

**JACKSONVILLE STATE UNIVERSITY**  
**Manual of Policies and Procedures**

**POLICY NUMBER: IV:03:10**

**DATE: May 2004**

**REVISION/REVIEW DATES: August 2011, September 2023**

**SUBJECT: Invoicing / Billing for University Provided Goods or Services**

**APPROVED: Dr. Don C. Killingsworth, Jr., President**

**PURPOSE**

This policy is to establish a system of internal control over institutional billing and collections. All bills to outside vendors are to be routed through the University Office of Student Accounts to assure timely collections of all amounts due Jacksonville State University.

**POLICY**

Jacksonville State University will collect payment for goods and services in a timely manner. Invoicing for services is, in effect, extending the credit of the State of Alabama and should be minimized. Payment should occur before or at the time services are rendered or goods are provided. However, there will be times when charges must be invoiced such as cost reimbursable grants/contracts, rental/leasing of space, and billings to third parties. University departments that extend credit by invoicing must use the University Invoice for Goods/Services ([Form #17](#)). A copy of the University Invoice must be provided to the Office of Student Accounts to ensure proper posting when payment is received. Attachments may be included with the university invoice as deemed appropriate by the billing department. All payments for invoiced charges must be remitted directly to the Office of Student Accounts. Once payment has been received, the Office of Student Accounts will notify the department contact identified on the university invoice.

**BACKGROUND**

The Finance and Administration Division is responsible for monitoring, processing and recording the collection of all payments due the University for goods or services rendered by university departments. The billing processes of all departments that extend

credit are subject to the review and approval of the Senior Vice President for Finance and Administration and CFO or her/his designee.

All invoicing for charges must use the JSU Invoice for Goods/Services form.

Attachments may be included with the university invoice as deemed appropriate by the billing department.

No invoices less than \$10 will be issued. Departments with charges less than the minimum amount should require payment at the time the goods/services are provided, create a minimum order amount, or accumulate charges for a specific customer until the minimum amount is reached.

Interdepartmental invoicing through the receivable process is not permitted. All interdepartmental transactions resulting from departments providing goods and services to other university departments are to be processed by internal transaction voucher sent to the assistant controller.

The Office of Student Accounts will make every effort to collect amounts invoiced, and may call upon the billing department for assistance. When an account is deemed uncollectible, approval to write off the outstanding debt must be obtained from the Senior Vice President for Finance and Administration and CFO. Departments will be notified by the Office of Student Accounts of any write-offs. Departments will not extend credit/invoice customers with outstanding charges over 60 days old. Departments whose receivables have been written off must cover the write-off with current budgeted funds. The Controller's Office will periodically monitor departmental account receivable processes to assure the prompt collection of payments, accurate accounts receivable reporting, and adherence to University policies and procedures.

## **PROCEDURES**

### **Requirements for Invoicing External Customers**

Departments must have authorization from the Senior Vice President for Finance and Administration and CFO or her/his designee through the Controller's Office by memorandum approved by the appropriate Vice President to open a receivables account. This written communication should contain the following information:

1. An explanation of why the charges should be invoiced rather than received before or at the time services are rendered or goods are provided
2. Customers to be invoiced
3. An estimate of the number of invoices issued annually
4. An estimate of the average amount invoiced

### **Billing Procedures**

Once authorization has been received, departmental billing personnel must receive training for invoicing from the Controller's Office.

When an invoice is finalized, departmental personnel will be responsible for printing and mailing the invoice along with all necessary attachments in a timely manner. A copy of the invoice must be provided to the Office of Student Accounts. Invoices are due upon receipt and payment must be made directly to the Office of Student Accounts. Aging for all invoices begins at the time the invoice is finalized. Upon receipt of the invoice by the Office of Student Accounts, an accounting entry crediting the appropriate revenue account as identified on the university invoice will be processed. Supporting documentation for the invoice must be retained in the billing department for internal review purposes.

Invoices prepared for grant/contract reimbursements (fund 2 projects) must be reviewed by the Restricted Funds Manager prior to submission to the sponsor. Departments must use the university invoice and include appropriate backup as required by the sponsor. Invoices are due upon receipt and payment must be made directly to the Office of Student Accounts.

### **Receipt of Payments**

All accounts receivable payments will be processed through the Office of Student Accounts. Payments should not be received by billing departments. However, if payment is received by the billing department for an invoiced amount, the payment must be forwarded immediately to the Office of Student Accounts for processing.

### **Corrections to Invoices**

Every effort should be made by the billing department to ensure invoices are correct before they are finalized. Any correction/adjustment to the bill amount must be made in writing to the Office of Student Accounts and must have the signature of the appropriate department head. Notification of an invoice change or cancellation must include customer name, original invoice date and amount, and the department name/number. A copy of the corrected invoice sent to the customer should accompany this notification.

### **Collections Procedures**

If a receivable is not paid within 30 days, the Office of Student Accounts will send a copy of the original invoice and reminder letter to the customer. If the account remains outstanding after an additional 30 days (60 days since the invoice date), the Office of Student Accounts will send a second letter informing the customer of the past due status. A third and final letter will be sent for accounts outstanding after 90 days or more informing the customer that the account will be placed with an outside collection agency and the collection charges will be added to the outstanding debt if payment is not received. Letters will be standard form, system generated and will be sent on all past due accounts unless the item is in dispute.

A list of debts older than 90 days will be provided to the department for verification before they are turned over to a collection agency.

If debts are not collected by the collection agency, they will be submitted to the Attorney General for write-off approval. Once approval is obtained by the AG's office, the Senior Vice President for Finance and Administration and CFO will document this fact as part of the write-off directive. The Controller's Office will make the necessary accounting entries for the write-off and notify the department. A debit to a departmental bad debt expense account will be processed and the department will be required to process a budget revision to fund this bad debt expense account. Write-offs will be reflected in the billing department's monthly revenue report and must be included in the monthly reconciliation of revenue.

The Controller's Office determines the course of action for collections of past due sponsored activity invoices. Collection actions are conducted in accordance with the

project agreement and are dependent on the sponsor (customer) and previous payment history. In general, collections proceed as follows:

- The Restricted Funds Manager will analyze all outstanding invoices after 60 days.
- After 60 days, the sponsor will be contacted by telephone and/or past due reminder letter. The department that has incurred charges will be notified of non-payment at the discretion of the Controller's staff.
- After 90 days, the Controller's Office will send a second past due letter, notify the department, and advise the principal investigator (P.I.) on the project. The Controller's Office will continue to coordinate with the department, P.I., and the sponsor for past due payments.
- After 180 days, the Controller will notify the Senior Vice President for Finance and Administration and CFO. If deemed uncollectible, corrections will be required in coordination with the billing department.

The University Controller will periodically monitor departmental accounts receivable processes to assure the prompt collection of payments, accurate accounts receivable reporting, and adherence to University policies and procedures.

Collection of restricted funds will not involve a collection agency. If payment cannot be made through discussions with the sponsor, a University attorney's help will be solicited to secure payment.

### **Revenue and Receivables Procedures**

Personnel in the Office of Student Accounts will have the ability to apply partial payments, under-payments, and overpayments to outstanding invoices. In the event of overpayments and underpayments, system adjustments to a University-level account of \$20 or less will be processed by the Controller's Office. Periodic review of open accounts will be performed and appropriate action will be taken to close outstanding items.

### **EXCEPTION**

The Office of Continuing Education maintains an accounts receivable system for the operation of the office. Invoices sent to participants are accounted for in the accounts

receivable system. At year end, the Director of Continuing Education will provide to the Controller if determined through due diligence that the amounts will not be paid.

Supporting documentation of collection attempts must be provided as well. Attorney General approval for the write-off of uncollected invoices will be requested by the Office of Student Accounts, and the Office of Continuing Education will be notified if approval is obtained.

### **RESPONSIBILITY**

The Senior Vice President for Finance & Administration and CFO is responsible for this policy.

### **EVALUATION**

This policy will be evaluated at least every five (5) years by the Senior Vice President for Finance & Administration and CFO, with input from the Controller and the Director of Procurement & Fixed Assets.