

ADMINISTRATIVE DIVISION FINA Finance		POLICY NUMBER FINA 48.14
POLICY TITLE Accounts Receivable – Collections of Past Due Accounts		
SCOPE OF POLICY USC System		DATE OF REVISION XXX
RESPONSIBLE OFFICER Executive Vice President <u>of Administration and Finance</u> and Chief Financial Officer		ADMINISTRATIVE OFFICE <u>Administration and Finance</u> <u>University Bursar</u>

PURPOSE

This policy provides for the collection of delinquent accounts for services provided by the University of South Carolina.

POLICY STATEMENT

Accounts Receivable Department will make reasonable efforts to collect past due accounts for the University of South Carolina.

PROCEDURES

- A. Student Receivables Students are required to review, understand, and adhere to university regulations, procedures, requirements, and deadlines as described in all official university publications pertaining to enrollment and associated financial responsibilities. Each student must acknowledge a Statement of Financial Responsibility each term. This acknowledgement occurs the first time the student initiates registration for the term. The Student Statement of Financial Responsibility Policy (FINA 4.01) is maintained online at <http://www.sc.edu/policies/ppm/fina401.pdf>.

The Bursar’s Office will mail/email follow-up correspondence to the student if payment is not received by the due date listed in the payment deadline calendar located on the Bursar’s Office website. Emails will be to the student’s university email address on a monthly basis notifying them of a balance on their student account. In addition, reminders are sent prior to key due dates if the student has incurred charges when these notices are requested. When payment remains past due after a series of these mail/emails are sent, a final collection letter is mailed to the student.

Due Diligence will be exercised before referring the account to a collection agency. Students who have delinquent accounts may have their university records flagged to deny all university services including restricting registration, releasing records, and holding diplomas until the delinquent account is cleared. A minimum of 24 hours is needed for flags to be removed once the debt is paid to the Collection Agency. Students are responsible for all collection costs.

1. Collection Agencies

The university will follow policies and procedures for accounts that are considered delinquent. Any account that becomes delinquent may be assigned to a collection agency if no acceptable effort has been made on the part of the student to clear the obligation. If the efforts of a collection agency do not produce the desired collection results, The President and Executive Vice-president of Administration and Finance and Chief Financial Officer have the authority to file actions in small claims court for the collection of debts over which they have administrative control.

Unless there is evidence of a good faith intention to pay, student loan accounts which are at least 120 days past due and institutional debt which are at least 180 days, may be referred to collection. Collection agencies should not retain accounts for more than twelve (12) months. Once an account is referred to a collection agency, the department may not perform any collection efforts on the account as long as if it is held by the collection agency. The collection agency will surrender and return any account that has remained inactive and without a repayment agreement after one year. The account may be placed with a second agency for an additional year. Collection Agencies contracted with the University are reviewed periodically to evaluate success in their collection efforts and ensure accounts are being worked in a timely manner.

2. Death of a Debtor A claim against the estate of a South Carolina resident must be prepared in accordance with specific regulations and filed within six (6) months after first publication of notice to creditors. Therefore, in order to assure that the university's interests are fully protected, help from the Office of General Counsel and Accounts Receivable, as appropriate, is to will be sought whenever an institution receives notification that a person owing money to the institution is deceased.
3. Bankruptcy When a bankruptcy notice is received, all collection efforts must be stopped. A proof of claim may need to be filed. The Bursar's Office will complete verification of the status of the bankruptcy upon notification.
4. Collection Committee Periodically a collection committee made up of members from the Bursar's Department will review the method for analyzing accounts that are sent to collections to determine if any adjustments should be made.

B. Non-student Receivables

The Accounts Receivable Department facilitates Miscellaneous Non-Student Billing functionality within Banner as a means for departments to bill non-USC customers for goods sold or services rendered "on account".

1. USC Department will create, print and mail official USC invoices to customers. USC Invoices are pre-numbered and available through the Cashier's Office.
2. Once completed, a copy of the invoice is sent to the Bursar's Office Accounting and Reporting Unit and the charge will be recorded on the customer's account.

3. The invoice directs the customer to mail their payment to the Cashier's Office where the payment is applied to the appropriate invoice when received.
4. Monthly statements are mailed to the customer on the first of each month.
5. Invoices are considered past due at 90 days and the Bursar's Office will communicate with the customer and USC Department by letter regarding the outstanding invoices.
6. At 6 months or 180 days, outstanding invoices are considered uncollectable and the invoice is charged back to the department. The customer and USC Department are notified by letter of the chargeback.
7. Departments are required to complete training for Miscellaneous Invoicing through the Bursar's Office before invoicing entities outside of the university. Please contact us at ARTrain@mailbox.sc.edu to schedule the necessary training. Training will provide complete instruction on the process and access to complete the invoicing process.

RELATED UNIVERSITY, STATE AND FEDERAL POLICIES

[FINA 84.01 Student Statement of Financial Responsibility](#)

[FINA 84.10 Receipt and Handling of University Payments](#)

[FINA 84.13 Allowance for Doubtful Accounts](#)

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
October 3, 2017	New policy approval.
Xxxx	Policy updated to standard template. Title changes.