Section 09.01
EXTENSION OF CREDIT, DELINQUENT ACCOUNTS, COLLECTIONS AND WRITE-OFFS

Departments responsible for extending credit and creating invoices, collecting delinquent accounts, and referring delinquent accounts to the Texas A&M University System (system) Office of General Counsel (OGC) or the Attorney General of Texas (AG) will be required to adhere to system policy regarding the issuance and receipt of all payments and adhere to the System’s Collection and Write-Off Guidance Required per Regulation 21.01.04 Extension of Credit. The following are TAMU-CC’s specific guidelines for collection of outstanding receivables from customers. These guidelines have been created to ensure consistency of all departments throughout the university and should be used in conjunction with the System’s guidance. When variances between TAMU-CC’s guidelines and the Systems guidance exist, the System's guidance supersedes that of TAMU-CC.

Extension of Credit

1. Credit may be extended only when it serves the best interest of the System and is for the public good of the State of Texas (TAMUS Regulation 21.01.04).

2. A department wanting to extend credit as part of its normal departmental activities, should obtain approval by the Vice President for Finance and Administration (VPFA). Documentation explaining the circumstances requiring an extension of credit must be on file in the office of the VPFA or designee. Only one request is needed for each department extending credit on a regular basis; the expected monthly average and the aggregate total receivables per fiscal year should reflect all SL accounts involved in the receivable process for the specific department. An approved extension of credit is required to be reviewed biennially.

Departmental Receivables

A department that is responsible for extending credit on behalf of the university is also responsible for internal guidelines that apply to maintain departmental receivables. The following is a list of rules that should be followed when creating and collecting on account receivable.

a. Customer records must contain the identity and reflect the correct physical address of the debtor. Customer information should include either a taxpayer ID, EIN, FEIN, or state/national identification number.
b. Invoices should be issued within one week of the date of delivery of the goods or the date the services were performed.

c. All invoices should be created using the TAMUCC Invoice Template which can be obtained from the Accounts Receivable Department or online on the Accounting Services website.

d. All invoices should show a remit address of the following:

   Texas A&M University-Corpus Christi  
   Accounts Receivable Department  
   6300 Ocean Drive Unit 5767  
   Corpus Christi, Texas 78412-5767

e. Invoice numbers can be obtained by contacting the Accounts Receivable Department.

f. All invoices should be sent to the Accounts Receivable Department for entry into the FAMIS accounting system within three (3) working days of invoice creation. Departments should also maintain a log of all invoices created.

g. All payments are due within thirty days of invoice date. Special circumstances requiring the extension of credit for longer than 30 days must be disclosed in the documentation maintained by the VPFA or designee.

h. Departments extending credit are responsible for collection efforts. If payment is not received within thirty days of the invoice date, past due notices should be sent out. The accounts receivable department may send a monthly aging schedule to each department and the department will be responsible for mailing past due notices and contacting the customer concerning payment. Documentation must be kept by departments to prove attempts to contact the customer. Logs can be kept for each customer. At a minimum, past due notices should be sent out on a bi-monthly basis. Departments may elect to send them out more frequently on a monthly basis. No further credit should be issued to the customer until payment is made.

i. For a list of collection steps and applicable dates, visit the System’s Collection and Write-Off Guidance Required per Regulation 21.01.04 Extension of Credit.

j. A customer must be placed on hold with the state when their account is 120 days past due. The warrant hold process is detailed in the state comptroller’s Accounting Policy Statement (APS 028), Reporting of State Debts and Hold Offset Procedures.
k. For a delinquent account that will be referred to the Attorney General for Collection, the department must send no more than 2 mailed demand letters. The department should send the delinquent customer demand letters as stated System Policy and Regulations 21.01.04 (4.4). Documentation of all attempts to collect the debt must be recorded and maintained on file.

l. If a department has deemed a receivable delinquent, a Request for Write Off form should be submitted to the Accounts Receivable Department along with supporting documentation including invoice copies, past due letters, bankruptcy notices, collection efforts, copy of extension of credit letter, and state hold form. The percentage written off should not exceed 10% of the total receivables billed for that department for that fiscal year.

For additional details see TAMUS Regulation 21.01.04 and TAMUS Collection and Write-Off Guidance Required per Regulation 21.01.04 Extension of Credit.
EXTENSION OF CREDIT REQUEST

DATE: ______________________

TO: TAMUCC Comptroller's Office

FROM: ______________________

(1) I am requesting authorization to extend credit within the following department (include FAMIS department code and provide detailed description of the operation requiring a credit extension)

(2) This authorization is to be for the following time period: (Check One)
   [ ] From ____ TO ____
   [ ] Indefinite Time Period

(3) I expect the average monthly credit sales not to exceed: $ ______________

(4) I expect aggregate credit sales not to exceed: $ ______________

(5) Anticipated Write Offs are: $ ______________

(6) The Public Purpose served by this extension of credit is: (Check all that Apply)
   [ ] To Avoid loss due to spoilage/deterioration of product
   [ ] To sell a unique, limited market research or educational product in a wider area.
   [ ] The extension of credit will allow the agency to conduct its operations in a more efficient way.
   [ ] Other: ______________

I confirm that I have read and understand TAMU System and University regulation 21.01.04 regarding the extension of credit located at [http://www.tamu.edu/offices/policy/policies/pdf/21.01.04.pdf]. I confirm that my department has written procedures for extending credit including collection procedures and have attached a copy of my department's procedures. I understand that payment for the sales of goods and services on credit is expected within 30 days and special circumstances requiring the extension of credit for longer than 30 days must be disclosed in writing to the Accounts Receivable department.

Departmental Approval ______________________

Bursar's Office Review ______________________

Signed ______________________

Printed Name ______________________

Title ______________________

Dept/Unit ______________________

Date ______________________

Signed ______________________

Printed Name ______________________

Date ______________________

AVPFC Approval ______________________