

UNIVERSITY of HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Finance and Accounting
AREA: General

Number: 05.04.05

SUBJECT: Reporting Indebtedness to the State Comptroller

I. PURPOSE AND SCOPE

This document establishes standards to be followed by University of Houston departments that extend credit and are required to report delinquent debtors to the Texas Comptroller of Public Accounts (comptroller), in accordance with Texas Gov't Code Ann. [403.055](#) (Vernon Supp. 2000). To ensure compliance with Texas Gov't Code Ann. [403.055](#) (Vernon Supp. 2000) and similar statutes (known collectively as "warrant hold statutes") the University, as a state agency, is required to report to the comptroller the names of persons who have an indebtedness or tax delinquency to the state.

II. POLICY STATEMENT

In those cases where credit has been extended by UH departments and the debtor remains delinquent to the University over an extended period of time, the University shall report this indebtedness to the comptroller, thereby placing the debtor "on hold" with all State of Texas agencies and universities. Departments that extend credit are responsible for ensuring that the University's records are updated throughout the year as payments are made to reduce the debt and, when the original debt has been completely cleared, they must notify the comptroller to release the hold on the debtor.

III. DEFINITIONS

- A. Application to Report Indebtedness (Form 74-188): A form filed by the University with the comptroller which makes application to report indebtedness qualifying for treatment under Texas Gov't Code Ann. [403.055](#) (Vernon Supp. 2000).
- B. On Hold: Designation given to debtors whom a state agency or university (creditor) has reported to the comptroller as delinquent, in accordance with Texas Gov't Code Ann. [403.055](#).

IV. APPLICATION TO REPORT INDEBTEDNESS

The Associate Vice President for Finance, or designee, is responsible for completing and submitting an [Application to Report Indebtedness](#) form to the comptroller to identify each different type of indebtedness owed to the University. A separate application must be submitted for each type of indebtedness or delinquency. Departments extending credit must report the various types of indebtedness to the Associate Vice President for Finance, or designee, to ensure the timely preparation and filing of the application with the comptroller. A listing of the types of indebtedness that have been reported to, and approved by, the comptroller is included in Addendum A.

V. CRITERIA FOR PLACING A DEBTOR ON HOLD

To ensure consistency with the University's policy for determining when an account receivable is un-collectible and should be removed (i.e., written-off) from the University's financial reporting system, the criteria for placing a debtor on hold will be the same as that used in identifying those accounts receivable qualifying for write-off.

A listing of the types of indebtedness that have been reported to, and approved by, the comptroller along with the criteria for placing the debtor on hold (i.e., the criteria for removing an account receivable from the financial reporting records) is included in Addendum A.

VI. CONSEQUENCES OF BEING PLACED ON HOLD

Individuals placed on hold will not be eligible to receive or engage in the following activities at the University of Houston, as long as the person remains on hold:

- Reimbursement of out-of-pocket expenses
- Travel or operational advances
- Enrollment in classes at the University of Houston
- Receipt of transcripts
- Contracting or conducting business with any University of Houston department or representative

VII. ESTABLISHING PAYEE HOLD RECORDS

Upon receiving and approving the University's applications for indebtedness, the comptroller assigns a three-digit hold reason code for use by the University to report the indebtedness to the [Texas Identification Number System \(TINS\)](#). Each approved application is assigned a separate hold reason code by the comptroller, which identifies the type of indebtedness to be reported. The University department extending credit and creating the debtor relationship is responsible for establishing payee hold records in TINS for delinquent debtors. These records may be set up via electronic file transfer (EFT) to the comptroller's office or by online entry. The use of online entry requires special training by the comptroller's office.

It is the responsibility of the University department extending credit and creating the debtor relationship to ensure that employees receive proper training in the use of TINS.

The following information must be transferred to or entered in TINS for each debtor placed on hold:

- T-Code (setup = 640, change = 641, release = 642)
- Texas Identification Number (11 digits)
- Agency Number (UH = 730, UH System = 783)
- Reason Code (three digits)
- Name of debtor
- Date placed on hold
- Liability amount

A listing of the types of indebtedness that have been reported to the comptroller along with the departments assigned responsibility for establishing and maintaining the payee hold records is included in Addendum A.

VIII. MAINTAINING PAYEE HOLD RECORDS

The responsible University department will maintain payee hold records by monitoring the balance owed by each debtor placed on hold. The debtor will not be released from hold until the entire original debt has been paid in full. When the amount owed at the time the delinquent debtor was placed on hold has been paid to the University in full, the responsible University department (creditor) will release the hold from TINS as soon as possible (no later than five business days). The responsible University department will contact the comptroller's office for additional information on required fields and format.

A listing of the departments assigned responsibility for establishing and maintaining the payee hold records along with the prescribed schedule for maintaining these records is included in Addendum A.

IX REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice President for Finance

Review: Every two years, on or before March 1

X APPROVAL

Carl P. Carlucci
Executive Vice President for Administration and Finance

Renu Khator
President

Date of President's Approval: June 9, 2009

Addendum A**Listing of the Types of Indebtedness**

Type of Indebtedness	Criteria for Placing a Debtor on Hold	Department Responsible for Establishing	Department Responsible for Maintaining	Schedule for Establishing New Records	Schedule for Maintaining Existing Records
Student Receivables - Tuition & Fees	2 Complete Fiscal Years	Campus Accounting Services	Student Financial Services	Annually	As payments are received
Student Receivables - Institutional Student Loans	2 Complete Fiscal Years	Campus Accounting Services	Student Financial Services	Annually	As payments are received