



POLICIES *and* PROCEDURES

Board of Trustees Policy Number:
 BUFIN 4.01

Date of Adoption/Revision: April 17, 2014

SUBJECT	ACCOUNTS RECEIVABLE MANAGEMENT
AUTHORITY	The Office of Business and Finance
APPLICABILITY	This policy applies to students, faculty and staff.
PURPOSE	The purpose of this policy is to establish standards for the accounting and collection of accounts receivable. As a significant asset for the College, accounts receivable must be carefully managed to ensure efficient and effective collection of all debts owed to the College. Accounts receivables are the result of various types of financial transactions, including, but not limited to student tuition, fees, room, board, and miscellaneous charges posted to the account.
POLICY	The College will charge the appropriate costs and collecting funds for services provided to constituents as a result of various types of financial transactions, including, but not limited to student tuition, fees, room, board, and miscellaneous (parking fines, library fines and return check fee) charges posted to the account.
PROCEDURES	<p>Establish the receivable. The accounts receivable is created through a variety of processes that bill the student, faculty, or staff for a service, violation, or other necessary expense. The majority of accounts receivable stems from the student class registration process which results in an amount owed to the College. The student has access to review their account online. The debt is acknowledged by the student at the time of account/statement review. The College establishes the terms and conditions for payment by directing the student to the Tuition Payment Plan or Financial Services Center website through the College's Home Page or main website.</p> <p>Billing. The College requires students to view their account online, which shall constitute an electronic invoice. Business Office sends an e-mail blast to students with an outstanding balance on the 1st and 15th of each month encouraging them to view their account online and make payments by the designated due dates.</p> <p>Current accounts collection activities. The College uses third party software to manage its undergraduate tuition payment plans. Students have the option of establishing a maximum 10 month payment plan for the academic year. Payments are drafted from the payee's bank account or charged to a valid credit/debit card on the 5th and/or 20th of each month. Reminder notices as well as delinquent notices are sent to enrollees in all plans via email.</p>

Business hold. The Business Office places a business hold on all unpaid student accounts with balances of \$50 or more before the beginning date of the next term registration. All balances of less than \$50 are carried forward without generating a hold. The hold prevents the student from registering, viewing grades and academic transcripts online, or receiving their official academic transcript and College degree.

Delinquent accounts collection activities

1. At the end of each semester, the Controller's Office generates a list of students who left the College owing a balance.
2. Using Jenzabar software, the Student Accounts Coordinator prints and mails an itemized billing statement to each student on the list. The mailing will include a letter notifying the student that the account will be placed with a collection agency if not resolved within 60 days. Payments can be made in the form of a credit card, money order or cashier's check. If no payment or communication is made within the 60-day time period, the accounts are turned over to the Office of Default Management.
3. The Loan Default Manager places the account in the internal collection process which is managed by the College's payment plan provider, AES. The list of delinquent accounts is sent to AES for system upload and the scheduled communications begin. Students pay a sign-up fee for this payment plan. AES processes all payments for these accounts and sends the funds to the College by ACH.
4. If an account is not set up in the internal collection plan within one year, the account is returned to the Office of Default Management and then placed with a collection agency. The student will make payments directly to the agency.
5. By the 10th of each month, agencies send checks made payable to Bennett College for the amount collected to the Office of Default Management, which are then transmitted to the Cashier's Office. Some agencies make electronic deposits of these collections.
6. The Office of Default Management will notify Student Accounts when an account is paid in full. The Assistant Controller will make the appropriate journal entry to show that the account is paid in full and notify the student that her obligation to the college has been satisfied.
7. After all efforts have been exhausted by an agency or a year has passed with no progress, accounts are rotated out to another collection agency for one year. After all collection efforts have been exhausted by collection agencies, accounts are returned to the College and recommended for write-off.

Writing off uncollectible accounts. The Vice President for Business and Finance/CFO or a designee must periodically, but no less than annually, review all past-due accounts receivable. The College must make every reasonable effort to collect an account before write-off. An account is deemed uncollectible after two semesters or one year as it relates to internal collection efforts and two years by external collection agencies. When an account is determined to be uncollectible, the debt must be written off from the financial accounting records and is no longer recognized as an account receivable for financial reporting purposes. The Vice President for Business and

Finance must approve all write-offs of uncollectible accounts receivable. When an account is written off, a business hold as described in the preceding paragraph is placed on the student account. Determining that the account is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

Restoring the previously written-off receivable. Payment against a written-off accounts receivable will be accepted by the College. The receivable must be reestablished in the system to record the payment and deposit funds to the appropriate account. The CFO or a designee must approve the reinstatement of all previously written-off accounts receivable.

Replaces policy:

Date