



## Standard Administrative Policy and Procedure

**Subject:** Sponsored Projects Receivables Collection and Write-Off Policy

**Number:** UW SAP 7-9.16

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### I. PURPOSE

To establish policies and procedures for monitoring and collecting receivables for Sponsored Project invoices to ensure timely and accurate payment to the University. This includes, but is not limited to, sufficient communication between the University, its employees, and Sponsors, efficient collection processes, and consistent procedures regarding when and what to Write-Off of an accounts receivable balance.

### II. DEFINITIONS

**Receivable:** Any amount billed for a Sponsored Project by means of an invoice or credit drawdown. Receivable includes, but is not limited to, billings for expenditures on a reimbursement basis, a payment schedule, or a fixed price contract.

**Sponsor:** Any entity, such as the federal or state government, private industry, nonprofit, or foundation, who provides financial or other support in exchange for data or specific deliverables.

**Sponsored Project:** An externally funded activity that obligates the University to carry out defined deliverables, complete activities, or meet performance and reporting requirements, regardless of the funding instrument used. Sponsored Projects include contracts, cooperative agreements, grants, consortium agreements, or other instruments.

**Outstanding Invoice:** An invoice issued to a Sponsor for which payment has not been received within the payment terms stated in the Sponsored Project award agreement or on the face of the invoice. For reporting purposes, an invoice is outstanding starting thirty (30) days after the invoice delivery date, unless the agreement specifies different terms.

**Write-Off:** The process of removing an outstanding balance from the accounts receivable balance on the financials.

### III. POLICY

A Write-Off is the last stage of the accounts receivable collection process for invoices and payments on Sponsored Projects that are past due. Before reaching this stage, the

Office of Sponsored Projects (OSP) will follow a collection process to obtain payment from the Sponsor.

**A. Communication**

Throughout the collection process, timely and consistent communication between the OSP, the Principal Investigator (PI), the department and college, and the Sponsor must be maintained, particularly when issues arise or escalate. OSP will use prudent judgment in collection efforts until all avenues of resolution have been exhausted. These methods may include follow-up emails, phone calls to the Sponsor, follow-up notifications, debt letters, collection agency services, escalation measures, or other appropriate actions to pursue the collection of past due invoices.

**B. Collection Process**

**1. Invoices**

Invoices are generated via the University's financial system in accordance with the award agreement terms. Once an invoice has been submitted to the Sponsor, the Post-Award Specialist in OSP oversees and tracks the invoice to confirm payment. OSP is responsible for collecting payments on all Sponsored Projects.

**2. Private and Industry Sponsors**

**a. First Notice.** When a private or industry Sponsor has an outstanding invoice that is thirty (30) days overdue, OSP will contact the Sponsor regarding the collection of past due payments and notify them of their responsibility to make all outstanding payments within thirty (30) days.

**b. Second Notice.** When a private or industry Sponsor has an outstanding invoice that is sixty (60) days overdue, the Senior Director of OSP will notify the Sponsor, PI, and Department Head that the University may stop all work on the Sponsored Project if payment is not received within thirty (30) days.

1) During this thirty (30) day period, OSP should pursue all appropriate methods to collect on the overdue invoice in order to prevent the stoppage of work.

2) The Senior Director of OSP will communicate internally with the PI and Department Head to confirm the department's plan in the event payment is not received within thirty (30) days.

- 3) If the Department Head wants to accept financial responsibility for continuing operations on the Sponsored Project, the PI must submit a completed request form that includes the general ledger account string that will be charged in the event the Sponsor defaults and any other required details. This form must be approved by the Senior Director of OSP and the Vice President for Budget and Finance or their designee before work may proceed.
  - 4) If the department does not accept financial responsibility, then all work must stop on the Sponsored Project after ninety (90) days of non-payment and the associated WyoCloud account will be frozen.
- c. **Stop Work.** If payment is not received by the Sponsor within ninety (90) days and the department has not accepted financial responsibility, OSP will issue formal notice to the Sponsor that the research account has been frozen and that work will not resume until all outstanding payments are received in full. All deliverables and data generated by the University will be withheld until payment is received.

If the Department Head has authorized continued operations, OSP will notify the Sponsor that all deliverables and data generated by the University will be withheld until payment is received, in full, and OSP will continue standard invoicing and collection efforts. Within WyoCloud, the account will remain open in accordance with the department's decision.

### 3. State and Federal Sponsors

- a. **Notice.** Once a state or federal Sponsor has an outstanding invoice that is thirty (30) days overdue, OSP will contact the Sponsor regarding the collection of past due payments and notify them of their responsibility to make all outstanding payments within thirty (30) days.
- 1) If the Sponsor does not make payment within the allotted thirty (30) days, OSP will notify PIs and Department Heads.
  - 2) OSP will continue to review these past due awards on a monthly basis and will keep PIs and Department Heads apprised of the progress and work together to evaluate risks and determine whether further escalations or programmatic pause is appropriate.

OSP will maintain a Standard Operating Procedure (SOP) for federal and state Sponsored Projects that will detail payment monitoring, age of receivables, outline responsible parties, and create escalation protocols for specific types of Sponsored Projects.

- b. Stop Work.** For state or federally funded Sponsored Projects, ceasing work due to delayed payment is evaluated on a case-by-case basis, as delayed payments are often tied to internal processing issues, such as complex billing packets, pending compliance approvals, or holdbacks for required reporting. As such, OSP will not typically recommend that work immediately stop for these awards, but OSP will review them on a monthly basis and will notify departments if it feels it is appropriate for the Sponsor to stop work.

### **C. Actions and Responsibilities**

If a Sponsored Project is frozen due to nonpayment and there are outstanding encumbrances, such as salaries and open purchase orders, the PI is expected to make every reasonable effort to cancel the encumbrances or identify an alternative funding source(s). Any encumbered costs that cannot be cancelled or reallocated must be brought to the attention of the Senior Director of OSP. OSP will coordinate further review of the encumbrances, which may include consultation with department and college leadership, General Counsel, the Associate Vice President for Finance, and the Vice President for Research and Economic Development, as appropriate.

While OSP monitors accounts receivable, departments are encouraged to remain engaged on high-risk or unusually delayed awards by responding promptly to OSP communications and assisting in identifying or resolving factors contributing to the delay.

## **IV. WRITE-OFF PROCEDURE**

- A.** Once an invoice has been outstanding for 180 days, it will be reviewed by the Senior Director of OSP in consultation with the Office of General Counsel for further collection efforts.
- B.** After a determination that all potential collection efforts have been exhausted,
  - 1.** The University will Write-Off only the direct costs of the Sponsored Project;
  - 2.** The related indirect costs will be reflected in the normal indirect cost redistribution process; and
  - 3.** The full amount that was not able to be collected will be removed from the University's total grants receivable balance.

- C. If, in the judgment of OSP, reasonable progress is being made in negotiations with the Sponsor, it may be appropriate to delay a Write-Off while collection efforts continue.
- D. If a Write-Off has been issued on an account, the Associate Vice President for Finance will provide the appropriate instructions on posting journal entries.
- E. Funding for Write-Offs will be determined by the Vice President of Budget and Finance and the Vice President of Research and Economic Development.
- F. When an outstanding balance is immaterial, meaning less than \$100.00 in aggregate, OSP may use independent discretion to Write-Off or cost-share the balance.

## V. EXCEPTIONS TO WRITE-OFFS

- A. Certain situations may not warrant a Write-Off. These include but are not limited to the following:
  - 1. When an invoice is issued outside of the close-out period specified in the agreement due to a PI's failure to post costs on time. In this situation, the department must cover the costs. Such costs are automatically uncollectible unless the Sponsor provides written pre-approval, which is the PI's responsibility to obtain.
  - 2. When an invoice, or portion of an invoice, is rejected by the Sponsor for valid reasons, such as unallowable expenses, unmet deliverables or benchmarks, or incomplete technical or financial reports. In this situation, OSP will work with the PI, Sponsor, and Department Head to determine which costs are appropriate for rejection by the Sponsor and the department may be responsible for the remaining costs.

**Responsible Division/Unit:** Office of Budget and Finance

**Source:** None

**Links:** <http://www.uwyo.edu/regs-policies>

**Associated Regulations, Policies, and Forms:** None

**Approved:** UNDER REVIEW 5/11/2026