Part 1. Authority

Minnesota State Colleges and Universities (MnSCU) System Procedures for Board of Trustee Policies 7.3 and 7.6.

Rochester Community and Technical College Policy 7.6.2.1 Accounts Receivable Management.

Part 2. Management of Accounts Receivable

All accounts receivable activities must be documented and, as appropriate, recorded in the MnSCU Integrated Student Record System (ISRS). The student or other debtor must acknowledge the debt at the time an account is created. The acknowledgment must be either in writing or, with automated registration processes, by a positive action that indicates that the debtor is accepting the terms and conditions for payment. The receivable must be entered into the MnSCU ISRS system at the time the amount is first established or within a reasonable period afterwards.

The approved procedures for accounts receivable documentation are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition &amp; Course Fees</td>
<td>Charges are generated through the automated registration process. Students acknowledge financial responsibility at time of registration. Responsibilities are divided between Academic Affairs, Records Department and Business Office as appropriate.</td>
</tr>
<tr>
<td>Application Fees</td>
<td>A $20 Application Fee is assessed to each student record in ISRS when the admission transaction is entered by the Admissions Department.</td>
</tr>
<tr>
<td>Personal Service Fees</td>
<td>Charges tied to a specific course are automatically generated in ISRS per registration transaction (e.g., Risk Management Insurance). The Business Office posts transactions for specific services requested by a student (e.g., Check Stop Payment Fees, Insufficient funds, Transcript Fees, Student ID Fees).</td>
</tr>
<tr>
<td>Late Fees/Fine</td>
<td>Late fees, library fines, parking fines for example are posted by Business Office/Cashiers.</td>
</tr>
<tr>
<td>Office/Cashiers</td>
<td></td>
</tr>
<tr>
<td>Bookstore Purchases</td>
<td>Approved students with financial aid, scholarships, and third party funding sources may charge books, supplies, and course materials from the RCTC bookstore. Bookstore personnel receive authorizations from either the Financial Aid Director for charging books with financial aid funds or from the Business Office staff verify funding as appropriate and obtains student signature as acknowledgement of debt. Business Office billings personnel post charges to student accounts.</td>
</tr>
<tr>
<td>Continuing Education</td>
<td>Charges are generated for open enrollment courses through the automated registration process. Students acknowledge financial responsibility at time of registration. Responsibilities are divided between Continuing Education and Business Office as appropriate.</td>
</tr>
<tr>
<td>Customized Training</td>
<td>Income Contracts and Grants are generated in ISRS by Continuing Education / Customized Training and invoiced by Customized Training. The invoice is generated in ISRS and mailed by Customized Training billings personnel.</td>
</tr>
<tr>
<td>College Invoices</td>
<td>The Business Office or Facility Office invoices all charges to non-college groups for services or products in ISRS. The requesting party is required to forward copies of appropriate documentation and a Request for Invoice form to the Business Office billings personnel. Examples of charges include but are not limited to: charges for facility rental, event management, equipment rentals, parking fees, telephone services, and expense charge backs to non-college groups.</td>
</tr>
</tbody>
</table>
Part 3. Collection Activities

The College will follow up routinely and diligently on all accounts receivable. The Business Office Supervisor will follow a structured timetable for collection activities including billing intervals, required phone calls, record holds, past due notices, and referral to MN Dept of Revenue, Collection Division. All collection activity undertaken for each account should be documented in writing and as appropriate, recorded in ISRS.

The approved procedures for billings and collection activities are as follows:

Student Fee Statements  The Business Office prints Fee Statements to notify students of their registration and account balance. After appropriate review for accuracy, statements are mailed to students by the Business Office.

The Business Office completes billings each term to ensure timely collections. Fee statements are mailed to students 30 days prior to the payment due date and then each week thereafter for new students. Students are responsible for managing their account online. Emails will be sent to students one week prior to the payment due date and each month thereafter as a reminder to check their account balance online. After the end of the semester final statements with collection letter activity are mailed to the student.

Business Office Holds  The Business Office places holds on student accounts with past due balances to ensure collections and reduce exposure to additional uncollectible revenue. Students with Business Office Holds may not receive a transcript nor register for additional courses at the College. Holds are placed one week prior to the next semester registration date. Business Office Holds are removed once the student has paid the past due balance. Parking holds are placed on the student account four days after the violation, if the fine is not paid.

MN Dept of Revenue Collection Division: 20-Day Notification  The Business Office mails the required notification letter (MN Stat. 16D.11) to all students who owe a balance at the end of the term. This letter alerts the student they will be referred to the MN Dept of Revenue, Collection Division, for collections if their payment is not received within 20 days.

MN Dept of Revenue Collection Division Submission  The Business Office calculates and submits unpaid student balances to MN Dept of Revenue Collection Division for collections. Student records are flagged in ISRS and all invoicing from the College is stopped.

Revenue Recapture  MN Dept of Revenue Collection Division files a Revenue Recapture claim for each referred student on behalf of the College. Unpaid balances returned to the College by MN Dept of Revenue Collection Division should be referred directly to Revenue Recapture as appropriate.

Invoices  The Business Office mails Invoices to non-college groups for charges incurred, Third Party Billings, grants, and Customized Training Income Contracts throughout the fiscal year. Reminders and past due notices are mailed monthly until receivable is collected. Organizations that fail to respond to collection notices will be referred to MN Dept of Revenue Collection Division as required by MN Stat. 16D.11.

Accounts Receivable Aging  RCTC Finance and Operations prepares an aging of all accounts receivable amounts and review collection trends each semester. This information is reviewed with the Director of Finance and Facilities. Updates are provided to the President’s Cabinet as appropriate.
Part 4. Waivers, Refunds and Writing-Off Uncollectible Accounts

The College will periodically, but no less than annually, write off accounts receivable deemed to be uncollectible in ISRS. Uncollectible accounts are no longer recognized as an accounts receivable for management and financial reporting purposes.

The College will cancel or adjust accounts receivable if appropriate. An accounts receivable may be canceled or adjusted because the institution is not entitled to collect the money, or because the debtor qualifies for a waiver or refund (RCTC College Policy 5.12 Tuition Refunds and Waivers). An accounts receivable may not be canceled to avoid write-off procedures.

The Office of the Chancellor will report all accounts receivable and write-offs, with the basis for the decision to the Minnesota Department of Finance using DOF forms FI-054601 and FI-0054501.

The approved procedures for waivers, refunds, and writing-off uncollectible accounts are as follows:

Employee Waivers

Employee Tuition Waivers are approved by Human Resources and posted in ISRS by the Business Office. Qualifying MnSCU employees may request Employee Tuition Waivers per the conditions outlined in their Bargaining Unit Contract.

Student Waivers

Student Waivers are approved and posted by the Business Office. Examples of student waivers include but are not limited to: Aliss Grant waivers, Course Conditions, College Error, Significant Personal Circumstances, Medical Conditions, and Death of Student.

Petition for 100% Refund

MnSCU Board of Trustee Policy 5.12 allows refunds of tuition and fees for situations involving College Error, Significant Personal Circumstance, Medical Condition and Death of Student.

The Director of Admissions and Records approves and Business Office processes petitions for 100% Refund. The Financial Aid Office and Records Department are consulted for specific information relating to the petition. The appropriate Dean or Vice President is consulted in cases involving College Error.

Allowance for Doubtful Accounts

RCTC Finance and Operations will calculate an Allowance for Doubtful Accounts each fiscal year for budgeting and financial reporting purposes.

Write-Offs

The Business Office will periodically but no less than annually, write off accounts receivable deemed to be uncollectible. Accounts identified for write-off will be prepared by the Business Office Supervisor and approved by the President.

For financial reporting, a debt is written off once it has been aged 2 fiscal years. A debt is considered to be uncollectible when it meets one of the following criteria:

1. All reasonable collection efforts have been exhausted.
2. The cost of further collection action will exceed the amount recovered.
3. The debt is legally without merit or cannot be substantiated by evidence.
4. The debtor cannot be located.
5. The available assets or income, (current or anticipated), are insufficient.
6. The debt was discharged in bankruptcy.
7. The applicable statute of limitations for collection of the debt has expired.
8. It is not in the public interest to pursue collection of the debt.
9. The debt has been compromised, in the best interests of the State.

Reinstating Previously
Written Off Receivables  The College will accept payment for accounts receivable previously written off. The Director of Finance and Facility will designate staff to reinstate the previously written off accounts receivable in the MnSCU ISRS system to record the payment and deposit funds to the appropriate accounts. The Accounts Receivable Officer will reinstate the accounts receivable for payment by the Business Office Cashiers. The Business Office Supervisor will maintain a record of all reinstated accounts receivables for audit.

Also refer to RCTC Receivable Management Plan, detail.

Date of Implementation: Immediate  
Date of Adoption:  7/29/03  
Revisions Adopted:  11/12/04