Sponsored Programs Collection Information Process

February 2002

<u>Background/Purpose</u>:

Sponsored Programs (SP) has implemented an automated aging and collection information process effective January 2002. Past audit recommendations have highlighted the need for more timely handling of "uncollectible receivables" or outstanding payments from <u>non-federal</u> sponsors paying for research projects at CSU.

The primary objective of this new system is to improve the communication between Sponsored Programs and the Principal Investigator (PI) plus other interested parties when there is a payment problem with one of their sponsored research (5-3) accounts.

<u>Timeline</u>:

The new process will send automated lists of accounts experiencing late payments to SP's staff for review. SP research administrators will be contacting PIs and/or sponsors to attempt to resolve problems when they first occur. If non-payment continues, PIs and other interest parties will be contacted as shown on this time schedule:

<u>Duration of payment problem</u>	<u>Parties to be included in email notification</u>
60+ days past due	PI, Dept Head, Dept Accounting contact

At this stage, the PI can respond with any relevant information to assist in collection. (Response can be made via email, but is optional at this stage).

90+ days past due	PI, Dept Head, Dept Accounting contact, College Business Officer, Research Associate Dean

At this stage the Department and College will be asked to decide if work should be stopped or continue at their financial risk. Response will be made via web screen. NOTE: If no response is made but spending continues, it will be assumed that all parties wish to proceed despite reminder of financial risk.

120+ days past due	List of problem account(s) to VPRIT for discussion with the Dean(s) regarding next step: state collections (bankruptcy), legal resources (disputes), and final internal resolution

Sponsored Programs will administer the list to allow for additional collection activities where deemed appropriate. These projects will be identified to the VPRIT.

Write-off of uncollectable receivables: Accounting entries to write-off uncollectible receivable amounts will be done throughout the year, as they occur, according to Sponsored Programs' Process for Handling Uncollectible Receivables. This process is described on SP's website at this address: http://www.research.colostate.edu/postaward/

What the PI/Department contacts will see:

An email with the subject line: (Example)
SponsorABC Payment Problem (5-3xxxx); YOUR RESPONSE NEEDED

A hotlink will be imbedded in the email that will link to specific information about the project and the payment problem. This web page will also contain a box for the PI's comment/response.

Initial Implementation: The automated system began generating lists of non-federal projects with collection problems in February 2002. We anticipate that there will be a fairly large volume of accounts that will "fall out" from this initial list, including all past payment problems. SP will be working through this list with the Department Accounting Contacts and College Business Officers before contacting PIs directly. In the future, emails will go to PIs directly as shown in the Timeline above.

Announcement of New Process: After presentation at the February RAD meeting, an email will be sent to all research PIs; Deans, Directors & Dept Heads, College Business Officers, and Dept Accounting Contacts announcing the new process. Information will be posted on "What's New" and on SP's website. Demonstrations of the collection screens and responses will be given during March.

Collection Process Roles and Responsibilities: (Timeliness is a priority for all.)

Sponsored Programs:
- send invoices and make deposits of payments in a timely manner; update PCS
- review late payments; resolve whenever possible
- contact PI and department when payment problems exist; request information
- notify PI and department when problems persist; ask if work should continue
- freeze accounts when appropriate for non-payment
- develop list of uncollectible receivables for delivery to VPRIT and Deans
- coordinate with Business & Financial Services

Principal Investigators:
- overall project financial management
- timely submission of progress reports
- keep SP Administrator informed of any relevant information
- respond promptly to SP's collection email
- consider work continuation question when necessary

Department Accounting Contacts:
- assist PIs with financial oversight of 5-3 accounts
- assist SP with collection process questions
- assist PIs with responses to collection process email
- stop charges when accounts have been frozen

Deans/College Business Officers/ Department Heads/RADs:
- encourage timely submission of technical reports
- assist with decisions regarding work stoppage due to non-payment
- assist SP with collection process questions

VPRIT:
- review list of uncollectible receivables with Deans and recommend action
- make write-off decisions