# Grants and Contracts Uncollectible Receivables

## PURPOSE

The University of South Carolina will ensure timely handling of uncollectible receivables related to grants and contracts.

## DEFINITIONS

Uncollectible Receivables: Amounts due to the university with low probability of repayment.

## POLICY STATEMENT

The university must make every effort to collect on outstanding receivables related to grants and contracts. Additionally, the university must address the possibility that receivables may be uncollectible.

### A. Uncollectible Receivables

The following details the accounting treatment of amounts identified as uncollectible receivables:

1. University departments and institutions are responsible for providing an alternative funding source to cover uncollectible receivables in the following circumstances:

   a. Non-performance issues, including the failure of the Principal Investigator (PI) to prepare interim and final reports or overspending by the PI;
   b. Late general ledger entries/adjustments from the department resulting in late or inaccurate billing.
   c. Sponsor non-payment within 6 months of the project end-date and where the university has met all its contractual requirements.
   d. Sponsor non-payment due to bankruptcy will be covered 50% by the department.

2. University Controller’s Office is responsible for providing an alternative funding source to cover uncollectible receivables in the following circumstances:

   a. Non-performance issues by Grants and Funds Management including the failure to prepare invoices in a timely and accurate manner, failure to follow-up according to the uncollectible receivables procedure.
b. Sponsor non-payment due to bankruptcy will be covered 50% by the Division of Administration and Finance.

**PROCEDURES**

The procedure for this policy provides details on the administration and management of grants and contracts uncollectible receivables for the university. The procedure is located at [http://sc.edu/about/offices_and_divisions/controller/policies_and_procedures/index.php](http://sc.edu/about/offices_and_divisions/controller/policies_and_procedures/index.php)

**HISTORY OF REVISIONS**

<table>
<thead>
<tr>
<th>DATE OF REVISION</th>
<th>REASON FOR REVISION</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 20, 2019</td>
<td>New Policy</td>
</tr>
</tbody>
</table>