Accounts Receivable Management Plan

Agency: South Central College
1920 Lee Boulevard 1225 Third Street SW
North Mankato, MN 56003 Faribault, MN 55021

A. Receivable Description

Receivable: Tuition & fees, books, student emergency loans, food service, facility rentals, contract training, inter-agency and inter-MnSCU agreements, graphics and miscellaneous.

Description: The fees assessed to a student for attending classes or charges for services rendered. Tuition and fees are governed by the MnSCU Board of Trustees.

Debtor types: Students, third party agencies including business, industry, governmental and nonprofits, and Minnesota Department of Children & Family Learning (CFL) for PSEO students, other MnSCU institutions, other State agencies, other businesses and nonprofit entities.

Student: Student is defined as one who enrolls in any credit or noncredit course offered by the college.

The applicable statute of limitations for collection purposes is six years and begins the day tuition is due.

Tuition included in a bankruptcy proceeding follows the rules of bankruptcy under Chapter 7, 11, 12, or 13.

B. Organization and Responsibilities for Receivables

The registration process is handled by the Student Affairs Center, Customized Training, Management Program (FBM/SBM) or directly by the Student. Once the student is registered for classes they are able to view online their schedule and the costs incurred if the tuition and fee has been approved by the Board of Trustees. Non-student receivables are entered by various college departments, including, but not limited to, Customized Training for contracted training, Food Service and Facilities. All non-student invoices are printed by the Business Office Accounting Technician. The Accounts Receivable Personnel oversee management of all receivables. The College executive team sets receivable policies and ensures compliance with state policies.

The Business Office is responsible for collection of the debt. A student’s tuition and fee payment may be made to the cashier at the Bookstore, by mail, online through the MnSCU Portal, or through an external payment plan provider. The non-students pay either by mail or through the bookstore or by credit card over the telephone. The cashier credits the customer account through the MnSCU Integrated Student Record System.
(ISRS) which is an on-line direct credit. Payments that are made online or through the external payment plan provider are automatically credited to the student account. The ISRS system is housed on a main frame.

Reconciliation of records with the bank statement and the general ledger occurs once a month by the Business Office Accountant.

There are four staff in the Bookstore that have cashier duties. There is one staff person in the Business Office who has collection duties.

C. Receivable Systems

The Accounts Receivable system is handled by the Business Office Accounting Technician, Accountant and Bookstore Account Clerk and is processed into ISRS.

D. Receivable Goals and Objectives

Our goal for the receivable process is to collect all amounts in an efficient, effective and fiscally responsible manner. The objectives to reaching this goal are:

* Reduce the age of receivable inventory,
* Improve access and timeliness of accounts information,
* Increase percentage of collections vs. amounts due.

E. Receivable Strategies

1. Establishment of Receivable - The receivable is established when registration is completed, contract signed if applicable, or services rendered.

2. Notification/Timely Invoice - Students are instructed to view their tuition, fees, and other charges online after registration, or after the ISRS tuition calc is activated by the Business Office. This especially affects students pre-registering in the spring for the next Fall Semester. In addition, students are instructed to access their account balance summary or full account detail on-line after dropping and/or adding classes and/or after financial aid has been applied, if applicable.

Third party agencies, agencies that have sent us approved notification that they will pay tuition for a student, are billed after the 28th day of the semester.

The Minnesota Department of Children & Family Learning is not billed by us. MnSCU’s ITS Data Management pulls the necessary PSEO data from our ISRS system to submit to that agency.

Non-students are notified by a printed invoice within 30 days of the services rendered.
3. Registration Cancellation for Non-Payment - Minimum payment criteria established by the Board of Trustees must be met by the published due dates. Due dates are determined by the Business Office. SCC has two different due dates each Fall and Spring Semester. The first due date is at least two weeks prior to the beginning of a semester. Registrations are cancelled if minimum payment requirements are not met by 3:00 p.m. the second day after the due date. Students whose registrations are cancelled are permitted to re-register after this first cancellation run. The second due date is the first day of the semester. Registrations are cancelled if minimum payment requirements are not met by 3:00 p.m. on the fifth day of the semester. The registration cancellation process is run again at midnight of the fifth day. The registration cancellation process is run again at midnight of the fifth day.

4. External Payment Plans – Students may enroll online in an Automatic Payment Plan, through Nelnet Business Solutions, formerly FACTS Management Company. Prior to the beginning of each summer term, the Business Office works with Nelnet Business Solutions/FACTS personnel to establish enrollment dates and payment options for the entire academic year. Payment plan balances can be adjusted by Business Office personnel manually or through the MnSCU Payment Plan Contract Change Report. Either way, the adjustment amounts are based on the Change Report. Decreases are made immediately upon discovery. Increases must be made and the payer notified at least 10 days prior to the next withdrawal date. Significant increases are not made until after the payer is contacted. They then have the option of requesting their payment plan balance be increased or to make a lump sum payment of the difference online or in the bookstore.

5. Late Fees - If a balance remains on a student account on the 28th day of the semester and the student is not enrolled in a payment plan, a $50 late fee is charged.

6. Payment plan balances less than ISRS balances – If the difference is not resolved before the end of the semester, or earlier, the account may be subject to a $50 late fee.

7. Waivers - The College President or his appointed designee may waive amounts due to the college for the following reasons:
   - Employee Benefit Provided by a Bargaining Agreement
   - Death of a Student
   - Medical Reasons
   - College Error
   - Employment Related Condition
   - Significant Personal Circumstances
   - Student Leader Stipends
• Course Conditions (A course condition exists when the location or timing of the course results in the student not being able to use the services intended by a fee)
• Natural disasters or other situations beyond the control of the campus

The College President or his appointed designee may waive amounts due to the college for individual institutional waivers as approved by the Board.

Each college or university shall define the terms under which any authorized waiver will be granted. The college must document the reason for all waivers.

The college cannot waive the MSCSA student association fee.

8. Refunds – SCC follows the refund policy mandated by MnSCU.

9. Appeal/Dispute - A student who has registered, paid and then drops out of school after the refund period may file an appeal with the Dean of Student Affairs which may result in a full refund. An appeal and/or dispute may be considered for the following circumstances, but limited to: medical reasons, death of an immediate family member, extraordinary circumstances (reviewed on a case by case basis). Successful appeals are granted waivers of their tuition and fees, except the MSCSA fee, and a refund is processed by the Business Office after receiving proper written documentation authorized by the Dean of Student Affairs, Vice President of Finance or President.

10. Receipt or Remittance Processing- A student’s tuition and fee payment may be made to the cashier at the bookstore, by mail, online through the MnSCU Portal, or through an external payment plan provider. The non-students pay either by mail or through the bookstore cashier or by credit card over the telephone with the bookstore cashier. Payments received in the bookstores are processed by the cashiers and entered into ISRS daily by bookstore personnel. Cashiers endorse the checks. Bookstore personnel prepare daily bank deposits. North Mankato Campus deposits are picked up and taken to the bank by Rochester Armored Car Service daily. Faribault Campus deposits are taken to the bank by a non-bookstore employee daily. ISRS automatically posts payments to the appropriate cost center and object code at time of receipt entry. State Treasury receipt entries made prior to the MnSCU to MAPS daily interface at approximately 3:10 p.m. are swept out of our local bank account within 2 banking days generally.

Payments that are made online or through the external payment plan provider are automatically credited to the student account. Online payments are deposited to our local account by an ACH payment processed through MnSCU and US Bank. External payment plan payments are deposited to our local account by ACH from FACTS.

11. Monitor & Accounting- The Accounting Technician monitors the aging of accounts and level of defaults in the system to see if appropriate collection action is being taken. The balance due list is maintained by the Accounting Technician and is printed at least once a quarter and reviewed with the Vice President of Finance.
12. Internal Collection Process - If a balance remains on a student account on the 28th day of the semester and the student is not enrolled in a payment plan, a $50 late fee is charged. The late fee is not assessed if the account balance is $100 or less. If a student account is not paid in full by the last day of the semester or after Title IV adjustments, a past due letter will be sent to the student containing a dunning notice informing the debtor of potential referral to MCE after 20 days.

13. Collection Tools- A hold is placed on the student's record so that they are not able to obtain a transcript or register for additional classes until the debt is cleared. If student is not able to pay balance in full but can make payments a payment schedule is set up with the Business Office Accounting Technician. If payments are not made the student is referred to MCE.

14. Referral to MCE- At 121 days past due the debt will be reviewed to see if the student has taken any action to bring the account current. If not, the case if over $ 100, will be referred to MCE. If the student is on a payment arrangement or in bankruptcy, the case will stay with the South Central College Business Office.

15. Write-off - Debts discharged in bankruptcy proceedings are written off. If MCE returns a case as "uncollectible" it is written off. Balances that are under $ 25 and over a year old are written off. A hold will remain on the student's college records and transcripts will not be sent on the student’s behalf until balance is paid. Write-offs will be approved by the College President or his appointed designee at least once each year. A previously written off account will be restored if a student pays off the balance that is owed or when it is determined that collection efforts will once again be successful in collecting the debt.

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Keith Stover, President
South Central College