

BLUE RIDGE COMMUNITY AND TECHNICAL COLLEGE BOARD OF GOVERNORS

SERIES: 5 | **Finance**
RULE: 55.1 | **Debt Collection – Student Accounts Receivable**

Scope: This policy defines the collection of outstanding student accounts receivable. The policy also explains the circumstances that result in an unpaid student tuition and fees balance. It further provides guidance for the action to be taken to best manage the assets of the College, including responsible collection of those balances.

Authority: West Virginia Code §18B-1-6; §18B-10-1; §18B-10-8; Fair Debt Collection Practices Act, 15 U.S.C. 1602 et. seq.; and West Virginia Fair Debt Collection Practices Act §47-16-2.

Approval Date: April 2, 2014

Effective Date: April 2, 2014

SECTION 1. Purpose.

- 1.1 It is the policy of the Board of Governors of Blue Ridge Community and Technical College to exercise due diligence in the collection of any funds (tuition, fees, loans, service of rental/leasing agreements) owed it. The College will collect tuition and fees consistent with the West Virginia Code and Blue Ridge Community and Technical College Board of Governors rule, "Tuition and Fees-Assessment, Payment and Refunds", assuring that fees are paid prior to the beginning of classes or arrangements made for payment per the exceptions in that rule. Student unpaid balances may result due to "Refunds>Returns Due to Withdrawal", as defined in the Student Handbook. When payment for classes is not made or appropriate arrangements made, then registration may be canceled.

SECTION 2. Definitions.

- 2.1 **Tuition and Fees:** Includes the assessment of all tuition and related fees, testing fees, application fees, orientation fees, special fees related to specific courses of study (as stated in the fee schedule), such as culinary, information technology fees, bank charges for returned checks, fees to obtain transcripts, and other fees as defined in the Board of Governors rule, "Tuition and Fees-Assessment, Payment and Refunds" and the Blue Ridge Community and Technical College Student Handbook, hereafter referred to as "Student Handbook".
- 2.2 **Refunds>Returns Due to Withdrawal:** As stated in the Student Handbook, "The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence prior to completing 60% of a payment period or term. Federal Title IV financial aid program eligibility must be recalculated in these situations. If a student leaves the institution prior to completing 60% of a payment period or term, the Financial Aid Office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of aid earned using the following Federal Return of Title IV funds formula: If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student would be required to return a portion of funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a balance to the institution."
- 2.3 **Hold.** The College may place a "Hold" on student accounts based on several criteria. A Hold may be placed for Financial Aid unmet requirements, Registrar unmet requirements and Finance unmet

obligations. For the purpose of this Rule, a Hold is confined to Holds placed by the Finance Office due to outstanding financial obligations.

- 2.4 Debt Collection: As defined in the West Virginia Fair Debt Collection Practices Act §47-16-2, "Debt Collection means any action, conduct or practice of soliciting claims for collection or in the collection of claims owed or due or alleged to be owed or due by a consumer."
- 2.5 Statute of Limitations. West Virginia Code §55-2-6 defines the Statute of Limitations for unwritten and implied contracts as five (5) years.

SECTION 3. Collection of Unpaid Student Accounts Receivable

3.1 Official Process: Action taken prior to active collection process

The process is as follows:

- 3.1.1 The College places a "hold" on student accounts for which balances remain after the due date or for which appropriate payments arrangements are not made or available. Holds prevent the ability to receive reports, access services, register for additional classes, or use facilities. Holds remain on accounts until paid in full.
- 3.1.2 Students are made aware of payments and payment due dates through publications easily available to them, through invoices provided for all services with due dates noted, and through publication of rules regarding consequences of nonpayment in schedules, Student Handbook and catalog. Further, students who participate in College endorsed payment plans will be notified at least ten (10) days prior to cancellation of registration if payments are not made according to payment schedule agreement.
- 3.1.3 For students leaving the College (graduation, withdrawal), particularly recipients of National Direct Student Loans, exit interviews will be conducted to explain the responsibility and liability for repaying any outstanding College balances and/or loans.

3.2 Official Process: Formal collection action process

The process is as follows:

- 3.2.1 The College may refer to a College-designated third party agency or an approved contracted collection agency any invoices outstanding 30 days after the "third and final notice" which is given when an invoice is outstanding at 90 days.
- 3.2.2 Each July, the Finance Office, in accordance with West Virginia Code §14-1-18 may formally request permission to remove account balances from the accounts receivable ledger for accounts with balances five years or older. These accounts will be maintained for history purposes in the College's system of record and coded as turned over to "State of WV" for collection.

Section 4. Conclusion

- 4.1 This Rule should guide the legal and proper collection of student accounts receivable in strict compliance with both Federal and State fair debt collection rules, regulations and practices. Students that are in noncompliance of proper payment will be given legal and timely notice to pay outstanding balances in full. However, appropriate action will pursue attempts to collect outstanding receivables provided no response or attempt to resolve the balance due to the College has been received from the student.

ATTACHMENTS:

A: WV Fair Debt Collection Practices Act §47-16

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