

## 2125 DELINQUENT PAYMENT/NONPAYMENT OF PROJECT COSTS BY SPONSORS

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**Subject: SPONSORED PROJECTS**

**Effective: December 1986**

**Last Revision: December 2014**

**Last Reviewed: April 2016**

**Resp. Office: Research Services**

**Approval: Research Services**

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### **PURPOSE:**

To establish responsibility for the resolution of delinquent payment and/or nonpayment of project costs by sponsors.

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### **POLICY:**

1. Unless otherwise noted in the agreement, the Office of Research Services is responsible for creation and submission of invoices to sponsoring organizations (excludes Clinical Trial Agreements). The Office of Research Services and the Office of Research Support Services (for the School of Medicine) are responsible for sending collection notices on unduly delinquent invoices as defined in #2 below (this does not include Clinical Trial Agreements). ORS or ORSS will notify the principal investigator and appropriate school/center administrators in the event that collection on invoices submitted to sponsors or scheduled payments due from sponsors are unduly delinquent or in question. Schools and departments should monitor the invoices, payments and collection efforts and should discuss the reasons for nonpayment with the principal investigator/sponsor. If any party learns that the sponsor disputes any invoices or indicates it has issues effecting payment, the information should be relayed to all other concerned parties including ORS, the principal investigator, and appropriate school/center administrators. Departments are responsible for billing clinical trials, and as a result they are responsible for monitoring trial collections and communicating collection issues to ORS/ORSS for assistance.
2. Research Services in consultation with the principal investigator and/or the school/department will be responsible for ascertaining the reasons for nonpayment. Collection efforts should begin once an invoice is identified as being unduly delinquent (i.e. outstanding for 75 days, 60 days if the unpaid balance for an account is greater than \$100,000.00 and 30 days past due if the sponsor is identified as a "High Risk")
3. In the event that it is determined that payment for costs incurred is not forthcoming, Research Services, in conjunction with the principal investigator, the senior school business official, and the Office of the Vice President and General Counsel may seek legal remedy, if warranted.
  - a. General Counsel can issue a request for payment letter to the sponsor
  - b. If the request of payment is unsuccessful and the department elects to use an outside legal firm to file a legal complaint, all legal costs will be charged to the responsible department.

4. Should all prudent collection efforts fail and unless compelling circumstances dictate otherwise as determined by the Associate Vice President and Associate Vice Provost, Research Services, uncollectible claims will be written-off to the appropriate department or responsibility center. Uncollected balances will be written off to the responsible department or center even if a legal complaint is filed for the outstanding receivable balance. If payment is subsequently received, the write off will be reversed for the amount of the payment received.

The source of this document is Research Services.