



Broward
Community
College

Procedure Manual

Title: Collection of Funds Owed to the College	Number: A6Hx2-6.16
Policy Number: 6Hx2-6.16	Page: 2 of 2

Charges. In the event of legal action for recovery, the maker or drawer may be additionally liable for court costs and reasonable attorney's fees as prescribed by law.

All returned checks will be sent to the accounts receivable department for collection. If the returned check is not for a student on the Admission file, an *F27 Journal Receipt* form will be completed and entered into the system. A manual returned check notification letter will be sent to the individual or organization and the normal follow-up process as described above will be followed. The accounts receivable department will attempt to contact the student/payer by a returned check notification letter. In addition, the accounts receivable department will create and maintain an obligation file on the student/payer and notify the department that received the check of its return and of the collection action taken.

If a returned check is not honored by the payer within 10 working days after due notice, a final notice will be mailed; if the account is not paid within 10 days after the final notice, it will be turned over to a collection agency. A student who has written 3 checks that have been returned to the college or who has not redeemed a returned check before the item was sent to collection shall not be permitted to write another check to the college. All payments received for a returned check should include the assessed fee and will be recorded to the appropriate receivable account.

Other Receivables. All other receivables when due will be invoiced immediately. A second invoice will be sent 30 days after the first. Final notice will be sent 60 days after the first invoice and will warn of the use of a collection agency during the next phase of the collection procedure. At this time, the department where the receivable occurred will be notified of the status of the account. If no payment arrangement has been made 90 days after due date, a report will be made to the credit bureau and the account will be placed with a collection agency.

Collection Agencies. If an account remains uncollected after being placed in a collection agency for 6 months, that account will be placed with another collection agency for 1 year as second placement. If the account remains uncollected after the second placement, it shall be returned to the college for write-off.

Write-offs. Uncollected accounts under \$10 and older than 1 year and all other uncollected accounts older than 2 years shall be submitted to the board of trustees for write-off in accordance with state law.

[Link to Policy 6Hx2-6.16](#)