

## Non-Student Billing Terms & Conditions

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**1. Reasons for using the Non-student Billing system**

- a. Invoicing for goods and/or services to *external* customers
  - i. Invoices should be unrelated to student tuition charged to students' accounts in UDSIS (\*the only exception is the English Language Institute)
  - ii. This can include non-credit courses and certifications (i.e. ARTC)
  - iii. Non-student Billing can be used for *non-registered, former* students who are no longer attending UD and have incurred charges as a non-registered student (i.e. Student Health Services charges, parking fines, library fines, etc.)

**2. Situations in which the Non-student Billing system *should not be used*:**

- a. Invoicing an internal UD department. In these instances, please submit a [Journal Voucher](#) via webforms
- b. Invoicing for Sponsored funding (i.e. grants, foundations)
  - i. If you are unsure if the invoice relates to Sponsored funds, please contact the UD Research Office for confirmation (<https://research.udel.edu/contact-us/>)

**3. Responsibility of the department:**

- a. Establishing and maintaining the relationship with the customer
- b. Primary communication with the customer
- c. Obtaining an agreement, acknowledgment of relationship, and/or formal contract with the customer indicating the customer's intention to pay
  - i. The below information for the customer must be accurate:
    - 1. Customer name
    - 2. Customer physical address
    - 3. Customer billing email address where the invoice will be sent (if preferred to send electronically)
      - a. This may also include a customer billing contact name and contact information.
    - 4. Customer billing phone number (optional, but encouraged)
    - 5. Customer's Purchase Order number if required for payment
  - ii. For **both** invoices equal to or greater than \$10,000 **and** recurring invoices:
    - 1. An agreement, acknowledgment of relationship, and/or formal contract supporting the invoice and indicating the customer's intention to pay is **required** to be attached to the NSB Webform
    - 2. This can vary in formality on a case-by-case basis (i.e. email, formal contract, addendum, etc.)
- d. Submitting invoices through Third-party Payment Portals
  - i. **\*\* Currently, with limited exception, the UD Accounts Receivable team **does not** submit or upload Non-student Billing invoices to Third-party Payment Portals. If a Third-party Payment Portal is required, UD AR will provide the department with the PDF of the invoice(s) to upload and submit themselves.**

- e. Accurate invoice amount
  - f. Accurate invoice time period, if recurring
  - g. Accurate invoice time period that the revenue/credit should be recognized
    - i. Note: If the invoice is submitted and generated past the NSB month-end deadline and the revenue/credit to expense is not recognized in the proper period, it is the responsibility of the dept to submit a reversing accrual JV to post in the correct month.
  - h. Invoicing in a timely manner. Invoices should be submitted and dated when goods or services are provided for the accurate recording of revenue recognition.
  - i. Reaching out to the customer(s) for updated ETA on payment receipt for aged invoices
  - j. Collaborating with Accounts Receivable to review and provide updates on aged receivable balances
  - k. Requesting the placement of outstanding invoices with an external collection agency – refer to Section 9
4. **Services offered by the [UD Accounts Receivable](#) team:**
- a. \*Adding new dept IDs in the Non-student Billing system if a dept ID is not listed in the webform under Billing department
  - b. Review and approval of Non-student Billing invoice requests (via webform submission)
  - c. Review and approval of Non-student Billing adjustment requests (via webform submission) for existing invoices (i.e. cancellations, reductions or increases in invoice amount)
  - d. Ensuring the generated invoice is provided to the customer per the method indicated in the webform. The three options from which to choose on the webform are:
    - i. The UD AR team emails the PDF invoice to the Non-student Billing customer and copy the UD department billing contact and any additional email addresses (internal or external) as indicated in the webform
    - ii. The UD AR team emails the PDF invoice directly to the department. The department then submits the invoice to the customer via email or Third-party Portal and copies [accountsreceivable@udel.edu](mailto:accountsreceivable@udel.edu) on the correspondence if via email.
    - iii. The UD AR team or department sends physical copy of the invoice via USPS.
    - iv. NOTE: The recommended method of submitting Non-student Billing invoices to customers is PDF via email. This method expedites the customer receiving and acknowledging the invoice and remitting payment to UD.
  - e. Application of payments received against outstanding invoices
  - f. Troubleshooting and resolving system issues related to the NSB process
  - g. Providing reporting to the departments:
    - i. **Monthly** → Providing aging reports by dept ID to the designated departmental financial contacts

- ii. **Quarterly** → Providing a list of outstanding invoices aged greater than 120 days to the departmental financial contacts and college/unit CBO, Business Administrator, and/or Director *requesting an update on collectability*.
- iii. **Annually** → At fiscal year-end, informing the departments of the invoices aged greater than 270 days that will be fully reserved. This amount will be recorded to the department as a bad debt expense.
- iv. Note: If funds are recovered in the future, the bad debt expense will be reversed.
- v. **As needed** → training for dept staff, answering NSB-related questions, providing updated reports, updating customer addresses and information in PeopleSoft, etc.
- h. Placing outstanding invoices/accounts with external collection agency at the department's request (refer to Section 9)
- i. Adding user access by dept ID to view-only Non-student Billing queries in FIPRD
  - i. This allows department users to access up-to-date information regarding outstanding invoices (by dept ID or customer ID), Non-student Billing customer history (paid and outstanding), etc.
- j. Completing new Supplier Forms to receive ACH payments.
- k. Providing UD bank information and/or updated W-9 to NSB customers who wish to pay electronically.

**5. Revenue/Credit Recognition**

- a. Once the webform request for an NSB invoice is reviewed and approved by UD AR, the invoice is generated/created in PeopleSoft within the following 1-2 business days.
  - i. Note: webforms fully approved by 5:00pm on a business day will generate overnight. If approved after the deadline, they will generate overnight on the following business day.
- b. After the invoice is generated/created in PeopleSoft, the department will receive the credit/revenue in the departmental purpose code(s) and account(s) indicated in the webform based on the **invoice date**.
  - i. If the invoice date is in the current accounting period and ranges between the first day of the current accounting period and the current business day, the revenue/credit will feed the general ledger when the invoice and associated journals are generated/created.
  - ii. If the invoice date is future-dated (any date beyond the current business day), it will not generate/create an invoice or feed the general ledger until that invoice date has arrived.
- c. Invoice date restrictions:
  - i. The invoice date **cannot** be backdated to a previous billing period.
  - ii. The invoice date must be between the first day of the current accounting period/month and the last day of the following accounting period/month.

- 1. For example, if today is Sep 21, 2023, a webform can only be submitted for an invoice date ranging from Sep 1, 2023 to Oct 31, 2023
- iii. For **recurring invoices**, the invoice dates must be between the first day of the current accounting period/month and the last day of the fiscal year.
  - 1. The purpose of this restriction is to review the contract/agreement and confirm the charges have not increased for the following fiscal year. We have noticed many recurring invoices do not align with the contract/agreement and it creates payment application issues for UD AR.
- d. **\*\* All payments for Non-student Billing invoices must be sent to the Cashier’s Office. Cash transmittals should not be created for Non-student Billing payments. This will duplicate revenue/credits for the department and the associated invoice(s) will still be reflected as outstanding.**
- e. If applicable, we recommend invoicing based on the payment due date to keep the aging of the invoice accurate
  - i. Example: immediate deposit of 50% due now vs. later
    - 1. Invoice immediate deposit now and then invoice the remaining balance due when it is time for payment of the remaining balance. These could be 120 or 180 days apart and would affect aging of the invoice if billed all at one time.
    - 2. Same with partial due now vs. later depending on full term of contract.

**6. Aging of invoices**

- a. The age of an outstanding NSB invoice is based on the invoice date
- b. With limited exception, NSB invoices print with payment terms “due upon receipt”
- c. Since many customers have an accounts payable process where they pay within 30 to 90 days of receiving the invoice (net 30 to net 90), UD AR takes this into account and does not escalate invoices until they are aged greater than 120 days

**7. Accepting credit card payments**

- a. If pre-approved by the department, the Cashier’s Office can accept credit card or debit card payments. *At this time, departments cannot accept credit or debit card payments for NSB invoices, and customers should be directed to the Cashier’s Office for this method of payment.*
  - i. The merchant processing fees (approx. 2.8% of the payment amount) is allocated back to the department as an expense.
  - ii. Note: UD is not permitted to pass along the merchant processing fees to the customer at this time.
- b. In the new NSB webform (effective 9/25/23), departments can indicate that the customer may pay via credit card for that invoice.

- i. The departmental purpose code for merchant processing fees will be required on the webform. An approver for this purpose code is required on the webform.

**8. Accepting electronic payments**

- a. The Cashier’s Office monitors incoming bank transactions and applies payments to outstanding invoices.
- b. **It is important for the customer to reference the invoice(s) number in the electronic payment details** so the Cashier’s Office applies the payments to the correct invoice(s).
- c. Sometimes wire payments arrive with a wire fee deducted (ranges \$10 - \$25). In these scenarios, the UD AR team will notify the department of the deducted fee amount. The department can submit an adjustment request in webforms to reduce the invoice by the amount of the wire fee.
  - i. Alternatively, if the department does not want to reduce the invoice amount, Accounts Receivable will require a department purpose code and account to which to allocate the wire fee via journal voucher.
- d. The UD AR team can assist with providing banking details to the customer if they wish to make an electronic payment. We also complete ACH supplier forms when necessary.

**9. Collection process**

- a. As mentioned in Section 2, when Non-student Billing invoices are outstanding for more than 120 days, it is the department’s responsibility to reach out to the customer for an ETA on payment receipt.
- b. If there is a potential collectability issue, the department may request that UD AR place the customer’s account with our external collection agency, [Reliant Capital Solutions](#) (RCS).
- c. Placing a customer with external collections is a departmental decision and is not mandatory at this time, but it may be recommended by the UD AR team depending on the situation.
- d. Note: there are some customers that UD **does not place** with external collections. Please reach out to the UD AR team to determine if any aged invoices correspond with one of these customers.
- e. Payments received by customers placed in collections are applied to the outstanding invoice(s) by the UD AR team.
- f. Payments received through the external collection agency are **subject to a 21% collection fee**. This fee will be allocated to the department by the Accounts Receivable team.
- g. **NOTE: Invoices placed in collections will remain outstanding on the aging report(s) until they are paid in full, adjusted, or written off.**

**10. Bad debt write-off vs. cancellation of invoice**

- a. An aged invoice **should not be cancelled** if goods or services were provided. If the invoice is deemed uncollectible, it should be recorded as a bad debt write-off. Requests to write off an invoice should be sent to the UD AR team.
- b. If goods or services were never exchanged, then a cancellation of the invoice is appropriate. This must be requested through the [Bill Adjustment for Non-student Customers](#).

**11. Bad Debt Reserve Process**

- a. All unpaid invoices greater than 270 days old as of June 30<sup>th</sup> will be reviewed for collectability to determine if the invoice should be written off or fully reserved.
  - i. The UD AR team will record a JV to debit bad debt expense to the department purpose code and account and credit the Allowance for Doubtful Accounts.
- b. If an invoice that is fully reserved is then subsequently paid, the reserve is reversed (bad debt expense is removed/credited to the department) via a JV.

If you have any questions about these terms and conditions, please contact [accountsreceivable@udel.edu](mailto:accountsreceivable@udel.edu).