

**UNIVERSITY OF MASSACHUSETTS**  
**POLICY ON STUDENT ACCOUNTS RECEIVABLE**

**I. INTRODUCTION**

This policy will assist the individual student account holder in meeting his or her financial obligation to the University and will also assist the President and the Chancellors in carrying out their fiduciary responsibility to the citizens of the Commonwealth. This policy and its related standards establish guidelines for the timely collection of past due and delinquent student accounts.

This policy applies to all University employees responsible for the administration of this policy. It also applies to any private counsel or private collection agency employed by the University for the purpose of debt collection. Any individual with an outstanding student account balance in the Student Information System at the University of Massachusetts or other system maintained by the University or Campus will be affected by this policy.

**II. POLICY STATEMENT**

**A. Principles of Receivables Management**

Student accounts shall be administered by each campus according to the following principles of financial management:

1. Each campus shall have written policies and procedures for the administration of student accounts.
2. Each campus shall have a system of internal controls for managing the accounts receivable process.
3. Each campus shall perform a periodic review of past due accounts and prepare an estimate of uncollectable accounts.

**Past Due or Delinquent Student Accounts**

When a student account is past due or delinquent as defined by the Standards related to this policy, the campus shall place the student account on financial hold status. The Standards to this policy list the administrative actions that will be initiated by each campus. Chief among them is the denial of registration for future semesters.

If the account is not paid in full after administrative actions are taken, the account will be subject to further action as listed in the Standards to this policy. Among other actions, they

include referral of the account to the Federal and State Intercept Program for possible tax offsets or other payments made through the Commonwealth's Accounting System.

## **B. Financial Reporting**

Each campus shall prepare financial reports on student accounts receivable at the end of fall and spring semesters. The specific reports are defined in the Student Accounts Standards.

## **C. Roles and Responsibilities**

### **1. President**

The President working in concert with the Campus Chancellors have the fiduciary responsibility for the collection of all funds due the University of Massachusetts.

The President hereby assigns to the Chancellor or their designee general responsibility for collection of all amounts owed to the University.

Responsibility for accounts receivable due the President's Office or University Central Administrative Services is assigned to the President, and all references to the Chancellors shall be deemed to include the President as regards such accounts receivable.

### **2. Chancellors**

It is the responsibility of the Chancellor to implement and administer the provisions of this policy in all areas under his or her jurisdiction.

At a minimum, the Chancellor shall:

- a. Protect the financial interests of the institution.
- b. Enact and implement financial policies which extend services to students in an equitable and fair manner.
- c. Provide financial assistance programs to students whenever possible to the extent that institutional resources permit.
- d. It is the policy of the University of Massachusetts to institute collection procedures when other payment arrangements are unproductive.

### **3. Campus**

It is the responsibility of the campus to:

- a. Provide clear and consistent payment policies in a variety of formats within but not limited to the following venues: schedule of classes, monthly billings, University of Massachusetts catalog, and campus website.
- b. Maintain an accurate and up-to-date student account in the Student Information System.
- c. Attempt to notify the student in writing when their account is past due and/or delinquent.

- d. Attempt to notify the student in writing when significant penalties or fines are assessed.
- e. Attempt to notify the student in writing of impending placement with a collection agency.

4. Student

The student account holder shall:

- a. Provide the university with a current address and phone number.
- b. Contact the campus Bursar's Office (or equivalent office) if he or she will have difficulty meeting any payment deadlines.
- c. Pay for all interest, fines, penalties, and collection costs associated with a past due or delinquent student account.
- d. Pay amount owed, even if the student no longer receives bills from the university.

### **III. STANDARDS**

The President, in consultation with the Chancellors shall formulate, and may amend from time to time, Standards to implement this policy. At their discretion, University campuses and departments may impose more restrictive guidelines for budgetary or control reasons.

**ADMINISTRATIVE STANDARDS FOR THE  
POLICY ON STUDENT ACCOUNTS RECEIVABLE  
(Doc. T13-091)**

**I. INTRODUCTION**

*Student Accounts Receivable Standards* apply to the administration of student accounts. Campuses may establish campus policies and guidelines within the scope of University policy regarding the development of student accounts receivable policy. Campus policies and guidelines may be more, but not less, restrictive than the President's Administrative Standards.

This Standard applies to all University employees who participate in the administration of student accounts. It also applies to any private counsel or private collection agency employed by the University for the purpose of debt collection.

**II. POLICY FOR STUDENT ACCOUNTS**

The Policy for Student Accounts Receivables (T13-091) and these standards establishes general documentation and reporting requirements. Section II defines the standard for satisfying the requirements of the following policy:

**A. Principles of Receivables Management**

Student accounts shall be administered by each campus according to the following principles of financial management:

1. Each campus shall have written policies and procedures for the administration of student accounts.
2. Each campus shall have a system of internal controls for managing the accounts receivable process.
3. Each campus shall perform a periodic review of past due accounts and prepare an estimate of uncollectable accounts.

**B. Past Due or Delinquent Student Accounts**

When a student account is past due or delinquent as defined by these Standards, the campus shall place the student account on financial hold status. The Standards to the Accounts Receivable Policy (detailed below) list the administrative actions that will be initiated by each campus. Chief among them is the denial of registration for future semesters.

If the account is not paid in full after administrative actions are taken, the account will be subject to further action. Among other actions, they include referral of the account to the Federal and State Intercept Program for possible tax offsets or other payments made through the Commonwealth's Accounting System.

## C. Financial Reporting

Each campus shall prepare financial reports on student accounts receivable at the end of fall and spring semesters. The specific reports are defined in the II.C below.

## D. Roles and Responsibilities

### 1. President

The President working in concert with the Campus Chancellors have the fiduciary responsibility for the collection of all funds due the University of Massachusetts.

The President hereby assigns to the Chancellor or their designee general responsibility for collection of all amounts owed to the University.

Responsibility for accounts receivable due the President's Office or University Central Administrative Services is assigned to the President. All reference to the Chancellors shall be deemed to include the President as regards such accounts receivable.

### 2. Chancellors

It is the responsibility of the Chancellor to implement and administer the provisions of this policy in all areas under his or her jurisdiction.

At a minimum, the Chancellor shall:

- a. Protect the financial interests of the institution.
- b. Enact and implement financial policies which extend services to students in an equitable and fair manner.
- c. Provide financial assistance programs to students whenever possible to the extent that institutional resources permit.
- d. It is the policy of the University of Massachusetts to institute collection procedures when other payment arrangements are unproductive.

### 3. Campus

It is the responsibility of the campus to:

- a. Provide clear and consistent payment policies and options in a variety of formats within but not limited to the following venues: schedule of classes, monthly billings, University of Massachusetts catalog, and campus website.
- b. Maintain an accurate and up-to-date student account in the Student Information System.
- c. Attempt to notify the student in writing when their account is past due and/or delinquent along with information regarding payment options that may be available.
- d. Attempt to notify the student in writing when significant penalties or fines are assessed.
- e. Attempt to notify the student in writing of impending placement with a collection agency.

4. Student

The student account holder shall:

- a. Provide the university with a current address and phone number.
- b. Contact the campus Bursar's Office (or equivalent office) if he or she will have a difficulty meeting any payment deadlines.
- c. Pay for all interest, fines, penalties, and collection costs associated with a past due or delinquent student account.
- d. Pay amount owed, even if the student no longer receives bills from the University.

## **II. STANDARDS STATEMENT**

### **A. Management of Receivables**

The University campuses must have written policies and procedures, and a system of internal controls for managing the accounts receivable process. Written procedures should include at a minimum:

1. Requirements for establishing and recording a receivable.
2. Collection actions and timeline for the collection process.
3. Requirements for placing holds on student records.
4. Approvals for adjustments to accounts.
5. Periodic review of past due accounts.
6. Process for referring to Collection Agency.
7. Process for referring to the Massachusetts Intercept Program.
8. Criteria for writing off accounts and approvals needed.
9. Process for restoring a previously written-off account and recording receipt of payment.
10. Reporting.

### **B. Past Due Receivables**

The student account is considered past due if payment is not made by the payment deadline.

A student account is considered delinquent when a balance greater than \$1000 is outstanding for more than two consecutive semesters.

Past due accounts should be reviewed at appropriate intervals including at the end of the add/drop period and prior to the start of the registration period for the next semester. The Campus Controller should review the accounts which pose the greatest risk at least quarterly.

Past due prior term balances in excess of \$200 cannot be deferred or paid with financial aid for future terms. This limit will remain consistent with federal law.

The University has the right to impose the following measures on past due or delinquent student accounts:

1. The student account will be immediately placed on financial hold status. Financial holds may only be removed in the case of full payment or a waiver approved by both the Bursar (or equivalent staff member) and authorized Academic Affairs officer under certain circumstances including cases of severe financial hardship.
2. Registration will be denied or canceled.
3. Readmission will be denied.
4. The provision of services, the transfer of credits, transcripts, diplomas, and graduation will be withheld.
5. Eviction from student or family housing.
6. The Bursar's Office (or equivalent office) will continue to bill the student until the account is referred to collections.

If the account is not paid in full, the account will be subject to further action:

1. The student will receive a letter informing the student account holder of any impending delinquency fee and other possible collection activities and penalties.
2. The account will be referred to the Massachusetts Intercept Program for possible tax offsets or other payments if collection efforts are unsuccessful.
3. These agencies may use all the remedies at their disposal. The student account holder is responsible for all costs associated with the collection of this debt. The Bursar's Office (or equivalent office) will continue to monitor the account and assist the collection agency or the Massachusetts Intercept Program.

### **C. Financial Reporting Requirement**

On a regular basis but no less than at the end of the fall and spring semesters, the campus Controller or their designee will:

1. Age all accounts receivable amounts.
2. Review all accounts receivable that are one year or more past due for write-off.
3. Calculate an estimate of uncollectable accounts receivable amounts.
4. For debts older than four years and inactive, authorize a mandatory write-off of the balance.

### **D. Campus Student Account Policies and Guidelines**

Any campus within the University may issue student account policies or guidelines that relate to matters of interest predominantly within that particular campus as long as those policies do not conflict with University of Massachusetts Board of Trustee Student Account Policies and University Standards and are consistent with applicable law. These policies or guidelines are to be referred to as campus policies or campus guidelines. If the campus wants to list additional campus policies that relate to a University student account policy, they may do so as long as the additional campus policies do not contradict or negate the current University policy and the campus policy refers to the University Policy.