

Procedure Manual



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Purpose



Pursuant to Broward College Policy 6Hx2-6.16, the College is authorized to exert every effort to collect all current and delinquent debt. Debt due to the College shall be communicated to the student, employee or customer and the following procedures shall apply

Definitions

1. Student – individual assigned a distinct BC student ID number to track admissions, enrollment, and related financial activity.
2. Employee – individual currently employed by the College.
3. Former Employee – individual who was previously employed by the College and is no longer a current employee. Former employees are classified as customers for debt collection purposes.
4. Customer – an agency or individual who is neither a student nor a current employee.
5. Agency Accounts – agencies, companies, or other entities classified as customers for debt collection purposes who agree to pay tuition, fees and/or bookstore charges on behalf of students and are billed for actual costs after the start of the term/session.
6. Debt – an amount owed to the College for obligations and/or receivables due from a student, employee, or customer.
7. Obligation – a type of debt, that when recorded, appears as a balance due in the Credit & Collections system but does not record a transaction in the General Ledger until it is paid. Examples may include application fee, collection fee, check fine, testing fee, transcript fee, written off debt, etc.
8. Receivable – a type of debt, that when recorded, generates a receivable balance in both the Credit & Collections system and General Ledger until it is paid. Examples may include fee deficiency, financial aid overpayment, returned check, agency billing account, tuition deferment, etc.
9. Financial Hold – a system generated block associated with unpaid debt that may prevent the release of transcripts, grades and enrollment certificates as well as prevent graduation, class registration and access to additional College resources or services. The financial hold will remain until the debt is paid in full.
10. Dunning Letter – a past due notice issued after the bill due date if the debt is not paid in full.

Assumptions

1. Broward College produces bills, dunning letters, and collection agency placements on a continuous rolling schedule unless College closure prevents such schedule.
2. Certain types of student debt, i.e. Veteran Fee Advances may be billed differently based on local, state, or federal regulations or restrictions.
3. All debt is pursued through system automated processes configured by Credit and Collections staff.
4. Financial holds will be generated when debt is assessed and will prevent future access to

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resources or services until the debt is paid in full or all monies owed have been paid to Broward College, including principal, interest, fees and expenses.

5. Bills and dunning letters are generated for Receivables and will include unpaid Obligations, but Obligations are not billed or dunned unless there is a receivable also due.
6. Unpaid obligations and receivables are included in the amount due on student schedules, and debt details are accessible from My Financials on the MyBC web page.
7. Students are not permitted to pay for classes without also paying their debt. The debt must be paid prior to or at the time of class payment.
8. Third party organizations or agencies (i.e. hospital, state agency, etc.) are permitted to pay for continuing education classes without also paying a student's prior debt unless the debt is a result of that organization's or agency's prior agreement to pay for courses for the student.

Financial Holds

1. Adding a Financial Hold
 - a. When receivables or obligations are added, a financial hold may be immediately generated on the student, employee, or customer. In accordance with Florida Statute 1010.03, when a debt is owed to the College, the College may prevent the release of transcripts, grades and enrollment certificates as well as prevent graduation, class registration and access to additional College resources or services. The financial hold will remain on the student, employee or customer until all debt is paid in full. Depending upon the debt type, a financial hold may only prevent the release of transcripts (most obligations) or may also prevent continued class registration (some receivables).
2. Removing a Financial Hold
 - a. The financial hold will be removed when all debt is paid in full.
3. Temporary Override of a Financial Hold
 - a. On an exception basis for extenuating circumstances, the AVP of Student Financial Services or designee may provide a written request for a temporary override of a financial hold for the express purpose of allowing class registration. The request will be reviewed and approved or denied by the AVP of Student Financial Services or designee. All the following conditions must apply:
 - i. The student has sufficient financial aid award(s) to immediately pay the debt in full upon award disbursement after the cost of classes and books are deducted.
 - ii. The debt is a debt type that can be paid by the financial aid award(s).
 - iii. The debt does not exceed \$200 if the debt is related to a prior financial aid award year.
 - iv. The student has provided authorization on the Broward Authorization Information form to use financial aid to pay current and prior term debt.
 - v. The debt has not been written off.
 - b. If a third-party organization or agency (i.e. hospital, state agency, etc.) is requesting registration of a student into a continuing education course, the registering department

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can provide a temporary override of a financial hold for the express purpose of allowing class registration. All the following conditions must apply:

- i. The student debt is not related to a failure of the third party to pay for prior classes the third party agreed to pay.
- ii. 100% of any tuition and fees will be covered by the third party.
- iii. Registration is for continuing education courses only.
- iv. If possible, the registering department is responsible to provide notice to the individual student of the outstanding debt and direct the student to contact Credit and Collections.

Until the debt is paid in full, the debt will continue to move through the collection cycle, including issuing past due notices and other collection actions. Should the account be placed with a collection agency, the student is responsible for all associated collection fees assessed by Broward College. If the student makes schedule changes that result in a reduction to the anticipated award amount to the extent that it can no longer pay the debt in full, revokes authorization to use financial aid to pay the debt, or the debt is not paid in full for any other reason, no further temporary overrides of the financial hold will be granted.

Student Collection Procedure

1. Billing



Within 30 days of the date a receivable is added to a student's account, a bill is generated. Based on the student's selected preference, the bill is either in an electronic or paper format. Electronic bills generate an email to the student's BC email address and contain a link to the electronic bill. Paper bills are mailed to the student's address on file in the system of record. Bills are generated on a rolling schedule; the number of days from receivable assessment to bill generation can range from 1 to 30 days. Receivables assessed are due in 15 days of the bill being generated.

2. Dunning

If the receivable is not paid in full within 30 calendar days of the bill due date, a Dunning Letter 1 or first past due notice may be generated. Regardless of a student's billing preference (electronic or paper format), dunning letters will always be issued as paper notices mailed to a student's address on file in the system of record. If the past due balance is not paid in full within 30 days of the Dunning Letter 1 generation date, a Dunning Letter 2 or final notice may be generated. The Dunning Letter 2 informs the student that this is a final notice and payment must be received within 30 days of the Dunning Letter 2 generation date or the balance will be placed with a collection agency. The notice discloses that the student will be responsible for all collection fees assessed by Broward College and the balance due may be reported on the student's credit report if the debt remains unpaid.

3. Partial Payments made on outstanding receivables Arrangements

If student debt has not been placed with a collection agency, the student may make partial payments towards the balance if the debt cannot be immediately paid in full. Students may continue to make

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monthly partial payments until their debt is paid in full. Payments must be made at least every 30 days. If the student makes a payment at least every 30 days, the account will not be placed with a collection agency and the student will avoid the associated collection fees. If the student does not make a payment at least every 30 days, the account will be placed with a collection agency and the student will be responsible for all collection fees assessed by Broward College. In these cases, the date from creation of receivable to placement date may be greater than 180 days.

4. Collections

If a payment is not received within 30 days of the Dunning Letter 2 generation date, the balance due will be placed with a collection agency. Collection fees are assessed by Broward College and added as part of the automated collection agency placement process.



Collection Agency Placement

At the discretion of the President, the College may utilize one or more collection agencies to collect delinquent accounts. The College will make reasonable attempts to collect debt and when those attempts prove unsuccessful, the College may forward the account to a collection agency for placement. When placement occurs, the College will assess a collection fee through an automated process to cover the cost to the College for the collection service. The collection agency may report unpaid debt to credit bureaus on behalf of the College.

Unpaid accounts with a combined receivable total of \$50 or greater may be placed with a collection agency approximately 30 days after a second dunning letter (final past due notice) is issued or by the next placement cycle, upon missing a consecutive payment (Refer to Section IV part 3). When an account is placed with a collection agency, the account will be noted as “In-Collections” and will remain in this status until the debt is paid in full or the account is returned by the agency. Payments for accounts that have been placed with a collection agency may be made to either the College or the collection agency. Payments made to the collection agency are reported to the College twice a month, and upon receipt by the College, the payment will be credited to the account. If the debt was paid in full to the collection agency and the financial hold needs to be cleared prior to the next payment report, the student, customer or employee may contact the Credit and Collections department, who will confirm the payment with the collection agency and place a temporary override on the financial hold.

Debt Disputes

A student, customer, or employee may submit a debt dispute to the Credit and Collections department or the College’s collection agency. The dispute must contain the student, customer, or employee ID number, contact information, amount disputed, debt details and the reason for the dispute. The Credit and Collections department will coordinate a review of the circumstances with other applicable College departments to determine the validity of the debt and the findings will be communicated in writing to the student, customer, employee or collection agency within 30 days from receipt of the written dispute. If the debt is determined to be invalid, the debt and any associated fees, fines or financial holds will be immediately removed. If the debt is valid, all collection procedures will continue and the student, customer or employee will be responsible for payment in full.

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Write Off of Uncollected Debt

In accordance with Florida Statute 1010.03, all debt that proves to be uncollectible may be written off. 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. All debts (including those that are written-off) will be maintained on the system of record until satisfied or it reaches the 5-year mark, at which time obligations will be cleared. Financial holds will remain in place and will continue to restrict access to College resources and services until the debt is paid in full or is removed after 5 years. Accounts eligible to be written-off at the 5-year mark will be processed in the first month of the following fiscal year after the 5-year mark.

Upon receipt of a 'discharge of debt' notification related to bankruptcy actions filed with the Federal Bankruptcy Courts, the Credit and Collections department will review the outstanding debt to determine which debt cannot be collected. A debt that cannot be collected will be written off with Board of Trustee approval and the associated write off obligation and financial hold will be removed.

Upon receipt of a death certificate, Social Security Administration death validation, or other official evidence of death, the Credit and Collections Department will review the student, employee or customer record and outstanding debt will be written off with Board of Trustee approval and the associated write off obligation and financial hold will be removed.

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