



## CSURMA

## POLICY AND PROCEDURE NO. 6

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**EFFECTIVE:** May 18 2007  
**REVISED:** May 19, 2010; January 10, 2016  
**SUBJECT:** PAYMENT POLICY

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*Should there be any discrepancy between this document and either the JOINT POWERS AGREEMENT or BYLAWS, the JOINT POWERS AGREEMENT and BYLAWS will govern.*

### **POLICY:**

It is the policy of the California State University Risk Management Authority (the Authority) that all members fairly benefit from investment income accrued by the Authority. This policy is supported by prompt collection of member payments.

### **PROCEDURE:**

The CSURMA Treasurer shall prepare or cause to be prepared transaction documents for premiums, fees, assessments, deductible recoveries and other moneys that are due the Authority from a member. The Authority will utilize Cash Posting Orders (CPO)<sup>1</sup> or invoices for each transaction. The use of a CPO will charge the member immediately while an invoice is a request for the member to remit payment. When CSURMA invoices are generated, they all shall be subject to the following payment terms:

- **Payment Due Date** - Member payments shall be due within thirty (30) days of the invoice date; and
- **Late Payment Penalty** - CSURMA Accounting will calculate and assess a late payment penalty fee of 1% on all receivable(s), outstanding beyond sixty (60) days, whose total program balance is over \$1,000 for each month that the receivable is outstanding.

***Disputed Transactions*** - Disputed transactions must be reported to the CSURMA Accounting Department within sixty (60) days of the transaction date. Upon receiving notice from a member of a disputed invoice, the CSURMA Accounting Department will suspend late payment penalty assessment for the disputed transaction until further notice and refer the dispute to the CSURMA Program Administrator who shall attempt to resolve the dispute with the member. If the Program Administrator and member cannot resolve the dispute, the dispute shall be referred to the CSURMA Executive Committee for consideration at the Executive Committee's next available regularly scheduled meeting. The CSURMA Treasurer shall recommend a proposed

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<sup>1</sup> A Cash Posting Order (CPO) is a mechanism to move Systemwide Investment Fund Trust (SWIFT) dollars between campuses, the Chancellor's Office (CO) and the Authority. Once the CPO is issued, funds will be transferred to the CSURMA SWIFT account from the campus member's SWIFT account.



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resolution of the dispute to the Executive Committee, and the Executive Committee's determination on the disputed transaction shall be final. The Executive Committee at its sole discretion may waive or include late payment penalties as it determines appropriate.

***Refunds/Adjustments***– If the dispute resolution results in a reduction, the member can elect to:

1. Request a refund check to be issued within 2 business days of the approved request.
2. Request a CPO be issued within 2 business days of the approved request.
3. Request the adjustment be applied towards the next payment.

All requests should be communicated to CSURMA Accounting to ensure compliance with member's request.

***Disputed Late Payment Penalties*** – Disputed late payment penalties must be reported in writing to the CSURMA Accounting Department. Upon receiving notice from a member of a disputed late payment penalty, the CSURMA Accounting Department shall refer the dispute to the CSURMA Program Administrator to research the dispute with the member. Based on this research, the CSURMA Program Administrator shall recommend a course of action to the CSURMA Treasurer. The CSURMA Treasurer shall have the discretion to waive late payment penalties for charges under \$1,000 as determined appropriate. Waiver of charges over \$1,000 requires Executive Committee approval at the Executive Committee's next available regularly scheduled meeting.