

Virginia State University  
Policies Manual

Title: Collections Policy

Policy: 5001

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**Purpose**

The purpose of this policy is to define terms and establish authority regarding the write-off and collection of delinquent student receivables.

**Authority, Responsibility, and Duties**

The Manager of Collections & Reporting is responsible for ensuring that activity to collect delinquent debt is conducted in accordance with the guidelines established by the Office of the Attorney General.

The Controller, or designee, shall review and authorize the write-off of student receivables over 120 days past due.

**Definitions**

Delinquent Debt – Receivables for which payment has not been received by the payment due date.

Write-Off - A transaction that removes an account, which management has determined to be uncollectible, from an agency's financial accounting records. Writing off the debt for accounting purposes does not discharge the debt. The debt is still owed to the Commonwealth, but is no longer reported on the agency's books as a receivable.

Debt Set-Off – Also known as the Set-Off Debt program. Program which allows the offset of tax refunds and vendor payments due debtors who have a receivable owed a state agency and/or a political subdivisions of the Commonwealth of Virginia.

Billing Cycle – The number of days since the inception of a debt in which a statement of charges is issued. The billing cycle can either be mandated, as in the case of federal loan programs, or established by convening authority. At a minimum, a billing statement should be issued at the time a debt to the University is incurred.

Receivables – A debt owed the University. A student, third party or government agency may owe receivables.

Third Party Payer - A government entity or business that certifies in writing a promise to pay all or part of a student's tuition unconditionally (i.e. irregardless of grade received). The student retains liability for the debt. A billing is submitted to the Third Party Payer at the beginning of the semester.

**Policy Statements**

Students are billed monthly for outstanding debts. After 120 days, delinquent students are sent a demand letter with ten (10) days to comply. After the tenth (10) day, accounts are sent to an outside collection agency and Debt Set-Off with approval of the Controller or designee. Balances under \$3,000 are submitted to private agencies. Balances over \$3,000 are submitted to the Division of Debt Collection, at the Office of the Attorney General for collection of the debt.

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Student receivables that have been billed and are at least 120 days past due, are reviewed for write-off as delinquent debt. Written-Off accounts are subjected to collection activity (including Debt Set-Off) in accordance with guidelines established by the Office of the Attorney General. The procedures state collection activity is to begin at ninety-days (90) past due. However, the guidelines also allow agencies that have other procedures to secure payment to retain the account past the 90 days. The withholding of transcripts and holds preventing future registration, meet the requirements for this retention at Virginia State University. Registration and release of transcripts will be denied to debtors as long as an outstanding financial obligation remains. The Controller, or designee, may waive the provisions of this policy.

Bills unpaid by a third party payer are ultimately the responsibility of the student. Due diligence is conducted on bills unpaid by the third party during the course of the semester. Third party bills unpaid at the end of the semester result in collection activity against the student in accordance with this policy.

### **References**

CAPP Manual – Section 20505 – Accounts Receivable

**Approved by:** Eddie N. Moore, Jr., President

**Date:** December 19, 2006