

21.01.04.C0.01 Extension of Credit

Approved: May 19, 2014

Revised: April 11, 2016

Next Scheduled Review: April 11, 2021



Procedure Statement

Texas A&M University–Corpus Christi (TAMU-CC) personnel shall adhere to the guidelines set forth in System Regulation 21.01.04, Extension of Credit. This procedure describes the procedures that must be followed when extending credit in order to protect assets.

Reason for Procedure

This procedure is set forth to provide guidance on the Extension of Credit at Texas A&M University–Corpus Christi in accordance with the Texas A&M System Regulation 21.01.04, Extension of Credit.

Procedures and Responsibilities

1. GENERAL

- 1.1 Certain credit conditions and approval are required prior to the extension of credit.

2. EXTENSION OF CREDIT CONDITIONS

- 2.1 Credit will only be extended when it serves the best interest of the System and the State of Texas. Credit extension, authorized by statute or by contractual agreement, is acceptable in the normal course of business for the following type of receivables:
 - 2.1.1 Billing of services from income service accounts that cannot be predetermined and that are customarily billed after the service is provided,
 - 2.1.2 Sponsored programs, grants and other contractual agreements, including fee contracts that are driven by cost reimbursable arrangements and fixed price agreements with payment terms other than the approved agreement, or
 - 2.1.3 Conference registration fees from participants or companies.

3. APPROVAL TO EXTEND CREDIT

3.1 Prior to establishing a method of operation which would require an extension of credit, a department that extends credit must have an extension of credit letter approved by the University's Executive Vice President for Finance and Administration. The extension of credit approval must be reviewed annually. Information must be documented on the Extension of Credit Request Form and must include the following:

3.1.1 A detailed description of the operation requiring credit extension including estimated amounts and the duration of the operation,

3.1.2 The public purpose served by the extension of credit,

3.1.3 If there is a circumstance that results in credit being extended for a period longer than 30 days, such a circumstance must be documented,

3.1.4 Documented extension of credit and collection procedures to be followed by the department seeking approval to extend credit,

3.1.5 Any other pertinent information which would influence approval.

4. TRAINING

Extension of Credit training is available to departmental users online in TrainTraq: [Course 2112255 : Accounts Receivable – TAMU-CC](#).

5. MONITORING

An annual review of departments with Extension of Credit privileges will be performed by the Associate Vice President and Comptroller's Office to ensure the need to extend credit exists.

Related Statutes, Policies, or Requirements

[System Regulation 21.01.04 Extension of Credit](#)

Appendix

[Extension of Credit – Accounts Receivable](#)

[State Holds](#)

[Write Off of FAMIS \(Non-student\) Accounts Receivable](#)

[Extension of Credit Request Form](#)

[Extension of Credit Request Continuation Form](#)

[Extension of Credit Procedures Template](#)

Contact Office

Contact for clarification and interpretation:

Associate Vice President and
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