Extension of Credit - Accounts Receivable

Departments responsible for extending credit and creating invoices will be required to adhere to system policy regarding the issuance and receipt of all payments. The following are procedures to ensure consistency of all departments throughout the university.

Extension of Credit

1. Credit may be extended only when it serves the best interest of the System and is for the public good of the State of Texas (TAMUS Regulation 21.01.04)

2. An Extension of Credit Request form approved by the Associate Vice President for Finance and Budget must be on file with the Texas A & M University- Kingsville Comptroller's Office in order for a department to extend credit as part of its departmental activities. Only one form is needed for each department; the expected monthly average and the aggregate total receivables per fiscal year should reflect all SL accounts involved in the receivable process for the specific department. This form will need to be updated annually and sent to Comptroller's Office for record keeping.

3. Once approval has been received, credit may be extended when:

   a. The agency receives the greater benefit by the extension of credit.
   b. It is impossible or impractical to (a) require payment in full or (b) requesting a bond or cash deposit prior to delivery of goods or services.
   c. The extension of credit will allow the agency to conduct its operations in a more efficient way.
   d. The extension of credit will result in a savings of administration costs for the agency or will result in net benefit.

Departmental Receivables

A department that is responsible for extending credit on behalf of the university is also responsible for rules that apply to maintain departmental receivables. The following is a list of rules that should be followed when creating and collecting on accounts receivable.

a. Invoices should be issued within one week of the date of delivery of the goods or the date the services were performed.
b. All invoices should be created using the TAMUK Invoice Template which can be obtained from the Accounts Receivable Department or online on the (Website).

c. All invoices must show a remit address of the following:

   Texas A&M University-Kingsville
   Financial Services
   700 University Blvd, MSC 104
   Kingsville, TX 78363
   Attention: Samantha Padilla

d. Invoice numbers can be obtained by contacting the Accounts Receivable Department.
e. All invoices should be sent to the Accounts Receivable Department for approval. Departments are responsible for mailing out and maintaining a log of all invoices created.
f. All payments are due within thirty days of invoice date.

Internal Procedures for Payment of Invoices between TAMUK Departments (Interdepartmental Transfers – IDT)

1. Department should prepare a departmental requisition indicating the appropriate account numbers for both departments involved. Invoice is to be attached as backup documentation. (monitor the use of correct expense and revenue codes)
2. A Journal Entry will be prepared to capture the expense and revenue appropriately.

Financial Accounting & Reporting Year End Reconciliation of Receivables

1. Departments are notified per email Financial Accounting & Reporting Inquiry-Outstanding Billings in late July in preparation of year end August 31, 20___.
2. If a response is not received, it will be noted in TAMUK's Annual Fiscal Report filed with the A&M System and Texas State Comptroller's office as an accounts receivable item.
3. Accounts Receivable will review past due accounts to determine if they continue to be collectible.