

BUSINESS POLICY

TO: All Members of the University Community

2010:02

DATE: September 2009

STUDENT ACCOUNTS RECEIVABLES WRITE-OFF (Supersedes 2003:13)

I. PURPOSE

The University carries balances on student accounts as a normal course of operations. When a student withdraws from the University, does not register for classes, the outstanding balance becomes due immediately. It is the expectation that students will fulfill their obligations and settle their accounts.

This policy establishes the procedure to write-off student account balances after all reasonable collection methods have been exhausted.

II. POLICY

The University will use internal and external collection methods to recover outstanding account balances. Once a balance is deemed uncollectable, the University will write-off this receivable. Student transcripts and registration will be placed on hold until the balances are paid.

III. PROCEDURE FOR STUDENTS NO LONGER REGISTERED FOR CLASSES

A. Balances **under** \$100

1. Campus departments send invoices and reminders to students during the current semester reminding them of outstanding charges.
2. The Business Office will send one final invoice to the student before the account is placed on the write-off action list. Accounts will be written off 60 days after the semester ends for the summer and fall semesters. For spring semester, the account will be written off 120 days after the semester ends.
3. List of student accounts is reviewed by the Manager or Director of Business Operations for write off action, which can be authorized by the Director of Business Operations.

4. Registration and transcript holds will be placed on the student's account until full payment is made.

B. Balances **over** a \$100

1. Student will receive monthly invoices from the Business Office until the end of the term. Accounts are then set up for collections at an outside letter writing service or collection agency.
2. If no payment is received after the above steps, the Manager of Business Operations will evaluate the account for further action, i.e., referral to other outside collection agencies or recommend write-off.
3. A write-off request form will be filled out by the Manager of Business Operations and submitted to the Director of Business Operations and Associate Vice President for Finance for write-off approval.
4. The approval form will be returned to the Manager of Business Operations for write-off action on the appropriate account.
5. For accounts deemed collectable, the information will be forwarded to the Michigan Department of Treasury for collection.
6. The account will remain with the State for three years. If not collectable, then Section III.A. 3-4-5 will be followed for write-off. If deemed collectable, then account is left with the State.

IV. AUTHORIZATION

The authorization to write-off account receivable balances is as follows:

1. Balances less than \$100 will be authorized by the Director of Business Operations.
2. Balances over \$100 will be authorized by the Associate Vice President for Finance.

Jerry L. Scoby
Vice President for Administration and Finance

Contact: Associate Vice President for Finance