Status **Pending** PolicyStat ID **21818009**

Last Approved	N/A	Owner	Kirsten Miller
Effective	Upon Approval	Document Area	Vice President and Chief Financial Officer
Next Review	3 years after approval	Applicability	Saint Louis University C ampus Wide

Non-Student/Non-Grant Revenue and Accounts Receivable Policy

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Responsible University Official: Senior Vice President for Finance and Administration/ Mike Green

Policy Owner: Accounting Director / Kirsten Miller

Policy Contact: Senior Accountant / Valerie Matheson

1.0 Reason for Policy

Non-student/non-grant accounts receivable are a significant asset and source of revenue for the university. Effective management and oversight are vital to ensuring the full and timely collection of amounts owed. Non-student/non-grant revenue and related accounts receivable support the costs of resources expended by the university to provide goods and services to external entities.

2.0 Policy Statement

The university is committed to following all applicable accounting principles and standards, including Generally Accepted Accounting Principles (GAAP) and guidance issued by the Financial Accounting Standards Board (FASB). Accounts receivable balances are recorded at net realizable value, representing the amount of cash the university expects to collect from customers.

In accordance with FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, revenue related to non-student/non-grant activities is recognized when control of goods or services is transferred to the customer in an amount that reflects the consideration the University expects to be entitled to for those goods or services. Revenue is recognized when the university satisfies the applicable performance obligation under the contract. An accounts receivable is recognized when the university has an unconditional right to consideration. Amounts received or invoiced before the related performance obligation is satisfied are recorded as deferred revenue or another appropriate liability. Revenue earned before the university has an unconditional right to consideration is evaluated for recognition as a contract asset or unbilled receivable, as applicable.

This policy applies only to non-student/non-grant revenue transactions that result from contracts with external customers and does not apply to student tuition and fees, sponsored grants, or contributions.

All non-student/non-grant transactions must be billed through the university's Workday system (Please see invoice job aid). Any exceptions to this requirement must be formally approved by the Controller's Office. Approved exceptions must be documented, tracked centrally, and reviewed quarterly by Business and Finance to ensure completeness, accuracy and continued appropriateness of the exception.

All revenue-generating contracts with external customers must be submitted through the university's contract-management process and made available to the Controller's Office or designated Business and Finance representative for review of accounting implications, including payment terms, revenue recognition, billing structure, and Workday setup. Review should occur before contract execution when feasible. If a contract is executed before accounting review is completed, the department must submit it promptly following execution in accordance with the Accounts Receivable SOP.

For contracts that affect the university as a whole, Business and Finance is responsible for initiating customer setup, maintaining contract documentation, establishing billing schedules, and ensuring invoices are issued timely in accordance with contract terms. For contracts executed at the individual department level, these responsibilities fall under the originating department with Business and Finance review (Please see create customer job aid and create contract job aids fixed and usage based).

Customer contracts must be established in Workday using the contract type that reflects the agreement's billing structure. A fixed-amount contract is generally appropriate when total consideration is established by the agreement and does not vary based on actual usage, volume, units delivered, or other measurable activity. A usage-based contract is generally appropriate when the amount billed varies based on actual usage, volume, units delivered, or other measurable activity specified in the agreement.

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In all cases, invoices should be generated as soon as performance obligations are satisfied or in accordance with contractual billing milestones.

Business and Finance is responsible for evaluating and recording deferred revenue, contract assets, and unbilled receivables in accordance with applicable accounting guidance and for ensuring that related balances are appropriately reflected in the university's financial statements. Departments must timely notify Business and Finance of customer prepayments, potential deferred revenue, and revenue earned but not yet invoiced, and must provide the executed agreement and other documentation necessary to support the timing and amount of revenue recognition. Specific notification requirements and deadlines are established in the Accounts Receivable SOP.

When the university has an unconditional right to consideration, the related amount is recorded as accounts receivable. Accounts receivable are evaluated regularly for collectability. Amounts not expected to be collected are reflected through the Allowance for Doubtful Accounts, ensuring receivables are presented at net realizable value in the financial statements. See *Allowance for Doubtful Accounts Policy*

Payment terms for Saint Louis University non-student/non-grant customer invoices must be consistent with the terms outlined in the applicable contract. In the absence of explicitly stated contractual terms, the university's standard payment term is Net 30 days from the invoice date. The invoice date and due date are printed on all invoices issued through Workday.

Payments on university customer invoices must be received and processed through university-approved payment channels and applied to the appropriate customer invoice. Cash must not be accepted as payment for a university customer invoice. Detailed payment-routing and application procedures are established in the Accounts Receivable SOP and applicable university cash-handling procedures.

Revenue should be classified in the appropriate category within the Statement of Activities based on the nature of the transaction. Income generated from external parties should be recorded as revenue in accordance with GAAP. Expense recovery should generally be used only for internal billings between university departments. Use of expense recovery for an external transaction requires documented prior approval from Business and Finance in accordance with this policy based on the below criteria:

- The appropriate accounting treatment is primarily determined by **Saint Louis University's role in the transaction**. Business and Finance will evaluate whether the university controls the specified good or service before it is transferred to the customer. The indicators below are considered collectively, and no single indicator is necessarily determinative.
- **When Saint Louis University is Acting as a Principal:**

If Saint Louis University acts as the **principal**, the gross amount billed to the customer is generally reported as revenue. Indicators that SLU is acting as a principal include:

- The university controls the goods or services before they are transferred to the customer.
- The university is primarily responsible for fulfilling the contractual obligation to the customer.
- The university establishes or controls pricing.
- The university bears credit risk, including the risk of customer nonpayment.

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- **When Saint Louis University is Acting as an Agent**

If the university acts as an **agent**, meaning it arranges for another party to provide the goods or services, Saint Louis University generally recognizes revenue only for the fee, commission, or other consideration to which it is entitled for facilitating the transaction. Amounts collected on behalf of the third-party provider are not reported as revenue for the university.

Any departure from standard revenue classification, including approved use of expense recovery for an external transaction, must be documented and based on the substance of the transaction and applicable accounting guidance. Revenue-classification exceptions must be maintained separately from Workday invoicing exceptions and reviewed at least annually by Business and Finance. Business and Finance is responsible for the final accounting classification.

The university complies with all applicable financial statement disclosure requirements related to revenue from contracts with customers, including separation of revenue, in accordance with ASC 606.

3.0 Scope

This policy applies to non-student/non-grant revenue transactions arising from contracts with external customers and the related accounts receivable of Saint Louis University and Saint Louis University – Madrid. It does not apply to student tuition and fees, sponsored grants or awards, contributions, or other transactions outside the scope described in Section 2.0.

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4.0 Procedures

Accounts Receivable Standard Operating Procedures (SOP)

5.0 Sanctions

Failure to comply could result in inaccurate or incomplete financial statements and noncompliance with GAAP.

Individuals who fail to comply with this policy and the procedures associated with it may be subject to disciplinary action guided by the *University's Staff Performance Management Policy*, SLU Faculty Manual (St. Louis Campus), or Student Handbook. Non-compliance with this policy may result in disciplinary action, up to and including separation from the university.

6.0 Responsibilities

University departments and business managers are responsible for submitting customer contracts for appropriate review, establishing department-specific customers and contracts, creating accurate and timely customer invoices, using appropriate revenue categories and worktags, monitoring outstanding receivables, supporting collection efforts, and timely communicating information regarding deferred revenue and earned-but-unbilled revenue.

Business and Finance Accounting is responsible for reviewing customer, contract, and invoice activity; determining the appropriate accounting treatment and revenue classification; administering university-wide or centrally assigned customer contracts; monitoring Workday invoicing and revenue-classification exceptions; evaluating collectability; processing approved write-offs; and reconciling non-student/non-grant accounts receivable to the general ledger.

Treasury is responsible for applying customer payments received through approved university payment channels in accordance with established procedures.

Detailed responsibilities and required timelines are established in the Non-Student/Non-Grant Revenue and Accounts Receivable SOP.

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7.0 References

University Policies Including But Not Limited To:

Allowance for Doubtful Accounts Policy

Non-Retaliation Policy

Reporting Concerns of Misconduct Policy

Staff Performance Management Policy

University Resources Including But Not Limited To:

SLU Faculty Manual (St. Louis Campus)

External Resources Including But Not Limited To:

FASB Accounting Standards Codification (ASC)

8.0 Definitions

Accounts Receivable – Money owed to the university by an outside customer for a good or service provided by the university, but the customer's payment has not yet been received.

Allowance for Doubtful Accounts – A reasonable estimate of the amount of nonstudent / non grant accounts receivable that the university does not expect to collect or be paid from a customer.

Cash Receipts – Funds received by an outside customer to pay for a good or service by check or ACH (Automated Clearing House). The preferred method for receiving university customer payments is electronically via ACH.

Contract Asset / Unbilled Receivable - An amount recognized when the university has transferred goods or services to a customer but the university's right to consideration remains conditional on something other than the passage of time.

Customer – Any business, contractor, organization, or vendor that the university bills for payments due in exchange for goods or services that are provided by the university.

Deferred Revenue - Amounts received or invoiced before the university has satisfied the related performance obligation.

FASB - The Financial Accounting Standards Board (FASB) issues Accounting Standards Codifications (ASC) and GAAP.

Fixed-Amount Contract - A customer contract under which total consideration is established by the agreement and does not vary based on actual usage, volume, units delivered, or another measurable activity. Billing may nevertheless occur according to dates, milestones, or deliverables specified in the agreement.

GAAP - Generally Accepted Accounting Principles - a set of accounting rules, requirements, and practices that standardize accounting procedures, classifications, and assumptions.

Invoices – An itemized bill for goods or services that is generated by the university's Workday software and provided to a university customer, specifying the amount owed to the university.

Non-Grant – Non-grant refers to any individual, organization, or funding source whose obligation to Saint Louis University does not arise from a sponsored program, grant, contract, or award administered through the university's Office of Research Administration or equivalent sponsored-project function.

Revenue – The value that is recognized by the university based on the product or service that was provided to the university customer.

Usage-Based Contract - A customer contract under which the amount billed varies based on actual usage, volume, units delivered, transactions, or another measurable activity specified in the agreement.

Workday Invoicing Exception - A documented and approved exception to the requirement that non-student/non-grant customer invoices be created and administered through Workday.

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Write off - The formal determination by the university that an accounts receivable is uncollectible, resulting in the removal of the receivable from the financial statements.

9.0 History

This is a new university policy and this policy supersedes and rescinds all previous policies related to this topic.

Approval Signatures

Step Description	Approver	Date
Policy Review Committee	Michael Reeves	Pending
Policy Review Committee	Kirsten Miller	11/3/2026
Chief Policy Officer review before PRC	Michael Reeves	11/3/2026

Applicability

SLUCare, Saint Louis University