

7.1 Introduction

Any amount owed to the District for goods and services provided is considered a receivable to the District. These debts are short term and are normally expected to be paid to the District within 30 days. The District's accounts receivables include, but are not limited to the following:

- Student Tuition and Fees Receivables
- Financial Aid Receivables
- Returned Check Receivables
- Third Party Billing Receivables
- Emergency Student Loan Receivables
- Child Care Receivables
- Facility Rental Receivables
- Grants Receivables.

All receivables are reviewed by Business Administrative Services for accuracy. All past due accounts are reviewed and pursued for payment. The accounts receivable accounts are maintained in a Banner subsidiary ledger or in an Excel spreadsheet.

A hold is placed on all student accounts with a past due balance to prevent future registration or the receipt of transcripts.

7.2 Student Tuition and Fees Receivable

A Banner subsidiary ledger is used to track all student tuition and fee receivables. Transactions are posted to the student's accounts receivable whenever a student enrolls or withdraws from a credit or continuing education course. Tuition and fee charges are calculated based on the number of credit hours the student registers for, the residency classification of the student as determined by the Admissions Office, and any lab or special fees associated with the course. Continuing Education tuition is calculated by individual course cost. Account activity is reviewed by the Bursar's office on a daily basis for accuracy.

Students are responsible for all charges posted to their accounts and are required to pay those charges by the published payment deadline. Any student who does not pay an outstanding receivable is subject to courses being dropped. If an outstanding balance exists on a student's account prior to registration, the balance must be paid before future registration may occur. In addition, outstanding balances result in transcript hold being placed on student's account.

Students may choose to pay using an installment plan to pay for spring and fall tuition and fees. There is an installment plan set up fee of \$25. A student must pay 50% of the amount owed on the installment by payment deadline and then the remaining account balance in two payments. An online *Installment Plan Agreement* (Exhibit 7.1) must be completed with an electronic signature and scheduled payment information for the two future installment plan payments provided. The scheduled payments will be automatically deducted from the student's designated financial institution on the installment payment deadline. A \$25 late fee will be assessed for each late payment, including scheduled payments not completed by the

designated financial institutions. Installment plan accounts in default of the payment schedule are subject to changes in course registration status and account holds.

7.3 Financial Aid Receivables

Student financial aid receivables occur when all or part of the student's tuition, fees, and/or books was paid with Title IV funds and all or part of the funds must be returned to Title IV or were never disbursed to the student account. Financial aid overpayments are determined by the Financial Aid Office based on state, local and federal guidelines.

7.4 Returned Checks Receivables

Checks returned by the bank for nonpayment are processed by the Bursar's Office. Returned checks posted during an academic term are processed by the bank through the Auxiliary/Bookstore bank account. The District will revoke check writing privileges to persons from whom it has received more than three returned checks, stop pay or account closed check. A \$25 fee for each returned check will be assessed. Balances incurred from returned checks and/or past due payments may not be paid with a check.

If payment is not made on a returned check within 30-45 days, the returned check is filed with the JP Court for collection.

7.5 Third Party Billing Receivables

An outside entity may request to pay for a student or group of student's tuition receivable. A *Third Party Billing Agreement* (Exhibit 7.2) must be completed by the entity detailing the students and specific details of what tuition, classes, fees or books will be paid by the entity. The agreement must be signed by an authorized agent of the outside entity and the Associate Vice President/Controller or Associate Vice President/Financial Services. The agreement duration should not exceed two years, but may be renewed upon agreement of both parties. Exceptions may be made for federal and state tuition assistance programs.

The Bursar's Office is responsible for tracking the third party billing receivable and collecting all past due amounts.

7.6 Emergency Student Loan (ESL) Receivables

The emergency student loan account was established by the Board of Trustees in October 1989. The account operates as a revolving loan account. As loans are repaid to the District, the funds are returned to the ESL account. The loans may be issued to students to assist with tuition, fees, books, supplies and other education related expenses.

The Financial Aid Office is responsible for determining and documenting eligibility for emergency student loans. An *Emergency Student Loan Note Agreement* (Exhibit 7.3) must be completed by the student.

7.7 Child Care Receivables

The District has a child care center for students and staff. The child care center uses Procure software to track all charges and payments. All payments are made at the campus Cashier's office by the parent and the receipt given to the child care staff. A monthly reconciliation is done by the Auxiliary accountant comparing Procure reports to the general ledger.

7.8 Facility Rental Receivables

The District provides rentals for conferencing facilities, meeting rooms, lecture halls and classrooms for businesses and organizations. When space is available, fees are based on profit and non-profit status.

All rental amounts owed and payments are processed in a Banner subsidiary ledger. The Bursar's office processes all invoices and payments. A monthly aging report is sent to the District Facilities Scheduling Office for review. Any restrictions or actions resulting from unpaid invoices must be preapproved by the District President.

7.9 Grants Receivable

The District has accounts receivable due from federal, state and local grants. The receivables are tracked in Banner and Excel. The Grants Manager is responsible for the timely billing and collection of all grants receivables.

7.10 Miscellaneous Receivables

The District routinely has miscellaneous receivables from external sources not processed through the Banner student subsidiary ledger. The miscellaneous receivables are recorded by a journal entry to a miscellaneous receivable ledger account. The account is reviewed by the revenue accountant who is also responsible for collection of the receivable.

7.11 Collections

Delinquent accounts may be placed with an outside collection agency and/or reported to the national credit bureau system. Students are responsible for all late fees, collection charges, attorney fees, interest, and any costs and charges necessary for the collection of any amount not paid when due. All disputes about registration or payment will be governed in accordance with the laws of the State of Texas. The venue for any lawsuit regarding collection of a delinquent debt will be in Collin County, Texas.

Collection efforts on past due accounts include both internal and external efforts. The District follows the following collection timeline:

- During the current term, monthly e-statements are sent to accounts with balances due and automated e-mails are sent nightly to accounts with newly identified balances due
- Two to three months after the end of a financial aid period, a spreadsheet is created of all students with outstanding term balances and the debt type identified
- Emails are sent to all known e-mail accounts
- Phone calls are made to all available phone numbers
- Notification letter is mailed to the student's main address
- Two to four weeks after the initial notification letter is mailed, a second and final letter will be mailed
- Thirty to forty-five days after the final letter is mailed, the accounts with balances over \$25 are submitted to the first placement collection agency.

- The collection agency will attempt to resolve the account for thirty days before reporting the debt to a national credit bureau
- Accounts still outstanding after one year with the first placement collection agency will be returned to the District. The outstanding accounts will then be placed with the second placement collection agency for one year

7.12 Write Off of Accounts Receivable

Write off of uncollectible accounts is done twice a year in February and July. Accounts with a balance less than \$25 from a prior term will be written off. Accounts greater than \$25 will be written off the District's accounting records when all collection procedures have been conducted without results. The list of accounts to write off must be approved by the District Vice President of Administrative Services/CFO. A hold will remain on the student's account preventing future enrollment and release of transcripts. All documentation detailing the written off debt must be maintained for future reference.

7.13 Allowances for Doubtful Accounts

The District has established an allowance for doubtful accounts. The allowance is reviewed annually by the Associate Vice President/Controller to determine appropriateness.

7.14 Payment of Accounts Receivable

All payments to the District are processed and reviewed by the Bursar's Office. Payments may be made in person, by mail or online. The District accepts cash, check, MasterCard, VISA, or Discover. Two-party, out-of-state, and/or temporary checks are not accepted. Checks issued by credit card companies are not accepted. MasterCard, VISA, or Discover gift cards may be used for payment. However, the gift card used for payment should not be discarded. If any refund is necessary, the refund amount will be returned and loaded on the original gift card.

The District may refuse or restrict check payments on any account on which a check payment was not honored by the originating financial institution and/or for any past due balance. Payments made by personal check may be processed electronically (ACH). Touchnet is used to process all credit card transactions.

7.15 Reconciliation of Receivables

All accounts receivables should be reconciled on a monthly basis. Any differences noted in the reconciliation process are investigated and steps taken to correct the general ledger or the accounts receivable subsidiary ledger as needed.