

7022P ACCOUNTS RECEIVABLE PROCEDURE

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 Northland 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 deny 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.

Payment Plan Fees

Students who have not paid in full, or have not established a payment plan by the 25th business day of the term, shall be placed on a mandatory payment plan through Northland and be assessed the approved payment plan fee in order to not be administratively withdrawn from the college.

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 \$500 or more that are outstanding for more than 30 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 five 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) Any account as directed by MDOR as uncollectible.
- 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 Minnesota State policy and procedures as detailed in Procedure 7.6.2.

Northland 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

4/24/12 Revised

3/15/24 Changed balance amount to \$500 for holds