Invoice Collections Process

Sponsor non-payment/delinquency

Sponsored Accounting works with sponsors to collect funds due to MIT under sponsored project awards. DLCs, in their role of managing the sponsored award, should periodically review amounts paid by the sponsor and coordinate collection efforts with Sponsored Accounting when payments are overdue.

Verify amounts paid to date

The way that invoices show in SAP can give rise to some confusion about amounts received. When Sponsored Accounting generates an invoice, it is posted to the SAP Summary Statement as a credit to revenue. However, the credit to revenue does not necessarily indicate that MIT has received the cash associated with the invoice. If the account is set up for the sponsor to receive invoices, this is just booking the revenue against the statement. If the account is automatic payments, this is in fact cash received.

You can tell which it is by clicking on the revenue amount and seeing if SAP lists invoices or cash received.

Click on revenue amount

<table>
<thead>
<tr>
<th>Indirect Expense Summary</th>
<th>BUDGET</th>
<th>CURRENT</th>
<th>FISCAL Yr</th>
<th>CUMULATIVE</th>
<th>UNEXPENSE</th>
<th>COMMITMENT</th>
<th>UNCOMMITTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>400500 - Travel Expenses</td>
<td>4,500.00</td>
<td>748.97</td>
<td>3,751.03</td>
<td>3,751.03</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials and Services</td>
<td>30,742.54</td>
<td>30,726.54</td>
<td>30,726.54</td>
<td>30,726.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>422201 - Tuition-Fee</td>
<td>15,654.00</td>
<td>20,646.22</td>
<td>6,621.22</td>
<td>6,621.22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL Expenses</td>
<td>238,810.00</td>
<td>214.70</td>
<td>214.70</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsored Billing Revenue</td>
<td>223,418.91</td>
<td>223,418.91</td>
<td>223,418.91</td>
<td>223,418.91</td>
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</tbody>
</table>
To see invoices that are showing as paid and unpaid in SAP, it is necessary to look in SAP on the ZFBL5N screen. However, you'll first need to determine the customer number for that particular sponsor. See the steps below:

In order to know what the customer number is, you need to go into the Summary Statement. (ZSTM)

1. In the Summary Statement, click on the cumulative amount in the 800600 Sponsored Billings G/L
2. Invoice numbers begin with either a 90# or a 21#. Click on any invoice number you want.
3. A pop-up box will appear. Just click the green checkmark.
4. you should now see a two-line entry. Double click the line that has the name of the sponsor.
5. You will then see the customer number. Now you are ready to look at the customer number.

Looking at the Customer Number: SAP Transaction ZFBL5N

- Customer Account: Type in the 86# that you retrieved from the steps above
- Line Item Section: Defaults to Open Items. You have 3 options. Open items, Cleared items, or All items.
- Red Dots are the open items. Green squares are the cleared (paid) items. Payments have a document number of 14....
- When an invoice is cleared, SAP assigns a clearing document number.
Coordinate with VPF on collection

MIT Sponsored Accounting has a process for collection of overdue balances detailed on their website. However, for certain awards where invoices aren’t generated by SAP, Sponsored Accounting relies heavily on DLCs to help them track these types of non-payment issues and follow up directly with the sponsor. Coordinate with Sponsored Accounting on all collection efforts.

Review award terms

If sponsor non-payment persists, review the terms of the award and work with your OSP representative to determine your options for termination, stopping work or dispute resolution.