

Non-Student Account Receivable Procedure

General

Departments and units of the University may under certain circumstances extend credit for the goods and services they provide. The Bursar's Office is the University's central office for the administration of Non-Student accounts receivable. Departments and units shall utilize the Stratus Online Invoicing system to create a receivable for goods and services provided.

Non-Student accounts are generally identified as the following categories of clients and customers:

- General customers and clients (Non-Affiliated relationship)
- University System of Maryland Colleges, Universities, and Centers
- Local School Systems
- Federal Government Agencies
- Diplomatic Entities
- ROTC
- University Business Partners
- Athletic Business Partners
- Non-Profit Organizations

Collection of Aged Accounts

The Bursar's Office with the assistance of the department who provided the goods or services shall take aggressive action, on a timely basis with effective follow-up, to collect all claims of the University for money. The department must make all efforts to assist the Bursar's Office with collection of all monies due.

Three written demands, at 30 day intervals, will be made by the Bursar's Office before an account is declared delinquent. The demands shall be made upon a debtor in the form of invoices, letters, or other written communication, properly addressed and delivered to the debtor.

There should be no undue delay in responding to a communication received from the debtor.

Written demands for past due amounts (reminder letters, for example) should also include a statement informing the debtor of the consequences (that is, declaration of account delinquency and transfer to CCU for possible enforced collection action) of failure to respond to the demand in a positive manner.

However, an account should be declared delinquent and transferred to CCU immediately, without awaiting the expiration of a time period, whenever:

- (a) The debtor's response to an appropriate demand indicates that further demand would be futile (for example, debtor's expressed refusal to pay);
- (b) The debtor fails to respond in a positive way within 75 days of the original written demand;
- (c) Prompt suit or attachment is required in anticipation of:
 - (i) The debtor's departure from the jurisdiction,
 - (ii) The debtor's removal or transfer of assets,

(iii) Imminent expiration of any applicable statute of limitations.

Reporting

A Non-Student Aged Open Balance Report will be produced each month by the Bursar's Office. The report shall contain a listing of the balance due of any Non-Student account with a balance at intervals of 30, 60, 90 days and the total amount due. The Bursar's Office Director, Assistant Director, and Collection Supervisor will conduct a review of this report to determine action for the collection of the accounts.

This report will be distributed to the Associate Vice President and University Comptroller on a monthly basis who will also review its contents. The Bursar's Office will provide additional information and analysis as requested.

The report will be provided to the Vice President for Administration and Finance and CFO on a quarterly basis.

Collection of Accounts in Default

Towson University is required to use the Central Collection Unit of the State of Maryland as its collection agency. Non-Student accounts will be administered in compliance with the requirements of the Central Collections Unit for the State of Maryland.

Accounts with an aged balance in excess of 90 days or greater will receive official Dunning Notices from the University concerning the past due status of the account(s), possible collection actions, suspension of future goods and services with the University, and possible transfer to the Central Collections Unit for the State of Maryland.

Accounts that remain unpaid after a 15 day payment due date will be transferred to the Central Collection Unit for their collection.

Accounts with an aged balance of 90 days or greater will also be referred to the Associate Vice President and the University Comptroller with the following recommendation provided by the Bursar's Office:

- Action for Collection; and/or
- Extension of collection time with an explanation; or
- Transfer to the Central Collections Unit

Granted collection extensions will be formally documented by the Associate Vice President, University Comptroller, and Director of the Bursar's Office and approved by the Vice President for Administration and Finance and CFO.

Exceptions

If a Department recognizes circumstances that are in the best interest of the department/school but do not fall within the guidelines prescribed by the policy or procedure, an exception request can be made. Departments who wish to seek an exception to the procedures or exclusion from the use of the Stratus Invoicing System must formally request an exception by completing the Exception Request form. Those departments which are approved to not utilize the Stratus Invoicing System still must comply with these and referenced procedures. The request must

be signed/emailed by the Department Head or designee. Exception requests will be reviewed and approved, denied, or deferred by the CFO or University Comptroller.

Related Policies and Procedures:

COMA 17.01.10 Standards for Administrative Collection of Claims

Comptroller of Maryland General Accounting Division Accounting Procedures Manual, Section 5.2