

<b>ADMINISTRATIVE DIVISION</b> FINA Administration and Finance		<b>POLICY NUMBER</b> FINA 3.17
<b>POLICY TITLE</b> Grants and Contracts Uncollectible Receivables		
<b>SCOPE OF POLICY</b> USC System		<b>DATE OF REVISION</b> September 20, 2019
<b>RESPONSIBLE OFFICER</b> Vice President for Finance and Chief Financial Officer		<b>ADMINISTRATIVE OFFICE</b> Division of Administration and Finance

**PURPOSE**

The University of South Carolina will ensure timely handling of uncollectible receivables related to grants and contracts.

**DEFINITIONS**

Uncollectible Receivables: Amounts due to the university with low probability of repayment.

**POLICY STATEMENT**

The university must make every effort to collect on outstanding receivables related to grants and contracts. Additionally, the university must address the possibility that receivables may be uncollectible.

**A. Uncollectible Receivables**

The following details the accounting treatment of amounts identified as uncollectible receivables:

1. University departments and institutions are responsible for providing an alternative funding source to cover uncollectible receivables in the following circumstances:
  - a. Non-performance issues, including the failure of the Principal Investigator (PI) to prepare interim and final reports or overspending by the PI;
  - b. Late general ledger entries/adjustments from the department resulting in late or inaccurate billing.
  - c. Sponsor non-payment within 6 months of the project end-date and where the university has met all its contractual requirements.
  - d. Sponsor non-payment due to bankruptcy will be covered 50% by the department.
  
2. University Controller’s Office is responsible for providing an alternative funding source to cover uncollectible receivables in the following circumstances:
  - a. Non-performance issues by Grants and Funds Management including the failure to prepare invoices in a timely and accurate manner, failure to follow-up according to the uncollectible receivables procedure.

- b. Sponsor non-payment due to bankruptcy will be covered 50% by the Division of Administration and Finance.

**PROCEDURES**

The procedure for this policy provides details on the administration and management of grants and contracts uncollectible receivables for the university. The procedure is located at [http://sc.edu/about/offices\\_and\\_divisions/controller/policies\\_and\\_procedures/index.php](http://sc.edu/about/offices_and_divisions/controller/policies_and_procedures/index.php)

**HISTORY OF REVISIONS**

<b>DATE OF REVISION</b>	<b>REASON FOR REVISION</b>
September 20, 2019	New Policy