

POLICY ON RESERVES FOR UNCOLLECTIBLE RESEARCH AWARDS

University of Georgia Research Foundation

Adopted November 11, 2005

Establishing the Reserve

Initially, the reserve will be funded over a period of five years, commencing in fiscal year 2006, at the rate of \$20,000 per year for a maximum of \$100,000.

Utilization of the Reserve

This reserve can be used to wholly or partially fund uncollectible receivables on University research award accounts and may be utilized prior to reaching its \$100,000 maximum. This reserve applies to uncollectible grants and contracts entered in the name of either the University of Georgia Research Foundation or the University. The University will make a request to the University of Georgia Research Foundation for utilization of the reserve. Requests will include:

- background information on the uncollectible receivable;
- documentation of due diligence performed in the awarding of the account and the collection efforts on the receivable; and
- a shared funding plan detailing the amount of the receivable to be covered by the University department and the University of Georgia Research Foundation.

Upon approval from the board, the funds will be made available to the University from the reserve.

Maintaining the Reserve

A status report on the reserve balance and a report on the University uncollectible research award accounts will be provided in the Treasurer's report at each board meeting. If the reserve falls below \$100,000, it will be replenished back to the \$100,000 level, but at a rate not to exceed \$20,000 per year. The board may increase or decrease the level of the reserve based on current circumstances.