

CHAPTER 7: Business Affairs

Procedure 7C.1/11: Accounts Receivable Management

Part 1. Authority

Minnesota State Colleges and Universities (MnSCU) System Procedures for Board of Trustee Policies [7.3](#) and [7.6](#) and Anoka-Ramsey Community College [Policy 7.C.1 Accounts Receivable Management](#).

Part 2. Management of Receivables

All accounts receivable activities must be documented, the amount established and, as appropriate, recorded in the MnSCU Integrated Student Record System (ISRS) in a timely manner. The receivable is generated by the MnSCU ISRS system at the time of registration and/or after tuition has been set.

The approved procedures for accounts receivable documentation are as follows:

Tuition & Course Fees: Charges are generated through the automated registration process. Students acknowledge financial responsibility at time of registration.

Application Fees: A \$20 application fee is assessed to each student record in ISRS when the admission transaction is entered by the Admissions Department. The \$20 application fee may be waived for limited one credit business seminars considered public courses.

Personal Service Fees: 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, Transcript Fees).

Short-Term Emergency Loans: The Financial Aid office approves Short-Term Emergency Loans for students. The student must complete an emergency loan application and sign a promissory note for the debt incurred. The application is obtained in the Financial Aid Office. Financial Aid personnel will forward the appropriate documentation to the Business Office to process the check.

Bookstore Purchases: Students approved for financial aid, scholarships, and third-party funding sources may charge books, supplies and course materials at the campus bookstore. Bookstore personnel verify funding as appropriate and obtain a student's signature as acknowledgement of debt. Business Office personnel then post charges to the student's account.

Continuing Education: Charges are generated for open enrollment courses through the automated registration process. The student acknowledges financial responsibility at the time of registration.

Customized Training: Continuing Education / Customized Training personnel create Income Contracts generated in ISRS, post the Receivable in ISRS, and create an invoice. Continuing Education / Customized Training then provides the Business Office with a copy of the invoice.

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PSEO Textbook and Materials: Charges are generated if a PSEO student fails to return textbooks and materials to the campus bookstore within four weeks after the end of the semester, a fee equal to 75% of the original purchase price shall be assessed, and a hold will be placed on the student's record.

Part 3. Collection Activities

The College will follow up routinely and diligently on all accounts receivable. The Director of Fiscal and Auxiliary Services will designate staff to adhere to a structured timetable for collection activities including billing intervals, required phone calls, record holds, past due notices, and referral to Revenue Recapture and Minnesota Department of Revenue, Collection Division, as outlined in Policy 7C.1 Accounts Receivable Management.

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, Fee Statements are mailed to students by the Business Office personnel. The Business Office will periodically mail up to three (3) fee statements, based on the MN Statute, until payment is received in full.

Effective August 15, 2006, the College will require students to view their account online, which shall constitute an electronic invoice. Paper invoices shall not be issued on a routine basis.

Drop for Non-Payment: The College reserves the right to drop students from enrollment for nonpayment. The Business Office, Financial Aid Office and Records Department work together to complete this process.

Business Office Holds: The Business Office places holds on student accounts having past due balances to ensure collections and reduce the College's exposure to additional uncollectible revenue. Holds will be put on accounts before registration for the next term begins. Students with Business Office Holds may not receive a transcript nor register for additional courses at the College until the student pays the past due balance and the Business Office holds are removed.

Minnesota Department of Revenue, Collection Division 20 Day Notification: The Business Office mails the required notification letter (MS 16D.04, subd. 2) to all students who owe a balance at the end of the term. This letter alerts the student they will be referred to the Minnesota Department of Revenue, Collection Division for collections, if their payment is not received within 20 days.

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

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 as necessary until an accounts receivable is collected. If the receivable originated on a student's account but gets transferred to an organization (Third-Party) and that organization fails to make

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payment, the receivable will then get transferred back to the student's account, and the collection process will begin. The one exception is other State of Minnesota agencies.

Part 4. Waivers, Refunds and Writing-Off Uncollectible Accounts

The college will 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. Accounts receivable can be canceled or adjusted when the college is not entitled to collect the money, or because the debtor qualifies for a waiver or refund ([College Policy 5H.2 Refund of Tuition & Fees](#)). Accounts receivable may not be canceled to avoid write-off procedures.

The Office of the Chancellor will report for each college and university all accounts receivable and write-offs, with the basis for the decision, to the Minnesota Department of Finance using DOF forms FI-0054601 and FI-0054501. Both forms are available on the department's web site.

Approved procedures for waivers, refunds, and writing off uncollectible accounts are:

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 by the Dean or the Business Office (Alliss Grant only) and then posted by the Business Office. Examples of student waivers include but are not limited to Alliss Grant waivers and Course Conditions.

Petition for 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 or family, and military service. The Dean approves Petitions for Refund and then forwards documentation to the Business Office to process. The Financial Aid Office and Records Department are consulted for specific information relating to the petition.

Write-Offs: The Business Office will annually write-off accounts receivable deemed to be uncollectible. The Accounts Receivable Officer will prepare a list of accounts identified for write off. The director of fiscal services will present the write-offs to the Vice President and then designate a staff to complete the entries.

History:

12.2003 Adopted and implemented

05.2006 Amended language to reflect revisions to MnSCU Policy 7.6.2

06.2009 Corrected contact due to change in Vice President structure