Collection of Accounts Receivable

Policy 503.6

1 Introduction

2 Scope

3 Definitions

4 Policy and Procedure Statements

4.1 Justification

4.1.1 Funds to support the operation of Appalachian State University are derived from two sources, State appropriations and revenue generated primarily from student fees. State policy requires that all projected revenue be realized and spent prior to requesting the allocation of appropriations. Any deferment in the collection of fees at the appointed time, the collection of accounts receivable, or the collection for personal checks returned due to insufficient funds becomes increasingly significant in the fiscal management of the University.

4.2 Non-enrolled Student Accounts Receivable

4.2.1 Students who have left Appalachian State University and have outstanding balances on the Student Accounts Receivable account, are mailed statements for two consecutive months. If there is no response to the statements, a follow-up letter is sent. If there is no response and the account is over $50.00, it is referred to the State Attorney General. After the Attorney General’s Office has exhausted collection efforts, the remaining accounts will be referred to a State contracted collection agency.

4.2.2 After the Cashier’s Office has exhausted all collection efforts, those accounts of $49.99 or less that are at least two years old with no activity, are submitted to the Vice Chancellor for Business Affairs for permission to write off.

4.2.3 Any time the student has an unpaid balance on his or her account, the policy -- as set forth in the State Budget Manual 5.10 concerning the holding of grades, transcript of credits, or diploma -- is followed.

4.3 Student Registration And Accounts Receivable

4.3.1 Payment of Tuition and Fees - Tuition and fees are charged by the semester and are due and payable in advance at the beginning of each semester in accordance with the payment instructions issued in the "Schedule of Classes" prior to each semester. Before taking final examinations at the close of each semester, a student is expected to settle all accounts with the University Cashier. A student may not register for a new semester until all charges have been paid or other arrangements have been made.

4.3.2 A student cannot receive a degree, certificate, or transcript of credits until all accounts except current ones, and loans have been paid.

4.3.3 Registration Alternatives - Students are expected to pay fees in full by the dates announced in the "Schedule of Classes" registration manual. In situations listed below, the University Student Financial Aid Office may consider deferring payment of current term fees for a short period of time. The University will not consider deferring payment of previous term balances under any circumstances. In the registration process, three (3) alternatives may exist regarding the payment of appropriate fees:

1. The student remits all fees in accordance with established procedures, and the account is cleared.
2. The student obtains an authorized deferment of fees for the current term. Deferments may be granted by the Director of Student Financial Aid or the Director of Student Accounts for the following reasons:
3. Financial Aid in Progress - Students who are qualified to receive financial aid and have completed all current requirements of application through the University Financial Aid Office may receive a deferment. The amount deferred will not exceed the amount a student is eligible to receive in the current semester.
4.3.4 **Payment by Trust Funds** - Students who must submit proof of registration to a Trust Fund agent for payment may be considered for deferment if they present written instructions to the Financial Aid Office from the Trust Fund which outline the billing procedure and other terms necessary to complete payment to the University.

4.3.5 **Veterans** - Students who are eligible and have completed an application for veteran's benefits (GI Bill, State VA, VEAP) may be deferred based upon substantiated need.

4.3.6 **International Students** - The International Student Advisor must submit a written statement to the Director of Student Accounts explaining the method of payment before deferment can be given.

4.3.7 The University does not have the financial resources or the authority to defer payment of fees for any reason other than those listed above. If problems concerning fees are anticipated, personal financial arrangements should be made well in advance of the date the fees are due.

4.3.8 **Failure to Follow Registration Procedures** - If the student fails to clear the financial obligation and attends classes, he/she will be identified after the end of the registration period through a computer-produced discrepancy list. This list is created by matching the financial registration records with the academic records and by reviewing a list of "Returned Checks" to identify checks used in payment of tuition. Once a student is identified, his/her account is changed for the classes taken. Collection efforts will then be made.

4.3.9 **Returned Checks** - In the case of a returned check, a certified letter is sent to the signor of the check at the address on the check and a notice is sent by first-class mail to the student's University post office box. A $25.00 returned check service charge applies. If a student has a returned check that was for tuition, fees, room, and board, he/she will also be charged the $40.00 late payment fee in addition to the $25.00 returned check service charge. The student's account is flagged so that he/she cannot register, obtain grades, or obtain transcripts until the check and fees are paid. At times, A.S.U. Police is called upon to help locate students and resolve these issues. (By law, the signor of the check must be given fifteen (15) days to pay before legal action may be initiated.)

4.3.10 **Non Payment** - If the term billed has not yet begun and payment is not received by the due date, the student's class schedule will be deleted. If the term has begun, the student will be sent a reminder bill. If the student fails to pay by the deadline, his/her account will be subject to a late payment fee. In addition, the student will not be able to register for classes, obtain grades, or obtain transcripts until the balance is paid.

4.3.11 **Late Fees** - Enrolled students are billed numerous times throughout the semester. If they fail to pay tuition, fees, room, and board by the billing due date, a $40.00 late payment fee will be applies to their account. If students with deferments do not pay by the deferment deadline, their accounts will also be charged the $40.00 fee.

**4.4 Formal Withdrawal and Refunds on Accounts Receivable**

4.4.1 The term refund should be understood to mean either a) the repayment of money received by the University for tuition and fees, or b) a reduction of charges if tuition and fees have not yet been paid.

**4.5 Reduction of Class Schedule**

4.5.1 If students reduce their schedules (drop courses) during the first five days of classes (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.

4.5.2 Students who reduce their schedules (drop courses) after the first five days of classes will not be eligible for a refund.

**4.6 Withdrawal from the University**

4.6.1 If a student formally withdraws from the University (discontinues all classes), a refund will be made in accordance with the following schedule:

1. On/before the first day of classes: 100% of tuition fees, and housing (exclude advance tuition and housing deposits, if applicable) will be refunded.
2. After the first day of classes: the percentage of tuition, fees, and housing (excluding advance tuition and housing deposits, if applicable) will be refunded based on the date of notification in the Registrar's Office. Please refer to the "Schedule of Classes" for a detailed refund percentage chart.
3. Withdrawal at any time during the academic term will entitle the student to a refund of any unused funds on their meal
4.7 **Academic Ineligibility**

4.7.1 Students who have prepaid and are later determined to be academically ineligible will be due a full refund.

4.8 **Disciplinary Ineligibility**

4.8.1 Students who are suspended for disciplinary reasons are not eligible for a refund. Students evicted from University residence facilities will not be eligible for a refund of the unused portion of room and board.

4.9 **Unofficial Withdrawals**

4.9.1 Students who do not officially notify the Registrar's Office of their withdrawal will not be eligible for a refund.

4.10 **Faculty and Staff Accounts Receivable**

4.10.1 **Source** - Since the computerization of the University's accounts receivable, records have been maintained on University faculty and staff as well as students. Balances on these faculty and staff accounts are generated from traffic fines, tuition charges, Learning Resource charges, returned checks, etc.

4.10.2 **Collections** - A notice of an outstanding accounts receivable balance is mailed to the employee's permanent address. After receiving a notice of charges due the University, an employee should make every effort possible to pay these obligations. If payment is not received in the Cashier's Office by the 15th of the second month, then a payroll deduction is made for the outstanding balance.

4.10.3 **Authority for Payroll Deduction** - Authority for such action is given to the University by the North Carolina State Budget Manual No. 5.8, V. This regulation lists the purposes for which payroll deduction may be made, one of which is "Any amount due the State from any employee."

4.10.4 Any questions related to the collection of University accounts receivable should be directed to the Director of Student Accounts at 262-6420.

4.11 **Notification of Check Returned Sufficient Funds - Form**

Date

SS No.

Dear

Your check dated payable to in the amount of has been returned by the bank for The handling of returned checks is a time-consuming and expensive operation for the University; therefore, it is necessary that you contact and make arrangements to clear this check.

If arrangements have already been made with the appropriate personnel in the Cashier's office to clear this check, please disregard this letter. If you should have questions, please contact Ms. Ethel Hayes at (828) 262-3004.

Sincerely,

APPALACHIAN STATE UNIVERSITY

Ethel Hayes

Student Accounts Receivable

5 **Additional References**

6 **Authority**
7 Contact Information

8 Original Effective Date

9 Revision Dates