

Accounts Receivable

Policy 503.2

1 Purpose

This policy controls the oversight requirements and authority as they relate to university accounts receivable. Oversight of these functions primarily relates to assessment of charges, billing, payment acceptance, and collection of monies that are due to or belonging to The University and to The State of North Carolina. The Vice Chancellor of Finance and Operations maintains authority in the enforcement of the university's accounts receivable plan to maintain compliance with state statute and other relevant regulations.

2 Scope

This policy applies to all persons employed by the State of North Carolina acting on behalf of Appalachian State University as well as all students (prior, current, or future) until such time as it is amended.

3 Definitions

3.1 "Agency" or "State Agency" - should be interpreted as Appalachian State University

3.2 NC OSC – North Carolina Office of State Controller

3.3 NC OST – North Carolina Office of State Treasurer

3.4 SEDCA – State Employee Debt Collection Act

3.5 SODCA – Set Off Debt Collection Act

3.6 Student Account Standards - UNC Office of Business Compliance Standards

3.7 Current Student Non Payment - Current students are students actively enrolled in a current or future term. Current students who owe balances to the University will have penalties applied based on the Student Accounts Standards and Procedures Manual.

4 Policy Statements

4.1 Student Accounts Receivable Billing

4.1.1 State-supported institutions of higher education required to charge tuition/fees. The University Office of Student Accounts shall assess Tuition and Required Fees based on rates approved by both the UNC Board of Governors and those approved by the Chancellor and Appalachian State Board of Trustees.

4.1.2 Tuition & Fee Waivers - Waivers or discounting of tuition and fees for courses receiving academic credit, including providing unfunded scholarships, are prohibited, excepting the following:

1. Faculty and Staff Waivers
2. Disabled/Deceased Emergency Worker Personnel Waiver
3. Senior Citizen Waiver/Audit

4.1.3 Residency for Tuition Purposes - Specific standards for determining resident status for tuition purposes are set forth in North Carolina General Statute section 116-143.1.

4.1.4 Payment of Tuition and Fees - Tuition & Fees shall be charged by the semester/term and are due and payable in advance at the beginning of each semester. Payment-in-full alternatives options are provided in the Student Accounts Standards and Procedures Manual. Additionally, prior to completing a course and taking final examinations at the close of each semester/term, students must settle all account balances with the Office of Student Accounts. Payments must be made in US Dollars.

4.1.4.1 Returned Payments - In the case of a returned payment, such as a check payment or electronic check payment, a fee may be charged that is consistent with NCGS 25-3-506.

4.1.4.2 Disputing a Card Payment - Unless in the case of legitimate fraud as identified by a police report from an appropriate agency and jurisdiction, disputing a payment made to the student's account may result in a fee equal to that charged to the University, and/or having a course(s) canceled in the current or future term, and/or losing the privilege to pay via any method other than a certified check drawn on a US Bank.

4.1.5 Current Students-Non Payment Current students are students actively enrolled in a current or future term. Current students who owe balances to the University will have penalties applied based on the Student Accounts Standards and Procedures Manual.

4.1.6 Third Party Billing - The University accepts a variety of payments from third parties. If a third party fails to make payment based on the timelines outlined in the Student Accounts Standards and Procedures Manual, the obligations to the University are once again placed with the student and it is the student's responsibility to pay the balance, unless otherwise agreed upon in writing in advance.

4.1.7 Contracts and Grants Receivable & Billing - The Controller's Office shall ensure compliance with UNC Business Process Standards for UNC Contracts & Grants Standards for sponsored projects. Additionally, the University will follow all state and federal rules, codes, and law as it relates to sponsored programs.

4.1.8 Departmental Accounts Receivable

4.1.8.1 Before engaging with a customer where a receivable may become necessary, the department must first obtain minimum identifying information (NCOSC 200.5). This is required to be able to follow state mandated collection procedures.

4.1.8.2 Any department that engages in accounts receivable on behalf of the University must be able to, and upon request provide, an aging report to the University Controller's Office upon request to comply with the NC Statewide Accounts Receivable Program identified in NCGS 147-86.22. The aging categories shall be based on the requirements of the NC Statewide Accounts Receivable Program.

4.2 Policy and Procedures Development - Appalachian State University is responsible for collecting accounts receivable for a variety of types of customers. The University will follow the NC Office of State Controller (NC OSC) policy 200.2 in developing procedures for compliance with state and federal law as well as all NC OSC policies related to accounts receivable. Procedures are found in the Accounts Receivable Manual.

4.3 Receivables Systems - The University will follow NC OSC Policy 200.3 and should ensure that accounting and financial Management Systems are adequate to properly account for, record, and manage receivables.

4.3.1 Other Receivables Systems - Unless approved in advance by the University Controller, all university accounts receivable must be kept in the school designated ERP (Ellucian Banner Finance).

4.4 Collection of Receivables - The University will implement techniques for collection of accounts receivable that follows NC OSC 200.4 which requires utilizing state and federal statutes, as well as UNC Policies.

4.5 Minimum Identifying Information - The University will obtain, at a minimum, prescribed information on prospective debtors as identified in NC OSC 200.5.

4.6 Collection Techniques used for Delinquent Accounts Receivable - Past due accounts receivable techniques listed in NC OSC 200.6 may be used to collect debts. Additionally for student and employee debts, additional techniques may be used.

4.7 Past due Account Collection Guidelines - The university will use the guidelines found in NC OSC 200.7.

4.8 Interest and Penalty Fee - The University will follow the NC OSC Policy 200.8 Interest and Penalty Fee Policy.

4.9 Provision of State Services to Delinquent Debtors - The University will develop procedures that follow NC OSC 200.9. This includes "procedures to ensure that no student having any outstanding past-due accounts with that institution is allowed to enroll for the next term."

4.9.1 Additionally, the University will establish procedures to collect student accounts receivable balances. These procedures will include, at a minimum, the standards established by the UNC Business Compliance Standards for Student Accounts.

4.10 Referral to the Attorney General's Office - The University will follow NC OSC Policy 200.10 - Referral to the Attorney General's Office.

4.11 Allowance for Doubtful Accounts - The University will follow NC OSC 200.11 which requires the establishment of an allowance for doubtful accounts that ensures the University is not overstating accounts receivables balances for financial reporting.

4.11.1 Departments must properly account for doubtful accounts and submit any receivables that based on aging should be

written off to the Controller by the end of May for each Fiscal Year.

4.12 Write-off of Uncollectible Accounts- The University will follow NC OSC 200.12 as it relates to the accounting write-off for delinquent accounts.

4.12.1 Except in cases of bankruptcy or circumstances approved by the Vice Chancellor of Finance and Operations, a write off remains a valid debt and must be paid before future goods or services are provided.

4.12.2 Departments must properly account for doubtful accounts and submit any receivables that based on aging should be written off to the Controller by the end of May for each Fiscal Year.

4.12.3 The following approval and/or notification is required for a Write-Off of Uncollectible Accounts:

1. \$0.01 - \$9.99 Accounts shall receive a past due letter when 1-30 days past due, then a second and final letter when 31-60 days past due. After 61+ days the account is deemed uncollectable and no further collections efforts are required and the account may be written off once necessary approvals have been obtained from the Vice Chancellor of Finance and Operations.
2. \$10.01 - \$50.00 Accounts shall receive a past due letter when 1-30 days past due, then a second and final letter when 31-60 days past due. After 61+ days the account is deemed uncollectable and no further collections efforts are required. The account may be written off once approvals have been obtained from the Vice Chancellor of Finance and Operations.
3. \$50.01 - \$50.01 and above Accounts shall receive a past due letter when 1-30 days past due, then a second final letter when 31-60 days past due. If no response is received, the debt will be reported to the Department of Revenue (DOR) for Set Off Debt collection pursuant to the NC Set Off Debt Collection Act, N.C. Gen. Stat. § 105A-1, et seq. and referred to the Attorney General ("AG"). A "hold" shall be placed on the account in the Banner System and individuals will not be able to register for classes, receive a transcript or diploma. After the account has been with the AG for a period of 60 days the AG will advise the campus of next steps regarding the collection of debt, which may include write off, litigation, referral to a collections agency, or other remedies as allowed by law. After all collection efforts have been exhausted and the account is deemed uncollectable, all accounts \$50.01 to less than \$1,000.00 may be written off upon approval by the Vice Chancellor of Finance and Operations.
4. Accounts over \$1000 - Accounts shall receive a past due letter when 1-30 days past due, then a second final letter when 31-60 days past due. If no response is received, the debt will be reported to the Department of Revenue (DOR) for Set Off Debt collection pursuant to the NC Set Off Debt Collection Act, N.C. Gen. Stat. § 105A-1, et seq. and referred to the AG. A "hold" will be placed on the account in the Banner System and individuals will not be able to register for classes, receive a transcript or diploma. After the account has been with the AG for a period of 60 days the AG will advise the campus of next steps regarding the collection of debt, which may include write off, litigation, referral to a collections agency, or other remedies as allowed by law. After all collection efforts have been exhausted and the account is deemed uncollectable, Accounts of \$1,000.00 and above will be written off upon approval of the Vice Chancellor of Finance and Operations. After approval, the Controller's Office will provide notification, as an informational item, to the Appalachian State University Board of Trustees at the next scheduled Board of Trustee Meeting..

4.12.4 **Accounts for Deceased Students:** An unpaid account belonging to a deceased student may be written off with the approval of the Vice Chancellor of Finance and Operations, or their designee, upon notification from the Dean of Students Office or with other appropriate documentation. These accounts do not have to be aged to be written off. The write off of accounts for a deceased student will be documented and added to the list of University accounts written off filed in the Student Accounts Office.

4.12.5 **Legal Action against debtor.** The chancellor must approve any and all requests for legal action. Legal action is intended to identify any actions requiring the services of a local attorney and or involvement in local court proceedings. Attempted collection via collection agencies authorized by The State of North Carolina are not considered legal action for purposes of this policy.

4.12.6 **Exceptions to Write and Collection Policy.** Accounts receivable of New River Light and Power and student organizations funded through the student allocation fund are not covered by this policy.

4.12.7 **Notification of Bankruptcy** Upon receipt of any Notification of Bankruptcy where a University Account is involved, immediately all communication with the individual or company shall cease. All documentation should be sent to the University Controller's Office who will notify the Office of General Counsel who will provide guidance in addressing collection efforts.

4.13 Refunds of Accounts Receivable Balances (Student) - A refund occurs when a reduction in charges is credited to an account. The University Registrar manages withdrawals and course drop (reduction in schedule) processes. Students wishing to drop a course or withdraw from a semester/term should consult the Office of the University Registrar, The Office of Student Financial Aid, and The Office of Student Accounts for information related to implications both academically and financially related to the drop or withdrawal. For academic policies related to dropping courses or withdrawing from the semester/term, reference Withdrawal Policy 406.1.

4.13.1 **Tuition and Required Fee Refund**

4.13.1.1 Refund for Withdrawal Policy Students who withdraw from a semester/term before the first day of classes will receive a credit for the tuition and fees charged for those courses. Beginning on the first day of classes for the semester/term, students who withdraw from the semester/term may receive a prorated credit of tuition and required fees.

4.13.1.2 Refund for Course Reduction (Course Drop) If students reduce their class schedules during the Drop/Add period, 100% of the difference in tuition and fees between the original and revised schedules will be credited to their accounts unless the student remains at full time status.

4.13.1.3 Tuition and Required Fee Refund Appeals.

To be eligible to appeal, a student must have already dropped or withdrawn from the course(s) appealed. Appeals without documentation supporting an extraordinary hardship, despite responsible handling, beyond the student's control will be declined.

Tuition Appeals Committee shall include: 7 members consisting of 4 faculty and 3 staff. The four faculty shall represent four different colleges. The three staff shall represent the Learning Assistance Program, Office of Financial Aid, and Office of Transfer Services. The Registrar and a representative from The University Controller's Office shall serve as ex-officio members. When available, The Associate Vice Chancellor for Enrollment Management and Associate Vice Chancellor of Finance and Operations will convene the first meeting and facilitate the selection of a chair, or co-chairs, from among the voting members of the committee. The committee reports to the provost and executive vice chancellor.

This committee shall be responsible for: reviewing and making decisions on appeals for Fixed Tuition Guarantee and tuition and fee refunds. Additional responsibility includes the consideration of hardship of any kind which, despite responsible handling, resulted in the substantial disruption or interruption of the student's pursuit of a degree.

5 Additional References

UNC Policy 600.4 (SetOff Debt Collection)

UNC Policy 1000.1 (Tuition Rates)

UNC Policy 1000.2 (Tuition Waivers)

UNC Policy 1000.4 (Course Auditing)

Faculty Senate Tuition Appeals Committee 7.3.4.13

ASU Accounts Receivable Manual

ASU Student Accounts Standards and Procedures Manual

6 Administrative Unit Contact

Finance and Operations-Office of the Controller

828-262-2030

[Finance and Operations](#)

7 History

Revised 2/27/24