



21.01.04.E0.01 **Extension of Credit**

Approved July 24, 2006
Revised October 5, 2009
Revised July 7, 2014
Revised June 12, 2020
Revised May 20, 2025
Next Scheduled Review: May 20, 2030

Supplements System Regulation 21.01.04

Standard Administrative Procedure Summary

Texas A&M Engineering Experiment Station (TEES) personnel shall adhere to the guidelines set forth in System Regulation 21.01.04, Extension of Credit. This Standard Administrative Procedure (SAP) prescribes the procedures that must be followed when extending credit in order to protect assets.

Procedures and Responsibilities

1. GENERAL

Prior to extending credit, certain credit conditions and approval must be obtained in accordance with the established procedures.

2. EXTENSION OF CREDIT CONDITIONS

Credit will only be extended when it serves the best interest of the System and the public good of the State of Texas. The following types of receivables are eligible for credit extension:

- 2.1 Billing of Services: credit may be extended for income service accounts that cannot be predetermined and are customarily billed after the service is provided,
- 2.2 Sponsored programs, grants and other contractual agreements: credit may be extended for sponsored programs, grants, and other contract agreements including fee contracts driven by cost reimbursable arrangements and fixed-price agreements, where payment terms differ from the approved agreement.



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- 2.3 Conference registration fees: credit may be extended for conference registration fees from participants or companies.

3. APPROVAL TO EXTEND CREDIT

Before establishing any operation that requires the extension of credit, the division requesting to extend credit must obtain approval from the TEES' Chief Financial Officer (CFO). The approval must be reviewed on an annual basis.

All requests for credit extension must be documented on the [Extension of Credit Request Form](#) and include the following details:

- 3.1 a detailed description of the operation requiring credit extension, including any relevant financial or operational context.
- 3.2 a clear statement of the public purpose served by the extension of credit, including how it aligns with TEES' objectives or values.
- 3.3 if there is a circumstance that results in credit being extended for a period longer than 30 days the reason for the extended period must be documented, including any circumstances or factors justifying the extended terms.
- 3.4 any other pertinent information that may influence the decision to approve the credit extension.

Related Statutes, Policies, or Requirements

[Extension of Credit Request Form](#)

[Regulation 21.01.04, Extension of Credit, Delinquent Accounts, Collections and Write-Offs](#)

Contact Office

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