
1703 EXTENSION OF CREDIT FOR SALES AND SERVICES

Subject: Loans and Receivables
Effective: December, 1986
Revised: November, 2008
Reviewed: April 2017
Responsible Office: Treasurer's Office
Approval: Trustees

PURPOSE

Certain sales and services activities require that the University extend credit to individuals/parties outside the University.

POLICY

1. The authority to extend credit to outside individuals/parties rests with the Treasurer's Office. This authority has been delegated to the operation departments involved in the activities.
2. The extension of credit to any one individual/party may not exceed \$250,000 without the prior approval of the Trustees.
3. Deans/Directors will establish proper authority levels to approve individual credit decisions and ensure that appropriate credit review practices are followed.
4. All credit extensions must be supported by proper documentation that establishes the third party's obligation for payment.
5. Credit terms in excess of 30 days from the time sales or service are delivered must be approved by the Treasurer's Office.
6. All operating departments engaged in sales/services activities must prepare monthly aging of account receivables and submit them to the Comptroller's Office.