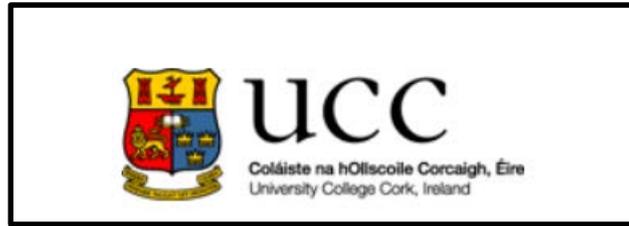


University College Cork

Policy in relation to Management of Research Industry Debt



UNIVERSITY COLLEGE CORK –

National University of Ireland, Cork

MANAGEMENT OF INDUSTRY DEBT

University College Cork

Policy in relation to Management of Research Industry Debt

Revision History

Date of this revision: 1/9/2014	Date of next review:
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Version Number/Revision Number	Revision Date	Summary of Changes	Changes marked

Approval

This document requires the following approvals:

Name	Title	Date
Diarmuid Collins	Bursar & Chief Financial Officer	08/12/2014
Michael Farrell	Corporate Secretary	08/12/2014
Anita Maguire	Vice President for Research & Innovation	08/12/2014
UMTO		08/12/2014

Background

The increased emphasis on research organisations collaborating with industry partners to deliver research results has given rise to a need to have a university policy in relation to the management and collection of the income from these industry partners.

Scope

This policy applies to all research programmes/activities that involve Industry.

Purpose

To provide clear principles and procedures for the collection of funding due under the contracts from the Industry Partner.

The policy will

- a) Ensure **consistency** of approach by all UCC stakeholders involved
- b) **Mitigate** any adverse effects on the University's relationship with the Industry Partner by using a structured, consultative process
- c) **Alleviate any risk** to the Research Centre/College/University's finances

Policy

Each Research Centre/School/Department Administrator/Local Finance Manager (hereinafter "Finance Administrator") will issue the request for payment to the Industry Partner in line with the contract terms/milestones and seek payment within the standard 30 days¹. If any guidance is required regarding appropriate standard templates and wording please contact the Finance Office Research Grants and Contracts.

¹ Please note that a day is a calendar day.

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1. No deliverables should be provided to the Industry Partner if monies due on the contract are outstanding under the agreed payment terms.
2. Where payment terms have not been complied with consideration may be given to placing the ongoing research work on hold pending resolution of the outstanding amount.
3. In the event that the Industry partner fails to engage and deliver on a repayment plan termination of the agreement may be considered by the PI.
4. The maximum credit terms to be given to an Industry Partner are 60 days.

Procedure

Where a Payment deadline is missed

1. The Finance Office will notify the Finance Administrator when payment is received. In the event that no payment/contact is made within the agreed credit period it is required that the Finance Administrator will notify the PI/ Centre Manager of non-payment and in the first instance seek to get an understanding of the industry partner and status of the research deliverables. The Finance Administrator will advise the PI/Centre Manager that no deliverables should be provided from the date of notification, until the Finance Administrator has confirmed that the matter has been resolved. The Finance Administrator in conjunction with the PI/Centre Manager as appropriate shall contact the Industry Partner to establish why the debt has not been paid. If a satisfactory explanation is provided by the Industry Partner and there is a commitment to make the overdue payment within an agreed timeline, then no restructuring plan is required.

If a restructuring payment plan needs to be put in place this should be done via a written amendment agreement. This discussion should be held within 30 days of the invoice due date

Where there is a requirement to agree a revised payment plan

2. In the event that the Industry Partner has cashflow difficulties and wishes to enter into a restructuring plan then specific timelines and milestones must be agreed and confirmed in writing. The following are suggested timelines;

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As part of the restructuring plan, it is recommended that the Industry Partner agrees in writing to making a payment within 21 days of the discussion.

In the event that the Industry Partner has engaged fully and paid (100%) in line with the restructuring plan/amendment agreement, the Finance Administrator will notify the PI/Centre Manager to confirm that the deliverables can be provided to the Industry Partner and that all amounts due have been received at that point.

Where a Industry Partner fails to respond to UCC efforts to make contact

3. If an Industry Partner fails to respond to UCC's efforts to make contact by email or phone to discuss restructuring, a registered warning letter shall be sent to the Industry Partner advising that the University is considering its position and that termination of the contract may be considered if payment remains outstanding. This step must be done in conjunction with OCLA via the OVPRI and with the authority and agreement of the Head of College, Centre Director, Head of School and VPRI. A copy of the letter must be forwarded immediately to the OVPRI for information.

If the contracted payments are not made or there has been no engagement within the timelines specified in the warning letter, the PI will arrange a meeting between the Head of College, Centre Director, Head of School, Centre Manager, PI, Finance Administrator, the VPRI and Director of Research Support Services in relation to what action is required given the significance of the relationship with the Industry Partner and the specific research being undertaken. It is acknowledged that factors influencing these discussions will be the balance between damaging the Industry Partner relationship and the risk of continuing with the research and the financial implications of same. The OVPRI will communicate with OCLA and provide the relevant information where termination of the contract is the agreed outcome of this discussion (c.c. all stake holders).

As is the current policy in relation to bad debts that may crystallise on research projects, any deficits arising will be charged to the relevant account identified by the PI on the Appendix C.

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Roles and responsibilities to reflect the above procedure are set out in Appendix 1.

Roles and Responsibilities

Principal Investigator (PI)

- The Principal Investigator/Centre Manager as appropriate manages the relationship with the Industry Partner with support from his/her own Department/School/Centre, particularly the local Finance Administrator², and central service functions Research Support Services (RSS), Finance Office (FO), OCLA and the Technology Transfer Office (TTO) as required.
- As the research point of contact within UCC it is his/her role to ensure that the University-Industry Partner contract terms are complied with. If there are any issues with regard to project delivery the PI/Centre Manager as appropriate should notify the OVPRI without delay.
- The PI/Centre Manager must liaise with their Finance Administrator before deliverables are transferred to the Industry Partner to ensure that the Industry Partner has honoured its payment obligations.
- In the situation whereby payment by the Industry Partner is outstanding the PI/Centre Manager as appropriate must contact the Industry Partner to establish why payment has been delayed and if a revised payment plan/restructuring plan should be put in place.
- The PI/Centre Manager should engage with the Finance Administrator and issue instructions via the OVPRI to OCLA to prepare the restructuring plan/amendment letter with redefined timelines/payment schedule if required.
- In the event that engagement with the Industry Partner has failed to generate a restructuring plan and all efforts to communicate have failed, the PI/Centre Manager via the OVPRI should request OCLA to draft the

² This is an administrative function at Research Centre/School/Department Level available to manage the invoicing process. In certain instances this invoicing role may be coordinated by the Office of Research, Grants & Contracts (ORGC) in the Finance Office in conjunction with the local administrator and the PI.

warning letter and advise where appropriate as to the content. The PI/Centre Manager must have the agreement of the Head of College, Head of School & OVPRI as appropriate to proceed to this stage.

- If the contracted payments are not made or there has been no engagement within the timelines specified in the warning letter, the PI should arrange a meeting between the Head of College, Centre Director, Head of School, Centre Manager, PI, Finance Administrator, the VPRI and Director of Research Support Services in relation to what action is required. (The OVPRI will communicate with OCLA and provide the relevant information where termination of the contract is the agreed outcome of this discussion (c.c. all stake holders).

Finance Administrator

The Finance Administrator role is to support the PI in ensuring that the financial terms of the university-industry partner contract are met. This involves being proactive in assisting the PI/Centre Manager in managing this process including;

- Invoicing the Industry Partner in line with the contract payment schedule and acting as the point of contact for any related queries from the Industry Partner (*note the VAT status of any contract will be determined by the Finance Office and the Finance Administrator will need to ascertain this before the first invoice/payment request can be issued*)
- Advise the relevant Finance Office contact of any changes to the invoice schedule
- Assessing the status of the project and informing the PI/Centre Manager on the payment process generally, particularly in the case of non-payment by the Industry Partner.
- Advising the PI/Centre Manager that no deliverables be presented to Industry Partner until the Finance Administrator confirms that the matter is resolved.
- Supporting the PI/Centre Manager in their management of the relationship with the Industry Partner including the provisions of financials as required.
- Assisting the PI/Centre Manager in the preparation of the restructuring plan/amendment letter with redefined timelines if required

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- Monitoring the progress of the restructured payment plan and advising the PI/Centre Director If agreed terms are met/not met
- In the event that payments are still outstanding meet with the PI/Centre Manager to determine if the project should be put on hold until the matter is resolved.
- The Finance Administrator should engage with and keep the University's Finance Office informed particularly in the case where it is anticipated that payment will be delayed beyond the 60 days credit terms allowable under this policy or when agreed payment instalments have not been met.
- Where all efforts to engage with the Industry Partner in a payment restructuring exercise have failed and the Industry Partner is refusing to engage with the University generally, the Finance Administrator should advise the Finance Office of the situation.
- The Finance Administrator should retain all documentation regarding this process at local level which should be available to the university's central stakeholders (FO, OCLA, OVPRI etc.) & its auditors as required.

Finance Office

- The Finance Office will support the Research Centre/School/Department Finance Administrator and PI/Centre Manager in their industry engagement where required. Where the Finance Office acts in the role of the Finance Administrator the Finance Office will have responsibility as outlined above.
- The Finance Office will advise the Finance Administrator when income has been received and reflected on Agresso.
- The Finance Office will support the OCLA in the drafting of the warning/termination letter(s) as required.

Office of Corporate and Legal Affairs (OCLA)

- In the event that payment has been delayed and if a revised payment plan/restructuring plan is required, the OCLA will support the OVPRI in the preparation of an amendment letter with redefined timelines/payment schedule.

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- In the event that engagement with the Industry Party has failed to generate a restructuring plan and all efforts to communicate have failed, on instruction from OVRPI, OCLA will draft the warning letter
- In the unusual event that termination of the contract has been agreed by all UCC stakeholders, on instruction from OVRPI, OCLA will draft the termination letter.

Research Support Services (OVPRI)

- OVPRI will give instructions to OCLA regarding the drafting of the warning letter
- In the event that engagement with the Industry Party has failed to generate a restructuring plan and all efforts to communicate have failed, OVPRI will, with the other stakeholders, discuss the options available to the University and should termination of the contract be decided upon the OVPRI will communicate this decision to the OCLA, copying all stakeholders, and a termination letter will issue through OVPRI.