



# WEBINARS

NAVIGATING RESEARCH ADMINISTRATION AT THE UNIVERSITY OF MICHIGAN

## Sponsor Billing and Collections

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# Today's Presenters



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# Welcome

## Today's Discussion

- SP roles & responsibilities
- Award setup
- Invoice types
- AR roles & responsibilities
- Collections process
- Unit responsibilities
- Systems for viewing invoices and monitoring receivables

**Please use the Chat feature to enter any comments or questions.**

**We will hold all questions until the end of the presentation.**

# Finance - Sponsored Programs

## Sponsored Programs Overview

Sponsored Programs oversees and manages the financial post-award activities of U-M's research enterprise and other sponsored activities to ensure compliance with federal, state, and local laws as well as sponsor regulations.

# Finance - Sponsored Programs Areas

## Reporting

Manages financial research reporting to meet sponsor guidelines.

- Reviews and reconciles Uniform Guidance issues
- Submits financial reports to the sponsor
- Sends final invoices to SSC for submission
- Facilitates project closeout

## Customer Service

Manages project/grant lifecycle and rules and compliance questions.

- Main contact area for post-award administration
  - Project/grant establishment/modification
  - Invoicing compliance with agreement
  - Inform SSC on how a project is to be invoiced
  - Transaction approvals
  - Compliance
  - Unit training

## Office of Contract Administration (OCA)

Reviews and signs sponsored contracts and grants, and prepares and administers subawards.

- Responsible for the review and execution of contracts and grants associated with sponsored projects, and the preparation and administration of outgoing subawards and hybrid POs.

# Finance - Sponsored Programs

## What Does Customer Service Do?

### Award Processing Phase - Project/Grant Set Up

- Project/grant establishment and modification after ORSP signs off
- Review award terms and conditions
- Inform SSC on how to bill the sponsor to ensure invoices are submitted in accordance with the agreement

# Finance - Sponsored Programs

## What Does Customer Service Do? *(continued)*

### Post-Award

- Support post award billing issues that may arise including billing modifications for PO additions or changes and changes to invoice submission requirements.
- Coordinate all financial activities related to project management, including transaction approval when required.
- Serve as an "expert resource" to the university community in regards to award requirements and university compliance issues.
- Provide departmental training on business processes related to the management of Sponsored Project/Grants.
- Provide support to departments with advice and answers to complicated or unique situations.

# SSC Sponsored Billing

## Award Setup - Questions to Ask

- Are Invoices required by the sponsor or will they be sending payments without an invoice?
- How often are the invoices required?
- Are invoices to be mailed, emailed, or submitted in a sponsor system?
- Are we invoicing based on actual expenses or on set amounts?
- What type of invoice is required?
  - 1034 (Federal Contracts)
  - 270 (Federal Grants)
  - the U-M standard invoices

# SSC Sponsored Billing

## Award Setup - Questions to Ask (*continued*)

- What additional Information should you include with invoices?
  - Gross Pay register
  - expense receipts
  - department narrative report
- Does the department need to reach out to AR when a milestone has been completed so an invoice can be sent?

Contact your Customer Service Coordinator if you have questions with a project's setup:

<http://www.finance.umich.edu/programs/organization-chart>

# SSC Sponsored Billing - Invoice Types

Invoice Type	Description
<b>Milestone invoices</b>	<ul style="list-style-type: none"><li>● Generated once a particular project milestone/deliverable has been completed.</li><li>● Departments are contacted quarterly to inquire if any milestones have been completed.</li><li>● Departments can also inform AR if a milestone is completed in between a quarterly email from AR.</li></ul>
<b>Pay Schedule invoices</b>	<ul style="list-style-type: none"><li>● The date of the invoice and amount are based on specified terms in the agreement.</li><li>● The invoice amount is not dependent on the amount of expenses incurred.</li></ul>

# SSC Sponsored Billing - Invoice Types

Invoice Type	Description
<b>Cost Reimbursable (CR) invoices</b>	<ul style="list-style-type: none"><li>● Invoice amounts are determined based on expenses during a specified time period.</li><li>● The expenses are incurred on the Sponsored Project Chartfields.</li><li>● For cost reimbursable project, the GL interface (GLINT) calculates and produces the invoice. Preference is to have all cost reimbursable invoices billed by the interface.</li></ul>
<b>CR Manual</b>	<ul style="list-style-type: none"><li>● These are projects that are invoiced based on costs incurred, but the project cannot be billed by the GL interface.</li></ul>
<b>One-time invoices</b>	<ul style="list-style-type: none"><li>● Invoices that are produced one time for a specified amount or projects that are billed by department initiation but the frequency and amount are not predetermined.</li></ul>

# SSC Sponsored Billing - Invoice Types

Invoice Type	Description
<b>Foreign currency invoices</b>	<ul style="list-style-type: none"><li>● Most projects are denominated in US dollars; the Treasurer's Office must approve any transactions not in U.S. currency.</li><li>● If a unit does sign an agreement denominated in foreign funds, the unit bears the currency risk.</li><li>● The AR system is denominated in US dollars.</li><li>● If a project must be billed in foreign currency, the US dollar equivalent invoice is processed in the AR system and the invoice that is produced is adjusted using Adobe Professional to change the amount due to the foreign currency equivalent.</li></ul>

# SSC Sponsored Billing - Invoice Types

Invoice Type	Description
<b>Various Sponsor invoices</b>	<ul style="list-style-type: none"><li>● Projects set up primarily in Fund 25000 (sponsored non-federal).</li><li>● Project billings sent to more than 1 customer.</li><li>● Department provides commodity or service to multiple customers under 1 project/grant.</li><li>● In general ledger, there is only 1 project/grant showing the billing activity, but in AR system, each customer is given unique customer number beginning with N99xxxxx.</li><li>● Each N99 customer is treated as independent and is billed and collected on individually.</li><li>● Department initiates all billings and provides billing information and support.</li></ul>

# SSC Sponsored Billing - Invoice Types

Invoice Type	Description
<b>Final Invoice Detail (FID)</b>	<ul style="list-style-type: none"><li>● All Sponsored Projects are reviewed at the end of the project by Sponsored Programs Reporting to ensure that all financial stipulations of the project have been fulfilled and that the project has been billed as required by the agreement.</li><li>● Once this review is complete, if a final invoice is needed, Sponsored Programs Reporting will send billing detail to the SSC Billing Team.</li></ul>

# SSC AR Billing and Collections

## SSC AR Sponsored Billing & Collections Overview

- SSC AR Sponsored team provides invoice and collection services for research teams across campus and Michigan medicine.
- Our sponsored **billers** generate invoices per established intervals and include appropriate documentation as required by sponsored agreements.
- Our sponsored **collectors** then coordinate and facilitate payment activity to ensure all open invoices are accounted for and properly addressed.
- Our team also maintains customer record profiles to ensure all invoice correspondence is routed timely and accurately.

# SSC AR Billing and Collections

## By the Numbers

### Total Sponsored Billings FY21

\$475 million

22,048 Invoices

### Total Sponsored Collections FY21

\$449 million

21,038 Invoices

# SSC AR Billing and Collections

## What does SSC Accounts Receivable do?

- SSC Accounts Receivable (AR) is responsible for entering and maintaining customer data, invoices, and payment data in the M-Pathways ARB modules.
- The Accounts Receivable and Billing (ARB) modules allow the university to:
  - **Bill** (i.e., invoice) external sponsors for sponsored project awards or for external sales of U-M goods and services (i.e., general receivables)
    - When an invoice is entered into the Accounts Receivable (AR) system, the originating department receives revenue immediately via an Accounts Receivable JE (BI Journal) to the designated Chartfields.

# SSC AR Billing and Collections

## What does SSC Accounts Receivable do?(*continued*)

- The Accounts Receivable and Billing (ARB) modules also allows the university to:
  - **Record** invoices as receivable **items** and the payments on invoices as revenue, summarizing the financial data in the [M-Pathways AR Ledger](#)
  - **Track and report** on receivable items, activity, and payments
    - When the AR invoice is processed in the system it will appear on the monthly Statement of Receivable (SOR) Report as an outstanding invoice. As payments are received they will be noted on the SOR and, when paid in full, the invoice will drop off the SOR.

# SSC AR Sponsored Team

## Sponsored Billing

Generates invoices with the appropriate support documentation per the contract or department provided support.

- Complete new customer setups in AR module
- Process invoices
- Request additional support from department when necessary
- Submit invoices into required sponsor portals

## Sponsored Collections

Monitors outstanding receivables in the Accounts Receivable (AR) module to ensure that payments are received in a timely manner.

- Conduct telephone and/or email follow up with sponsor
- Mail dunning letter to the sponsor
- Document action taken and the response of the sponsor regarding payment
- Work with department to resolve any discrepancies identified through collection activity.

# SSC AR Services Team

## General Billing

Generates invoices with the appropriate support documentation per the contract or department provided support.

- Complete new customer setups in AR module
- Process general, various and CTSU invoices
- Request additional support from department when necessary
- Submit invoices into required sponsor portals

## General Collections

Monitors outstanding receivables in the Accounts Receivable (AR) module to ensure that payments are received in a timely manner.

- Conduct telephone and/or email follow up with sponsor
- Mail dunning letter to the sponsor
- Document action taken and the response of the sponsor regarding payment
- Work with department to resolve any discrepancies identified through collection activity.

## Payment Processing

Responsible for identifying and applying all payments received by the SSC

- Identify and process checks and wires received
- Complete and confirm cash and check deposits
- Apply credit card payments made through the SSC online payment portal
- Write and process journal entries as needed
- Research and apply unallocated funds

# SSC AR Billing and Collections

## Delinquencies

- SSC AR works with the department and the sponsor to resolve payment issues in a timely manner.
- Your department is responsible for regularly monitoring your receivables via AR reports if:
  - You have sponsored project/grants invoiced through the SSC Accounts Receivable Department
- The Statement of Receivables Report (SOR) shows the open accounts receivable items (i.e., invoices in the Billing system) and any activity applied to those items, such as payments, write-offs, or credit memos.
- Uncollected receivables are ultimately the responsibility of the department

# SSC AR Escalation Process

Invoice Outstanding	Responsible Party	Collection Resolution Steps
<b>1 - 90 Days</b>	SSC AR	Attempt to make contact with the sponsor via email or telephone
<b>91 - 120 Days</b>	SSC AR	Connect with sponsor via telephone and follow-up email to document the conversation (or attempt). SAPOC must be included in this correspondence
<b>121 - 150 Days</b>	SSC AR	Connect with sponsor via telephone with a follow-up email to sponsor to document the conversation (or attempt). Escalation now includes SAPOC and PI.
<b>150+ Days</b>	SSC AR	Connect with sponsor via telephone with a follow-up email to sponsor to document the conversation (or attempt). Escalation now includes SAPOC, PI, and is reported to Sponsored Programs.

# Unit Responsibilities

## Monitoring Your Receivables

There are two ways you can monitor your receivables in M-Pathways Financials:

- **Item Activity Summary**
  - Use to review outstanding invoices from a specific customer or to inquire about a particular invoice balance
- **ARB Reports**
  - Aging Detail
  - AR/Billing Detail
  - Statement of Receivables

# Unit Responsibilities

## Monitoring Your Receivables (*continued*)

### ARB Reports in M-Pathways

- **Aging Detail Report** shows the number of days outstanding for your open receivable items (i.e., billing invoices).
- **AR/Billing Detail** displays detailed invoice data related to the summarized billing journal posted to the General Ledger.\*
  - This report is used in conjunction with *Statement of Activity* reconciliation.
- **Statement of Receivables** lists activity (e.g., payments, credit memos) applied to your open receivable items.

**\*The journal entry doesn't mean the sponsor has paid the invoice.**

# Unit Responsibilities

## What do I do if I receive a payment?

- Is there an AR invoice number referenced?
  - AR invoices start with the number 1 and are 7 digits long (e.g., 1200101) **OR** they start with the number 6 and are 6 digits long (e.g. 605123)
- Deposit the check into the proper ChartFields using the following chart:

For checks with NO AR invoice number	For checks with an AR invoice number
<ul style="list-style-type: none"><li>● Account: 122500</li><li>● Fund: 98000</li><li>● Department: 000500</li><li>● Program: 98040</li></ul>	<ul style="list-style-type: none"><li>● Account: 615560</li><li>● Fund: 99500</li><li>● Department: 000500</li><li>● Program: 90050</li></ul>

# Unit Responsibilities

## Find a Missing Payment

### Claim an Unallocated Payment or Request Help Searching for a Missing Payment

- If you do not see a payment on the unallocated list, email [unallocated@umich.edu](mailto:unallocated@umich.edu) and include the following information:
  - Journal Entry number if listed
  - Who issued the payment
  - Date of payment
  - Dollar amount of payment
  - Method of payment
  - Location of payment (physical address or bank account number)

# Unit Responsibilities

## Find a Missing Payment (*continued*)

- If you have been expecting a payment, but haven't received it yet, check the [Unallocated Payment List](#) (XLS).
- To receive a monthly email with a list of all current unallocated payments, join the [SSC AR Unallocated Money MCommunity group](#).

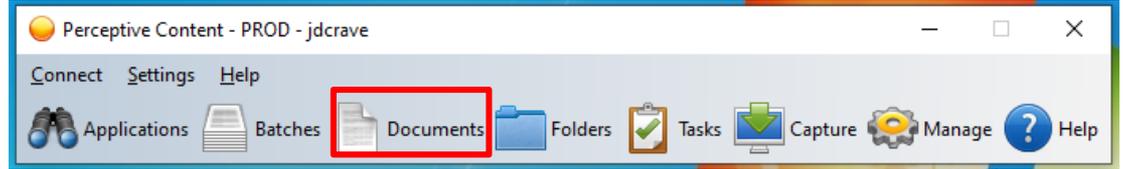
# Systems That Units Can Use

<b>Perceptive Content / Document Imaging</b>	<b>M-Reports</b>	<b>M-Pathways</b>
View invoices that have been submitted	Monitor Aged Receivables	Payment Date, Submitted Date, View Invoices that have been submitted (Item Activity Summary)

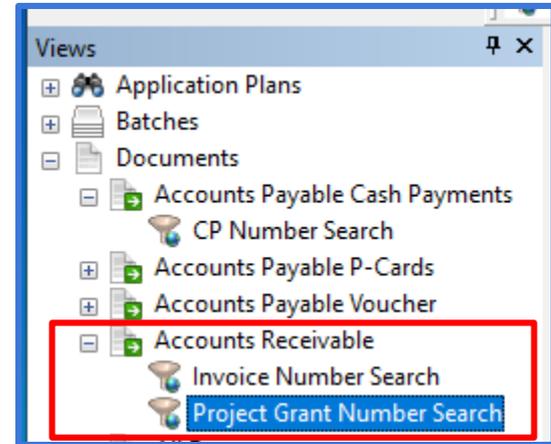
# Systems That Units Can Use

## Perceptive Content

1. Click **Documents** from the menu bar.



2. Select the **Accounts Receivable** folder to search for documents by **Invoice Number** or **Project Grant Number**.



# Systems That Units Can Use

## M-Reports

1. Locate the **P/G Budget Status Activity** (PBSR) report (*available from Fin MGMT tab or Research tab*).
1. Enter the **P/G number** and click **Search**.

The screenshot shows the 'MY M-REPORTS' interface with tabs for 'MGMT REPORTS', 'FIN. MGMT', and 'RESEARCH'. The 'P/G Budget Status/Activity' report is selected. Below the tabs, there is a 'MY CRITERIA:' section with a dropdown menu, 'save criteria', and 'reset criteria to default' buttons. A red box highlights the search area, which includes a 'Find:' label, a dropdown menu set to 'Project/Grant', a 'Refresh' button, a search input field containing 'Example: F012345', a 'Search' button, and a 'Show Cents' checkbox.

- The Outstanding Invoices Receivable information is located at the bottom of the PBSR report screen.
- This is the total of unpaid invoices.

Funding Source	Revenue	Expended	Revenue/Expense Balance as of last month closed May 2021	Additional Revenue since last month closed	Outstanding Invoices Receivable
Sponsored	\$147,657	\$158,274	(\$10,617)	\$22,525	\$48,576
Cost Sharing	\$0	\$0	\$0	\$0	\$0

# Systems That Units Can Use

## M-Pathways - Item Activity Summary

**Item Activity Summary**

Enter any information you have and click Search. Leave fields blank for a list of all values.

▼ Search Criteria

Business Unit:	=	▼	<input type="text" value="UMICH"/>	<input type="button" value="Q"/>
Customer ID:	begins with	▼	<input type="text"/>	<input type="button" value="Q"/>
Item ID:	begins with	▼	<input type="text"/>	
Item Line:	=	▼	<input type="text"/>	
Item Status:	=	▼	<input type="text"/>	▼
Credit Analyst:	begins with	▼	<input type="text"/>	<input type="button" value="Q"/>
Collector:	begins with	▼	<input type="text"/>	<input type="button" value="Q"/>
Purchase Order Reference:	begins with	▼	<input type="text"/>	<input type="button" value="Q"/>
Document ID:	begins with	▼	<input type="text"/>	
Bill of Lading:	begins with	▼	<input type="text"/>	
Contract:	begins with	▼	<input type="text"/>	<input type="button" value="Q"/>

1. Click the **Business Unit** field to change the value from UMICH to either:
  - SPFED (Federal P/G)
  - SPNON (Non-Federal P/G)
2. The **Customer ID** is the **Parent P/G** number.
3. The **Item ID** is the **UM Invoice Number**.

# Systems That Units Can Use

## M-Pathways - Item Activity Summary (continued)

Unit: SPFED Customer: F048602 US Department of Defense - DTRA  
Item ID: 1207729 Line: Days Late: 430 Status: Closed  
[View/Update Conversations](#)

Item Activity

Item Balance 0.00 USD

\*Display Amount Switch Entry

Seq	Entry Type	Reason	Document ID	Accounting Date	Balance	Currency	Posted	
1	IN	FINAL		01/18/2019	38,205.57	USD	01/18/2019	<a href="#">View Documents</a>
2	PY			04/22/2020	-38,205.57	USD	04/23/2020	<a href="#">View Documents</a>

### Status:

- Open = Not Paid
- Closed = Paid or Written Off

### Entry Type:

- IN = Submitted
- PY = Paid
- ADJ = Credit Memo or Write Off

# In Review - Who Does What?

Process	Who's Responsible
<b>Project Award Notification issued</b>	<ul style="list-style-type: none"><li>● ORSP</li><li>● Sponsored Programs</li></ul>
<b>Project/Grant created and billing rows established</b>	<ul style="list-style-type: none"><li>● Finance - Accounting Customer Service</li><li>● Sponsored Programs</li></ul>
<b>Customer setups</b>	<ul style="list-style-type: none"><li>● ORSP</li><li>● Sponsored Programs</li><li>● Department/Unit</li></ul>

# In Review - Who Does What?

Process	Who's Responsible
<b>Award modifications</b>	<ul style="list-style-type: none"><li>● ORSP</li><li>● Sponsored Programs</li><li>● Department/Unit</li></ul>
<b>Invoice generated</b>	<ul style="list-style-type: none"><li>● GL Interface (GLINT)</li><li>● SSC AR Billing</li><li>● ITS</li></ul>
<b>Collection activity begins at 30 days past due date</b>	<ul style="list-style-type: none"><li>● SSC AR Collections</li></ul>

# Sponsor Billing and Collections

## Q&A

Questions and answers from the webinar session follow.

## Question 1

### Where do I find Perceptive Content?

Access to Perceptive Content (both desktop client and web versions) must be [requested through OARS](#).

- If you want to scan, index, and store documents in the document imaging system, use the **desktop client** version of the software.
  - Contact [MiWorkspace](#) or your local Unit IT to have the desktop client installed.
- If you simply need to search for and view documents, use the **web version** of the system found on *Wolverine Access > Document Imaging*.

## Question 2

Where do I find the Item Activity Summary?

The Item Activity Summary is in M-Pathways Financials:

***Wolverine Access > Financials & Physical Resources System > Financials Home Page > Item Activity Summary***

## Question 3

To whom do I reach out if I believe we are missing a subcontractor invoice?

If it is an invoice that the university is receiving from someone we're paying, you would contact the Office of Contract Administration (OCA) at [subcontracts@umich.edu](mailto:subcontracts@umich.edu).

## Question 4

If sponsored payment is due upon milestones, and the milestone was met but payment was not received, what should the department do?

- If you are monitoring your receivables, and SSC AR has created an invoice for the milestone, you would reach out to the SSC AR Collections team.
- This is part of the escalation process – within the first 90 days, SSC AR is actively researching and working to get the payment.
- If SSC AR encounters anything during that time that they believe is a risk to receiving the revenue, they will reach out to you directly.
- If you have any questions about an outstanding receivable, contact the SSC AR Collections team at [arcollections@umich.edu](mailto:arcollections@umich.edu).

## Question 5

Is it up to the department or ORSP to clarify the language with the sponsor on awards that use the words “firm fixed price”?

- It is typically up to the dept. to obtain clarification from the sponsor if they feel an award should be fixed price.
  - If you have questions on a specific award that may be fixed price, you can email your Sponsored Programs Customer Service Representative for guidance.
- If an award *clearly* states that it is fixed price and there is *nothing else* required or that would contradict that (e.g., invoices on expenses that have posted to the project; a financial report showing expenses incurred on the project; unspent funding required to be sent back to sponsor), then it will be treated as fixed price. If there is contradicting language in the agreement or if it is at all unclear, customer service will be conservative and will *not* label the project as fixed price. This is when the dept. may wish to get clarification from the sponsor.
- Sponsored Programs considers fixed price awards as anomalies and discourages them.
  - As a non-profit entity, the university should not be in a position to make money from funds left over from a fixed price award.

# Thank you!

Contact the Navigate Team with  
questions and comments  
[navigate-research@umich.edu](mailto:navigate-research@umich.edu)