter #2	After 90 days subsequent to invoice date / U. S. Mail
Collection Letter #3	After 120 days subsequent to invoice date / U.S. Mail

## **VI. Definitions**

Award	Financial assistance that provides support or stimulation to accomplish a specified purpose. Awards include grants and other agreements in the form of money by the federal, state, and local government or private organization to an eligible recipient.
Collection Letter	A formal letter of request to the sponsor identifying specific items with correlating dates or other significant information related to the overdue / outstanding amounts.
Address	For purposes of this policy either described in the award or determined by stated invoice address.
Invoice / Bill	The formal document which describes the date, amount due, and activity specific to the event and award.
Terms and Conditions	For purposes of this policy, terms and conditions are the legal obligations agreed upon by Florida Atlantic University and the sponsoring agency.
Usual & Customary Business Practices	Events, usually informal, between and among entities fostered during a long term relationship, usually more than three years, which result from mutual, continual, and consistent understanding to become "usual & customary business practices."

## **VII. Accountability**

Principal Investigators and their designated college Business Manager, or Budget Coordinator are responsible for notifying Research Accounting of any and all contact with the sponsor concerning the collection of unpaid invoices.

Research Accounting is responsible for notifying the Principal Investigator, Business Manager, or Budget Coordinator when the collection issue has been resolved.

## **VIII. Annual Review of Procedures Manual**

The Accounts Receivable Collection Policy will be reviewed annually.

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**POLICY APPROVAL**

*Initiating Authority*

*Barry T. Rosson*

Signature: \_\_\_\_\_ Date: 1/25/13

Barry T. Rosson, Vice President for Research

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Collection Letter #1

**Date**

Attn: **Contact name**  
**Sponsor Name**  
**Sponsor Address**  
**City, State and Zip Code**

RE: Sponsor ID: **XXXXXX**  
FAU Account # **XXXXXX**  
PI: **Name**  
Project Title: **Title**

Dear **Contact Name**:

According to our records, the following invoices are still outstanding for the above referenced project. Copies of the outstanding invoices are enclosed.

Invoice Date	Invoice Number	Invoice Amount	Reimbursement Period

The total due to Florida Atlantic University is \$**X, XXX.XX**. Please remit payment immediately.

If you need additional information, please contact me at **research accounting analyst email address** or call (561) 297-**XXXX**. If payment has been made, please send me a copy of the cancelled check front and back.

Sincerely,

**Name**  
Research Accounting Analyst

Enclosure

Cc: **Principal Investigator**

**Business Manager  
Budget Coordinator**

Collection Letter #2

**Date**

Attn: **Contact Name**  
**Sponsor Name**  
**Sponsor Address**  
**City, State and Zip Code**

RE: Sponsor ID: **XXXXXX**  
FAU Account # **XXXXXX**  
PI: **Name**  
Project Title: **Title**

Dear **Contact Name**:

According to our records, the following invoices are still outstanding for the above referenced project. Copies of the outstanding invoices are enclosed.

Invoice Date	Invoice Number	Invoice Amount	Reimbursement Period

The total due to Florida Atlantic University is \$**X, XXX.XX**. Please remit payment immediately. If we do not hear from you within 20 days of the date of this letter, this outstanding receivable will be referred to Florida Atlantic University's Legal Counsel.

If you need additional information, please contact me at **research accounting analyst email address** or call (561) 297-**XXXX**. If payment has been made, please send me a copy of the cancelled check front and back.

Sincerely,

**Name**  
Research Accounting Analyst

Enclosure

Cc: **Principal Investigator**

**Business Manager  
Budget Coordinator**

Collection Letter #3

**Date**

Attn: **Contact Name**  
**Sponsor Name**  
**Sponsor Address**  
**City, State and Zip Code**

RE: Sponsor ID: **XXXXXX**  
FAU Account # **XXXXXX**  
PI: **Name**  
Project Title: **Title**

Dear **Contact Name**:

Total Due to Florida Atlantic University is **\$X, XXX.XX**. If you fail to remit payment within 10 days, FAU will take appropriate action to collect the amounts owed.

According to our records, the following invoices are still outstanding for the above referenced project. Copies of the outstanding invoices are enclosed.

Invoice Date	Invoice Number	Invoice Amount	Reimbursement Period

This outstanding balance as well as lapse of time for remittance creates an undue hardship on our research programs and on the goodwill provided by the University on your behalf. Please remit payment immediately. If you have any questions regarding this notification, please contact (561) 297-**XXXX**.

Sincerely,

Jack Ludin  
Deputy General Counsel

Enclosure

Cc: **Principal Investigator**

**Business Manager**  
**Budget Coordinator**