

Section: Business and Support Operations

Section Number: 3.7.1

Subject: Credit and Collections Policy

Date of Present Issue: 1/7/19

Date of Previous Issues:

08/82, 10/00

POLICY:

All financial obligations to the University are payable when incurred, or in the case of advances, loans, charges, contract payment plans, etc., when due. University departments providing goods and services will operate on a cash basis. If, due to the nature of its operation, a department cannot operate on a cash basis, approval to allow the extension of credit for goods and services may be granted by the Vice President for Finance and Operations.

Payment for University goods and services may be made by cash, check or credit card. When payment is not collected at the time of service or point of sale, credit has been extended. The extension of credit and the resulting creation of an Accounts Receivable do not guarantee payment, and are considered the last alternative as a method of payment. Departments approved by the Vice President for Finance and Operations to offer credit must do so based upon sound business reasoning and in accordance with this policy and any applicable campus credit and collections business processes.

University departments and units are required to have written agreements in place whenever practical to govern credit sales transactions with outside customers. Any extension of credit made by a department is subject to the following terms and conditions:

- 1) The applicant must have a good financial record with the University.
- 2) The applicant must demonstrate a willingness and ability to pay the balance due in an established time period.
- 3) When the arrangement is for a period of more than one month, a statement showing the terms of the arrangement will be given to the individual by the issuing department and, when possible, it should be signed by the applicant.
- 4) Any payment not made in accordance with the agreed-upon payment arrangement may result in the entire unpaid balance of the obligation being immediately due and payable.
- 5) The University reserves the right to notify third parties to the terms of the agreement, of the amounts due, and any action being taken in regard to an overdue account.

Non-employee delinquent accounts will be pursued following Policy 3.7.18: Accounts Receivable/Collections Procedure. Delinquent employee accounts will be pursued following Policy 3.7.19: Delinquent Employee Accounts.

All obligations will be considered delinquent if payment is not received by the due date. The University reserves the right to withhold all services and/or the extension of credit to persons with delinquent accounts. Any refund, reimbursement or payment (excluding payroll and refunds subject to Title IV financial aid regulations) due a person with a University obligation may be applied against the obligation. The University will endeavor to collect all delinquent accounts in accordance with Federal and State Laws.