

ADMINISTRATIVE PROCEDURES

Title: DELINQUENT ACCOUNTS	Identification: 6.07
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	Effective Date: June 9, 2016
Authority: SBE 6A-14.060 FS 1001.64; 1001.65 HCC Rule 6HX-10-6.04	Signature/Approval: Dr. Ken Atwater

PURPOSE

This administrative procedure establishes guidelines for the collection of delinquent accounts owed to the College.

PROCEDURE

All financial obligations and accounts owed to HCC are to be paid when due. Delinquent accounts owed to the College include, but are not limited to, dishonored checks, return of Title IV funds, overpayments, overdue deferrals, third party billing for services provided which have not been paid by the contractually agreed upon date, or other payments owed the College. Delinquent student accounts are sufficient cause for cancellation, prevention of registration or withdrawal from classes. Registration, diplomas, or release of transcripts may be withheld on any student who has an outstanding financial obligation to the college. Students with an outstanding balance may be permitted to participate in registration. However, if both the prior obligation and the current registration charges are not paid by the established due date, the student's registration may be purged. The following procedural guidelines apply to the collection of delinquent accounts owed to the College:

DEFINITIONS

Accounts Receivable:	Money owed to the College for goods/services provided. Amounts recorded on the College's financial statements as being due from a student, third party, or agency.
Bankruptcy:	A legal proceeding involving a person or business that is unable to repay outstanding debts.
Collection Agency:	A third party engaged by the College to pursue the collection of delinquent accounts receivable and obligations. Note: Third party providers must include in their contract with the College policies and procedures that comply with the "Red Flag" rule.

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Delinquent Accounts: An account is deemed to be delinquent when a Reasonable effort has been made by the College to Collect .a debt through phone calls and or billing(s).Accounts owed to the College for more than 60 days, unless extended payment terms have been specifically allowed by Florida statute, and authorized by the appropriate College administrators.

Obligation: There are two types of obligations. The first results from small amounts less than \$25, owed to the College. These amounts will not prevent a student or entity from registering for a new term. They will, however, prevent the issuance of transcripts or grades, until payment is received. The second type of obligation results from accounts receivable that have been written off as uncollectible in prior term(s). These obligations should prevent a student from registering for a new term, or an individual or entity from engaging in future business with the College.

Restricted List: A listing of those students who may not register until their debt is paid.

Write-Off: A receivable balance that is deemed to be uncollectible after a reasonable attempt has been made to collect. The receivable is reduced to zero and removed from the College's financial statements.

BANKRUPTCY

If a student files a petition in bankruptcy and the finance department can verify the filing, the finance department will cease billing the student and remove any financial hold on the student's account and/or in accordance with federal bankruptcy regulations.

COLLECTION AGENCY

The finance department will publish the payment deadline each term. If payment is not received when due, delinquency notices will inform the debtors that their account(s) will be referred to a collection agency if payment is not received within a specified time period.

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CREDIT BUREAU

The College's contracted collection agency will take all reasonable/lawful efforts to collect delinquent accounts. If the College's collection agency classifies an account as uncollectible, the delinquency will be reported to a credit bureau. The collection agency will notify the credit bureau monthly of all accounts settled satisfactorily during the month.

RESERVE FOR DELINQUENT ACCOUNTS

On an annual basis, the College will calculate the total accounts receivable balance greater than one year old, but less than two years old. This amount will be the basis for the College's Reserve for Delinquent Accounts.

RESTRICTED LIST

Debtors with delinquent account balances over \$25 may not be permitted to register for classes, receive transcripts or diplomas or engage in future business with the College until their debt is satisfied. The College personnel authorized to override financial restrictions include:

Vice President of Administration of
Finance/CFO Controller
Director of Financial Services

STATE ATTORNEY'S OFFICE

If a check is returned to HCC from the bank for any reason, the Accounts Receivable Office will undertake steps to collect the funds due to the College. A returned check fee of twenty-five dollars is assessed against the issuer of the check. The Accounts Receivable Office will attempt to collect and send a final reminder notice. After the final reminder, the Accounts Receivable Office will review the account and determine whether the account will be transmitted to the State Attorney's Office for collection in accordance with the established state guidelines.

WRITE-OFFS

On an annual basis, the District Board of Trustees will be informed of the type and amount of accounts that are two years and older. The Finance Department will prepare a list of delinquent accounts for recommendation for write-off.

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The President will present the write-offs to the Board. These accounts will be written off the College's financial statements, but will remain as obligations.

History:

Adopted: 12/81/86; Revised: 8/10/89; 1/4/90; 6/5/90; 6/11/92; 11/25/92;
3/4/94; 10/5/94; 5/11/95; 2/14/96; 12/9/97; 1/22/14

Formerly: 5.105