



DRAFT

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

Responsible University Official: Assistant Vice President & Controller / Tara Thomason

Policy Owner: Accounting Director / Kirsten Miller

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1.0 Reason for Policy

Non-Student/Non-Grant accounts receivable are a significant asset and revenue source of the University. Effective management and oversight is vital to ensuring the full and timely collection of all amounts owed. Non-student/non-grant accounts revenue and related receivable support the costs of resources expended by the University to deliver goods and/or 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 and the related accounts receivable are recorded only when the University has satisfied its performance obligations under an approved contract and has an unconditional right to consideration. 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 periodically by Business and Finance to ensure completeness, accuracy and continued appropriateness of the exception.

All revenue generating contracts with external customers must be provided to the Controller's office or designated Business and Finance representative for review of accounting implications, including payment terms, revenue recognition, and billing structure, prior to contract execution when feasible. If a contract must be executed prior to review, the contract must be submitted timely following signature to ensure proper setup and accounting treatment within Workday. The contracts must either be provided by the Department or as an approver in the University's contract database, if applicable.

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](#)). 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 and unbilled receivables in accordance with ASC 606 and ensuring balances are appropriately reflected in the University's quarterly and annual financial statements. Departments must inform Business and Finance of any potential deferred revenue or unbilled receivables and provide sufficient documentation to support the timing of revenue recognition and any amounts collected in advance of performance.

Once revenue is recognized under ASC 606 and an invoice is issued, 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 Non-Student/Non-[Grant](#) Allowance Policy.

Payment aging terms or Saint Louis University non-student/non-grant 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.

Revenue should be classified in the appropriate category within the Statement of Activities based on the nature of the transaction. All revenue generated from external parties must be recorded as revenue in accordance with GAAP. Expense recovery should be used only for internal billings between University departments and should not be applied to transactions with external customers.

In limited circumstances involving pass-through transactions, alternative classification may be appropriate; however, any deviation from standard revenue must receive prior approval from the Controller's Office. Approved exceptions will be documented and subject to annual review by Business & Finance to ensure continued appropriateness and compliance with accounting standards. Business & Finance is responsible for the final determination of 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 all non-student/non-grant invoices for Saint Louis University and Saint Louis University - Madrid.

See Accounts Receivable Standard Operating Procedures (SOP) for detailed procedures.

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 actions 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

The University Departments as well as the Business & Finance Department are responsible for the adherence to the Non-Student/Non-Grant Accounts Receivable Policy.

7.0 References

[Allowance for Doubtful Accounts Policy](#)

Accounts Receivable Standard Operating Procedures (SOP)

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.

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.

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.

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

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

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.

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

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 policy redacts/rescinds all previous policies related to this topic.