Vanderbilt University

**Research Finance**

**Guidance for Core Facilities**

**Collection of Receivables / Write Off**

**Collections/Write Off**

Research Finance will provide each Core (or designated representative) a monthly aging report that reflects outstanding invoices for which payment has not yet been received. The Core is responsible for following up with customers to collect payments for outstanding invoices greater than 30 days. See Detailed Procedures below. Should it become necessary to write off an outstanding receivable, the Core would work with their respective Dean’s office for determining the source of funds that will be used for the write off. Written notification with the appropriate approvals should be submitted to Research Finance. See “Accounts Receivable Write-Off Approval Form” at <https://www.vanderbilt.edu/cores/VU-Policies-Forms.php>. The write-off amount is considered an unallowable cost and cannot be included for rate development purposes.

**Detailed Procedures**

1. Ensure external Research Core Agreement and Addendum (as applicable) is complete prior to starting work
2. Provide services and/or products and initiate billing in a timely manner
3. Review monthly A/R aging report provided by Research Finance and follow up with customers (see sample letter below for a guide) that have outstanding invoices past the due date as follows:
   1. 31-60 Past Due: This column of the A/R aging report represents invoices that are 60 days past the invoice date, resulting in invoices that are past the due date by 1 to 30 days. Send a copy of the invoice to the external customer noting payment has not yet been received. This can be done through iLab with notes included in the comment field.
   2. 61-90 Past Due: This column of the A/R aging report represents invoices that are 90 days past the invoice date, resulting in invoices that are past the due date by 31 to 60 days. Contact the Accounts Payable department of the external customer if the contact person on the account does not respond to the payment request. The Accounts Payable information usually can be found on the external customer’s website.
   3. 91-120 Past Due: This column of the A/R aging report represents invoices that are 120 days past the invoice date, resulting in invoices that are past the due date by 61 to 90 days. Contact the financial representative listed on the Research Core Agreement and notify your respective Dean’s office of non-payment.
   4. 121+ Past Due: This column of the A/R aging report represents invoices that are greater than 120 days past the invoice date, resulting in invoices that are past the due date by greater than 91 days.
      1. If the outstanding invoice is <=$10,000 and deemed uncollectible, a write-off will be necessary. Complete the Accounts Receivable Write-Off Approval Form, obtain appropriate approvals, and provide to Research Finance – CORES with documentation of efforts to collect as support.
      2. If the outstanding invoice is >$10,000 and deemed uncollectible, then the Cores Committee will have discretion for determining whether to pursue legal action. Research Finance will add this to the agenda for the next quarterly Cores Committee meeting once the write-off request and documentation of efforts to collect are received.
      3. If efforts to collect continue and the Core has not yet deemed uncollectible, add explanation to aging report as to the reason for the delay of payment and when payment is expected. Return the updated aging report to Research Finance – CORES prior to the last day of the month that the report is received.

**Sample Follow-up Letter**

*Dear\_\_\_\_\_\_\_, I’m writing concerning an outstanding invoice for the \_\_\_\_\_\_\_ Core at Vanderbilt University. As of today, our records reflect that your invoice has been outstanding for over \_\_\_\_ days. Listed below are the specific details of the unpaid invoice and we have attached a copy for your convenience.*

*Invoice Number:*

*Invoice Date:*

*Invoice Amount:*

*We will appreciate payment in full immediately. The payment can be sent to the address on the attached invoice. We also accept credit card payments. If you feel that this information is incorrect and the payment has already been sent, please provide documentation (copy of the check that has cleared the bank) showing that the invoice has been paid. Please feel free to reach out via phone or email with any questions or concerns. Thank you in advance for promptly taking care of this matter.*

1. Document all conversations (phone calls, emails, etc.) regarding the outstanding payment that includes date, time, company name, individual’s name, individual’s department and title, and conversation details.
2. New business from the external customer should not be accepted until payment has been received, unless approved by the Business Unit Approver.