UAP Purpose

The purpose of this University Administrative Procedure (UAP) is to provide guidelines for the extension of credit, collection efforts and referral of delinquent accounts to The Texas A&M University System Office of General Counsel or the Attorney General of Texas.

Definitions

Delinquent – payment is past due by law or by customary business practice, and all conditions precedent to payment have occurred or been performed. (1 Tex. Admin. Code §59.2 (a) (3)).

Official Procedures and Responsibilities

1. AUTHORIZED RECEIVABLES

1.1 The following are authorized receivables that do not require an extension of credit.

1.1.1 Student Fee Receivables - all fees, fines and charges assessed to students.

1.1.2 Grant & Contract Receivables - all grants and contracts awarded on a reimbursement basis.

1.1.3 Third Party Billings for Student Fee Receivables - all contract billings to third parties for the payment of certain student fees.

1.1.4 Employee Travel Advance Receivables - all travel advances issued to employees in accordance with University guidelines.

1.1.5 Employee & Visitor Fines - all parking fines, library fines, and returned check fees assessed to employees and other third parties.

1.1.6 Retiree Group Insurance Receivables - all billings to retirees for their portion of their retiree group insurance premiums.

1.1.7 Prairie View A&M University Research Foundation Receivables - all expenses
(e.g. payroll, telephone, etc.) paid by the University for the Research Foundation and billed on a reimbursement basis.

2. EXTENSION OF CREDIT

2.1 In accordance with System Regulation 21.01.04 Extension of Credit, authorization for an extension of credit operation is delegated to the Senior Vice President for Business Affairs (SVPBA). Written documentation maintained by the SVPBA should explain the circumstances allowing for an extension of credit and confirm that the operation meets the constitutional test of being in the best interest of the System and for the public good of the state of Texas. Payment for the sale of goods and services on credit is expected within thirty (30) days. Special circumstances requiring an extension of credit for longer than thirty (30) days must be disclosed.

2.2 Extension of credit must be requested by completing an Extension of Credit Form and returning the form to the Office of Treasury Services for approval from the SVPBA.

2.2.1 An Extension of Credit Form must be completed for each vendor.

2.2.2 The department requesting the extension of credit must have written procedures on file with the Office of Treasury Services for collections of receivables.

2.3 Once approval is granted from the SVPBA, extension of credit may be given.

3. RECORDING OF RECEIVABLES

3.1 Student Receivables

3.1.1 All student receivables are entered into BANNER and all other receivables are entered into the Financial Accounting Management Information System (FAMIS).

3.1.2 All student fee receivables are assessed in BANNER. The requisite fee rate tables are maintained by the Office of Treasury Services. All student fines are initiated by the applicable department and submitted to the Office of Treasury Services for posting in BANNER and FAMIS with the exception of parking fines and medical bills. The Office of Parking Management and University Police Department posts fines and charges for parking and vehicle violations in BANNER. The Health Services Center posts medical charges in BANNER as needed.

3.1.3 All third party billings for certain student fee receivables are initiated by written letter or contract from the vendor responsible for payment. This receivable is maintained in BANNER.

3.2 Non-Student Receivables

3.2.1 All grant and contract receivables are initiated by the Office of Sponsored Research Services (OSRS) and submitted to the Office of Treasury Services for recording in FAMIS as an invoice.
3.2.2 All employee travel advance receivables are initiated by the Office of Travel Services and submitted to the Office of Treasury Services to be entered into FAMIS as an invoice and the employee is billed until the advance is cleared.

3.2.3 All employee and visitor parking fines are initiated by the Office of Parking Management and submitted to the Office of Treasury Services to be entered into FAMIS as an invoice and the employee/visitor is billed.

3.2.4 All receivables requiring an extension of credit are submitted to the Office of Treasury Services by the department requesting the credit. The receivable is posted in FAMIS as an invoice and the vendor is billed.

3.2.5 All billings for the retiree's portion of their group insurance premiums are entered into FAMIS by way of automated feed from the B/P/P system.

3.2.6 All authorized receivables for the Prairie View A&M University Research Foundation are posted as an invoice in FAMIS by the Office of Treasury Services.

4. BILLING OF RECEIVABLES

4.1 Student Billing

4.1.1 All student bills can be obtained online by the student at any time through Panthertracks via PVPlace, 24 hours a day, 7 days a week. Billing statements are securely e-mailed to the student’s PV e-mail account at least two weeks prior to the installment due date for all terms. See due dates for current term at the following link: http://www.pvamu.edu/fmsv/treasury-services/important-tuition-information/.

4.1.2 Past due notices are generated after the 3rd installment due date for the current term.

4.1.3 After the 2nd past due notice is sent, accounts are turned over to collections and a state hold placed on the student’s account if it remains unpaid.

4.1.4 Third party receivables are billed monthly as needed.

4.2 Non-Student Billing

4.2.1 Most federal grants and contracts provide for electronic drawdowns of reimbursements and thus, no billing is required. Certain state grants provide General Revenue appropriation transfers which the University may expend against and thus, no billings are required. Reimbursement billings for all other grants and contracts are issued in letter form to the granting agency, generally on a monthly basis.

4.2.2 All employee and past due receivables are billed monthly.
4.2.3 All departments that bill a vendor must have an Extension of Credit Form on file before billing can begin. This is a requirement of the A&M System.

4.2.4 Departments requesting to bill vendors must provide the following information to the Office of Treasury Services: vendor name, vendor address, vendor contact name, vendor contact phone number, description of billing, FAMIS account number and revenue code where funds are to be credited, and a completed W-9 form from the vendor to obtain their tax payer identification number in case of collections.

4.2.5 Departments are responsible for collecting on all past due invoices. The department will receive a list of all past due invoices for their department each month with a confirmation of review request to contact the vendor for collection. All documentation of collection efforts must accompany the confirmation of review. Confirmation of review is due back to the Office of Treasury Services within 10 business days of receipt of the review request.

5. REPORTING OF RECEIVABLES

5.1 Student Receivables

5.1.1 An aged listing of student fee receivables is produced from BANNER and reviewed at the end of each fiscal year in connection with adjusting the allowance for uncollectible receivables and preparation of the annual financial report.

5.1.2 Past due balance accounts for students not enrolled in the current or immediate previous term are reviewed after the 3rd installment due date of the current term and sent to the Office of the State Comptroller to have a State hold placed on their account until the balance is paid in full.

5.2 Non-Student Receivables

5.2.1 The Office of Treasury Services generates a monthly detailed aged receivable report (IBMR052) from FAMIS by the 8th day of each month for the previous month’s activity. This monthly report is submitted to the department heads of all departments with outstanding receivables for review and assistance with collections. The monthly reports are also provided to the Director of Treasury Services, Assoc. VP for Financial Management Services, and SVPBA, on a quarterly basis for review.

6. OTHER COLLECTION EFFORTS

6.1 Student Receivables

6.1.1 Students with past due balances for a prior term that are not registered for the current term or immediate past term are turned over to collections after an account review and at least 2 past due demand notices have been sent to the student. The review takes place in December and May.

6.1.2 The student is responsible for all collection costs if the account goes to collections.
6.1.3 The student’s account is also reported to the State Comptroller’s office where a hold at the state level is placed on the account.

6.2 Non-Student Receivables

6.2.1 Travel and other reimbursements are held for those employees with outstanding debt to the University until the debt is paid in full.

6.2.2 The employee with outstanding debt will not be cleared from the University until all debts have been paid in full. Requests for refunds from the Teacher Retirement System (TRS) or Optional Retirement Plan (ORP) will not be processed until all balances are paid in full to the University.

7. WRITE-OFF OF RECEIVABLES

7.1 The Texas Administrative Code §59.2 (c) (1) (A) allows system members to utilize the Office of General Counsel (OGC) to determine whether delinquent accounts can be written off. TAC §59.2 also gives the OGC authorization to bring suit against delinquent obligators, subject to the approval of the Attorney General.

7.2 Student Receivables

7.2.1 The University uses the allowance method for accounting for uncollectible student fee receivables. At the end of each fiscal year, the University determines its allowance for uncollectible student receivables as follows:

<table>
<thead>
<tr>
<th>Age</th>
<th>Estimated Uncollectible</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1 year old</td>
<td>80%</td>
</tr>
<tr>
<td>1-2 year old</td>
<td>100%</td>
</tr>
</tbody>
</table>

7.2.2 After the estimated uncollectible receivable amount is determined, the allowance for uncollectible is adjusted so that it equals the estimate. The offset to this adjustment is bad debt expense which is allocated to the various student fee accounts on a pro-rata basis.

7.2.3 All student receivables that are over 2 years old are written off. For example, for 08-31-2015, student receivables that have a past due balance for Summer term 2013 and prior would be written off to the allowance for bad debt. [Note: All write-offs are still tracked until paid.]

7.3 Non-Student Receivables

7.3.1 The University uses the allowance method for accounting for uncollectible non-student fee receivables. At the end of each fiscal year, the University determines its allowance for uncollectible non-student receivables as follows:

<table>
<thead>
<tr>
<th>Age</th>
<th>Estimated Uncollectible</th>
</tr>
</thead>
<tbody>
<tr>
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<td>100%</td>
</tr>
</tbody>
</table>
7.3.2 Department heads are responsible for assisting in collecting outstanding debt for their respective departments. A monthly review of outstanding debt is required by all departments with outstanding receivables.

7.3.3 After collection efforts are exhausted or if the debt is deemed uncollectible, the department head must submit a request to the SVPBA for the debt to be written off by July 20th, of each fiscal year. Supporting documentation showing due diligence of collection efforts and or documentation that determine the debt is uncollectible must accompany the request for the debt to be written off.

7.3.4 The staff accountant in the Office of Treasury Services will review the June month end outstanding receivable report (IBMR050) for invoices that are over 1 year old. If a department has receivables over 1 year old and has not submitted a request for write-off to the SVPBA by July 20th, the staff accountant in the Office of Treasury Services will send notification to the department head to respond within five (5) business days. If no response is received from the department head within five (5) business days, a letter will be sent to the Vice President for Administration & Chief of Staff on a quarterly basis regarding the department not responding. (The assistant director of the Office of Treasury Services will perform the duties of the staff accountant in his/her absence).

7.3.5 If the SVPBA approves the department’s request for write-off of an outstanding receivable, the approval will be forwarded to the Office of Treasury Services for processing. The Office of Treasury Services will provide the write-off information to the Associate Vice President for Financial Management Services for submission to the Office of General Counsel, as necessary.

Related Statutes, Policies, Regulations and Rules

1 Tex. Admin. Code § 59.2
Tex. Educ. Code § 51.010
Tex. Gov’t Code Ch. 2107
Comptroller of Public Accounts, Accounting Policy Statement 027, Accounting for Uncollectible Accounts
Comptroller of Public Accounts, Accounting Policy Statement 028, Reporting of State Debts and Hold Offset Procedures
Federal Trade Commission Red Flags Rule, 16 C.F.R. § 681.1
Interagency Guidelines on Identity Theft Detection, Prevention, and Mitigation, Appendix A to the Red Flags Rule
System Regulation 21.01.04 Extension of Credit

UAP 21.01.04.P0.02 Identity Theft Red Flag and Security Incident Reporting

Contact Office

Office of Treasury Services  936-261-1890