

**CAROLINAS COLLEGE OF HEALTH SCIENCES
POLICY AND PROCEDURE**

ADMINISTRATIVE

SUBJECT: PAST DUE ACCOUNTS/COLLECTIONS

REVIEWER(S): Manager of Business Operations*
Dean of Student Affairs and Enrollment Management
Financial Aid Director

POLICY

The purpose of this policy and procedure is to detail the specific process and action steps to be used to resolve an outstanding student account balance. Upon registration, each student is responsible for the payment in full of their account balances by the stated payment deadlines. It is the responsibility of the manager of business operations, as delegated by the college president, to establish and ensure ongoing compliance with debt collection processes, procedures and operations.

If a student has not paid their account balance when due and internal methods to collect the outstanding balance have been unsuccessful, the college may refer the debt to a collection agency. The business office shall attempt to contact students a minimum of three times before sending the amount due to collections. Any receivable sent to the collection agency with no activity for a six-month period will be written off at the end of the fiscal year.

The college will not impose any penalty, including the assessment of late fees, the denial of access to classes, libraries, or other institutional facilities, or the requirement that an individual described above borrow additional funds, on any person described above because of the individual's inability to meet his or her financial obligations to the institution due to the delayed disbursement funding from VA under Chapter 31 or 33.

PROCEDURE

A. Manage Outstanding Balances

Within the first three business days of a calendar month the staff accountant shall produce an A/R Aging Report from SONIS and distribute to the manager of business operations.

The staff accountant will review the Aged Trial Balance Report and identify students on tuition payment plans and those waiting on financial aid.

The staff accountant will attempt to contact each person not on an approved payment plan or waiting on financial aid with an account on the Aged Trial Balance report.

1. The accountant will attempt to contact the student and send an email letter to each student not on a payment plan or waiting for financial aid, with an outstanding balance.
 - Financial aid shall include educational assistance under Chapter 31, Vocational Rehabilitation and Employment, or Chapter 33, Post 9/11 GI Bill benefits.
 - No student covered under these benefits will be imposed any penalty, including the denial of access to classes, libraries, or other institutional facilities, or the requirement that an individual covered under these sections borrow additional funds, because of the

individual's inability to meet his or her financial obligations to the institution due to delayed disbursement funding from VA under Chapter 31 or 33.

2. Students with an outstanding balance not on an approved payment plan or waiting on financial aid shall be notified that payment in full is due immediately or the student must agree to a payment plan.

For students that do not have an approved payment plan or waiting on financial aid and have an outstanding balance over 30 days the staff accountant and the Manager of Business operations will decide how to address the delinquency.

1. The manager may allow for an extended period for up to 15 days for the student to make payment, may arrange for a payment plan.
2. The accountant will attempt to contact the student and inform the student of the determination.

For students that do not have an approved payment plan or are waiting on financial aid and have an account receivable older than 30 days, the staff accountant will attempt to contact the student and inform them the account will be presented to the Manager of Business Operations and may lead to administrative dismissal.

1. A hold will be placed on the student's account.
2. The account will be forwarded to the collection agency after 90 days.

The Manager of Business Operations will review the list of account receivables over 30 days with the staff accountant and will determine how to address the delinquency. The manager may:

1. Allow for an extended period up to 15 days for the account to be paid in full.
2. Forward the student to the Dean of Student Affairs and Enrollment Management and Manager of Business Operations for administrative dismissal.
3. Forward account to the collection agency after 90 days.

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For those accounts that have extenuating circumstances, the Manager of Business Operations will get approval from the President to continue to collect the account from the student and not forward to the collection agency.

1. A hold may be placed on the account.
2. The Staff Accountant will attempt to contact the student and inform the student of the determination.

Students with an approved payment plan agreement must follow the terms of the agreement. If a student on an approved payment plan appears on the Aged Trial Balance Report with an account that is not in accordance with the terms of the payment plan, the Staff Accountant shall attempt to contact the student and send an email to each student that payment is due immediately.

The Staff Accountant must notify the manager of business operations of all student account receivables not in accordance with the terms of the payment plan and the manager must decide how to address the delinquency.

1. The Manager may allow for an extended period for up to 15 days for the student to make payment and continue the payment plan.
2. A hold may be placed on the student account.

3. The Staff Accountant will attempt to contact the student and inform the student of the determination.

If the student on an approved payment plan has not adhered to the terms of the payment plan and the account is more than 30 days past due, the manager and the staff accountant will review the list and will decide how to address the delinquency. The Manager may:

1. Allow for an extended period up to 15 days for the account to be brought up to date.
2. Cancel the terms of the payment plan and require the outstanding balance to be paid in full.
3. Forward the student to the Dean of Student Affairs and enrollment management for administrative dismissal.
4. Forward the account to the collection agency after 90 days.

For those accounts that have extenuating circumstances, the Manager of Business Operations shall get approval from the president to continue to collect the account from the student and not forward to the collection agency.

1. A hold may be placed on the student account.
2. The Staff Accountant will attempt to contact the student and inform the student of the determination.
3. The Dean of Student Affairs and Enrollment Management and Manager of Business Operations will decide on the status of the student.
4. The Dean of Student Affairs and Enrollment Management and Manager of Business Operations will not have authority to change or modify any terms of the payment schedule.
5. The Dean of Student Affairs and Enrollment Management and Manager of Business Operations will notify the Staff Accountant of the status of all students submitted for administrative dismissal.

B. Atrium Health Loan Forgiveness Program

All student loans offered through the Atrium Loan Forgiveness Program must be monitored by the financial aid officer.

The Financial Aid Officer must receive a promissory note signed by the student to initiate a loan through the Atrium Health Student Loan Program.

1. Once the student signs the promissory note a copy of the note will be provided to the Manager of Business Operations to apply to the student's account.
2. The Manager will provide the promissory note to the SA to post the loan to the student's account.
3. The Staff Accountant will reconcile the amount posted to student accounts.

If a student drops out of the program or does not become an employee of Atrium Health, the Financial Aid officer will send the loan documents to the third-party loan servicer University Accounting Services (UAS).

1. Those students that drop out or do not become an employee of Atrium Health have six months to start making payments on the loan.
2. Once notified, third-party loan servicer will track and monitor the loan in accordance with the terms of the promissory note.
3. The third-party loan services will provide a monthly report to the financial aid officer to review activity on the outstanding loans.

4. Payments collected by the third-party loan servicer will be delivered to the college, and the staff accountant to post against accounts receivables and reconcile with the third-party report for payments.
5. Those students that do not make payments over a 90-day period will be sent to the collection agency by the third-party loan servicer.

Students who are employed by Atrium Health will have the loan forgiven based on time worked as an employee of Atrium Health.

1. The Financial Aid Officer shall provide Atrium Health Benefits a list of all students participating in the Atrium Health Student Loan Program.
2. Atrium Health Benefits will track those students who become employed by Atrium Health and charge the loan forgiveness to the department where the employee works.
3. Each month a portion of the outstanding loan balance is reduced and provided to corporate accounting to reduce the account receivable.
 - Those employees who do not complete the forgiveness of the loan will be sent to the third-party loan servicer for collections by Atrium Health's Human Resources department.
 - Once the list is sent to the third-party from human resources, the list of those employees/students will appear on the monthly report sent to the Financial Aid Officer, along with the outstanding balance of the loan.

Each month, the Financial Aid Officer and the Staff Accountant will review the report from the third-party loan servicer to determine the status of the outstanding loans and the performance of the third-party loan servicer.

Each quarter, the Financial Aid Officer, staff accountant, corporate accounting and Atrium Health Benefits will meet to review all activity of the loan forgiveness program.

C. Outstanding Account Balances Sent to Collection Agency

The Staff Accountant will document the list of accounts sent to the collection agency.

1. The accountant will document the student's name, address and amount sent to the collection agency for collections
2. The Accountant will document any amounts paid by the student on the debt and the balance outstanding.

Each month, the Staff Accountant will receive a report from the collection agency documenting activity with any student account. This report will include:

1. Student's name
2. Student's address
3. Original amount owed
4. Amount collected each month
5. Outstanding balance
6. Total amount collected from student
7. Total amount outstanding balance
8. Total amount collected from all students, by type (college-owed, loan debt)
9. Total remaining outstanding balance
10. Total of fees charged to the college

The Staff Accountant will reconcile the report from the collection agency with the internal report for payments made on accounts and outstanding balances.

The Staff Accountant will monitor the efforts of the collection agency by reviewing amounts collected by the total amount outstanding and any other measure deemed appropriate.

The Staff Accountant will review the reconciliation with the Manager of Business Operations quarterly.

1. They will review the accounts and activity with the collection agency and evaluate the effectiveness of the collection agency.
2. They will make a recommendation to the president by October 31st each year to determine which accounts will be written off by the System.

The Staff Accountant and Financial Aid Officer will review the list of students on the report from the collection agency and ensure those student accounts sent to collections from the third-party loan servicer are included in the report.

Student accounts with no activity may be approved for legal action by the manager of business operations.

1. The Manager will conduct a review of student account activity with the Staff Accountant and the financial aid officer.
2. The Manager will notify the president of any account prior to certifying for legal action.

D. Outstanding Credit Account Balances Sent to Collection Agency

Each month, the Staff Accountant shall review the Aged Trial Balance report for student accounts with a credit balance due.

The Accountant must research each credit account and decide if funds are owed to the student or if a correction to the student account is necessary.

Any credit balance over 60 days will be reviewed with the Manager of Business Operations to decide how to proceed.

Any credit balance account over \$500 not returned to a student will be approved by the President.

REFERENCES

Related Policies to Consult

CCHS:

ADMINISTRATIVE - [Refunds](#)

ADMINISTRATIVE - [Tuition and Fees Payment](#)