



POLICY FOR THE MANAGEMENT OF SPONSORED PROJECT BAD DEBT

Policy Number: 5.0.8

Version Number: 001

Classification: Post-Award

Effective Date: October 15, 2017

Responsible University Office: Grants and Contracts Administration

1.0 Purpose

All costs associated with sponsored projects are to be managed in accordance with the University's policies and procedures, the sponsored project agreement, and, if applicable, federal and/or state regulations.

The purpose of this policy is to establish a reserve for expenses associated with qualified sponsored projects if a sponsor is unable or unwilling to pay due to circumstances beyond the principal investigator's control.

2.0 Applicability

This policy applies to all Clemson University sponsored project (Fund 20) funding.

3.0 Government Rules and Regulations

NA

4.0 Definitions

Bad Debt – Sponsored project costs that a sponsor is unwilling or unable to pay due to circumstances beyond the principal investigator's control.

5.0 Policy

The Vice President for Research will establish and maintain a Sponsored Project Bad Debt Reserve Fund designed to cover two-thirds of a qualified project's bad debt. The principal investigator, department and college are responsible for the remaining one-third of qualified bad debt.

The Vice President for Research shall hold in reserve from the Research Initiative Account funds a maximum of \$75,000 each year for qualified sponsored project bad debt. Each dean will establish a method to fund one-third of any qualified sponsored project bad debt that occurs within his or her college.

6.0 Responsibilities

Dean – Establish a method to fund one-third of qualified sponsored project bad debt.

Departments/Units – Fund unqualified sponsored project bad debt. Contribute to one-third of qualified bad debt as directed by college dean and/or Vice President for Research.

Executive Vice President for Finance and Operations – Fund qualified bad debt that results from system error.

Grants and Contracts Administration – Conduct a factual review and recommend a designation of qualified or unqualified bad debt to the Vice President for Research and effected dean.

Principal Investigator – Contribute to bad debt as directed by the Vice President of Research and college dean.

Vice President for Research – Establish and maintain Sponsored Project Bad Debt Reserve Fund and cover two-thirds of qualified bad debt.

7.0 Sanctions for Non-Compliance

For Fund 20 projects identified to have deficits applicable to this policy, failure by the department or college to provide its proportionate share of the debt will be referred to the Provost office for resolution.

8.0 Approval Signatures

This policy has been approved by



Tanju Karanfil
Vice President for Research

July 1, 2018

Date

REVISION HISTORY		
EFFECTIVE DATE	REVISION NUMBER	MODIFICATION
October 15, 2017	1	Clarification of language and reformat of policy; policy number modification