

## **NORTHLAND COMMUNITY AND TECHNICAL COLLEGE**

### **7022P ACCOUNTS RECEIVABLE PROCEDURES**

#### **Requirements for establishing and recording a receivable**

All charges for products sold or services provided by the college shall be recorded as receivables in ISRS. Charges may consist of, but are not limited to: tuition, all fees associated with courses, personal or service charges, library fines, late fees, application fees, bookstore charges and all charges associated with customized training.

#### **Registration Cancellation for Non-Payment**

Registration shall be cancelled in accordance with NCTC Policy #7052 Registration Cancellation. Any tuition and fees reinstated due to loss of financial aid or incurred outside the parameters of the Registration Cancellation Policy, and any other charges that the college has a right to collect, are subject to the process outlined within this procedure.

#### **Referring Accounts Receivables to Minnesota Department of Revenue**

Northland Community and Technical College will make every effort to collect all tuition, fees, and other charges in a timely manner. All accounts of \$30.00 or more that are outstanding for over 120 days from the tuition due dates of the term in which the charges were incurred, shall be referred to the Minnesota Department of Revenue (MDOR). All referrals shall be documented. The debtor must be given written notification of the intent to refer the account to collection 20 days prior to actual referral. Any additional costs to collect delinquent accounts may be passed on to the customer. In addition, the college reserves the right to cancel and/or disallow registration to any individual who has a delinquent account with the college. An account shall be considered delinquent if it is not paid by the due date as defined in the accounts receivable procedure.

#### **Late Fees**

Late fees will be charged to all accounts of \$30 or more. Late fees will be applied on November 1 for fall semester and April 1 for spring semester, or the first business day following the identified semester date, unless evidence has been provided that funding is being paid by another agency.

#### **Holds**

Business office holds will be placed on all accounts of \$30 or more that are outstanding for more than 30 days ~~30 class days~~ after the first day of classes.

#### **Waivers or Other Adjustments to Accounts Receivables**

All tuition waivers or adjustments to accounts receivables must be approved by the College President or designee, unless it is an employee waiver covered by a collective

bargaining agreement, and an electronic tuition waiver form has been submitted by the employee and approved by the Human Resources Department.

### **Writing off Uncollectible Account Receivables**

All accounts to be written off shall have the written approval from the College President or designee. They shall also meet one or more of the criteria listed below:

- 1) Any account that has had no cash receipts for two years.
- 2) Any account that has a balance less than \$30 and no activity for one year.
- 3) All reasonable collection efforts have been exhausted.
- 4) The debtor cannot be located.
- 5) The cost of further collection action will exceed the amount recovered.

All accounts receivables shall be reviewed at least once a year.

### **Record Retention**

All records detailing accounts receivable will be maintained for a period not less than seven years.

### **Related Policy and Procedures**

Northland Community and Technical College shall adhere to MnSCU policy and procedures as detailed in Procedure 7.6.2.

### **NCTC Guideline for Recording Bad Debt Expense:**

The College shall record bad debt expense sufficient enough to cover receivables according to the following schedule:

- 50% of all debt over one year old, but less than two years old
- 80% of all debt over two years old, but less than three years old
- 100% of all debt over three years old

Date of Adoption: Exec. Council 2/2/06, SGC 3/9/06  
Date of Implementation: 3/9/06  
Date & Subject of Revisions: 12/9/10; Changed outstanding account balance to \$30; changed late fee deadlines, other minor grammatical changes