

Research and Sponsored Projects Manual (RSP)

RSP 506–04: Guaranteeing Delinquent Sponsored Projects Accounts

Effective: 7/1/1991

Revised: 3/1/2025

Purpose

To establish a procedure for principal investigators, with their department, center, or college, to guarantee funding of project costs incurred after an ORSPA recommendation to stop work when a sponsor fails to meet its financial obligation

Source

Office for Research and Sponsored Projects Administration (ORSPA)

Policy

Overview

The Office for Research and Sponsored Projects Administration (ORSPA) is responsible for the billing and collection of payments owed by [sponsors](#) to the university. ORSPA's Accounts Receivable activity is based on timely invoicing, aging of receivables, follow-up action on unpaid invoices, and other cash management functions. The process is particularly attentive to [“high-risk” receivables](#).

General Requirements

Sometimes, despite collection efforts, a sponsor cannot or will not pay for costs incurred for project performance. When this occurs, stakeholders must consider whether it is in the university's best interest to continue to incur costs, or whether it is best to stop work and halt spending until the receivables issue is satisfactorily resolved.

If a [principal investigator \(PI\)](#) wishes to continue to incur costs when a grant account is delinquent and the receivables issue is not yet satisfactorily resolved, they must guarantee the funding of such additional costs by a non-sponsored account. This authorization is routed through the appropriate department chair, center director, or college designee.

Procedure(s)

<u>Responsibility</u>	<u>Action</u>
Post Award Services Grant & Contract Officers (PAS GCOs)	<ol style="list-style-type: none">1. Send invoices to sponsors2. Pursue payment as part of standard Accounts Receivable (A/R) procedures.3. Alert the principal investigator when there is a receivables problem on the sponsored account.
	If appropriate:
	<ol style="list-style-type: none">3. Ask the principal investigator to contact the technical counterpart at the sponsor to:<ol style="list-style-type: none">a. expedite payment

	<p>or</p> <p>b. provide additional information regarding nonpayment of obligations.</p>
Principal investigator (PI)	<p>4. Provide any available information to PAS GCOs regarding nonpayment by sponsor.</p> <p>5. Work with sponsor insofar as reasonable (submit required technical reports, etc.).</p>
Post Award Services Grant & Contract Officers (PAS GCOs)	<p>When the sponsor is unable or unwilling to pay its bills:</p> <p>6. Advise the principal investigator of options available to protect the university's and the project's interests:</p> <p>a. to suspend work and spending and incur no additional costs on behalf of the project</p> <p>or</p> <p>b. to guarantee that additional project costs will be covered by a non-sponsored source of funds.</p>
Principal investigator (PI)	<p>7. Authorize additional project spending only if:</p> <p>a. the receivables issue is satisfactorily resolved</p> <p>or</p> <p>b. a guarantee of coverage for additional project costs by a non-sponsored account is secured.</p>

Additional Information

For definitions of terms, see the [ORSPA Acronyms and Glossary](#) webpage.

Cross-References

1. [RSP 509-04](#), Sponsored Project Deficit/Account Closeout