

Section:	XII.3.8	
Title:	Write-Off Policy & Procedures For Uncollectible Student Accounts Receivable	
Effective Date:	October 1, 2017	
Approved By:	Director of Student Accounts	
Responsible Unit:	Collections (609) 771- 2172; collections@tcnj.edu ; stuacct@tcnj.edu	
Related Documents:		
History:		
<u>Version</u>	<u>Date</u>	<u>Notes</u>
2.0	October 1, 2017	Revised
1.0	June 1, 2010	New policy; Initial release

I. INTRODUCTION

This document describes the process to follow for the write-off of uncollectible student account receivable.

II. DEFINITIONS

N/A

III. POLICY

This policy is in effect for students who are no longer enrolled at the College. All student account receivables will go through an internal collection unit effort followed by at least one (1) external third party collection effort with the exception of those individual student receivable balances less than or equal to \$24.99.

1. Any outstanding student receivable will be written off according to the following established criteria:
 - a. Any debt between \$25.00 - \$99.99 that is delinquent for at least one year from the date it is transferred to TCNJ's internal collections unit and there has been no contact with or payment received from the debtor for at least one year.

- b. Any debt between \$100.00 - \$499.99 that is delinquent for at least two years from the date it is transferred to TCNJ's internal collection unit and there has been no contact or payment received from the debtor for at least two years.
- c. Any debt equal to or greater than \$500.00 that is delinquent for at least three years and there has been no contact or payment received from the debtor for at least three years.
- d. Any debt that is owed by a debtor that is deceased and there are no assets in their estate from which to collect the debt owed.
- e. Any debt or portion of debt that is discharged in bankruptcy.

A. PROCEDURE

1. An account becomes delinquent on the day it is transferred to the internal collection unit at the college. Students who are registered for a current term are not considered for collections. Accounts are transferred to internal collections at the start of the term following their last enrollment after the Add/Drop period.
2. Accounts placed with the internal collections unit at the college are sent one pre-collections/final request for payment letter, without penalty, as a reminder of the past due balance and advises the debtor of potential collection activity for non-response to the letter. This notice is sent on The Office of Student Accounts letterhead, and is not considered a collections notice. Service indicators, SUB and STH, remain on the account at this time to prevent registration activity or official transcripts from being released.
3. If the account balance is not satisfied in full, a total of two (2) Dunning letters are sent to each debtor. Each debtor receives one letter per month for two consecutive months. These two letters request the debtor to make payment or payment arrangements for their delinquent balance. At this time, SAC (Internal Collections) and DNB (Do Not Bill) service indicators are applied to the account. After the second Dunning letter is sent, a Final Demand Collection notice is sent the following month to the debtor, which requests payment in full from the debtor, and notifies the debtor that they will be sent to an external collection agency if payment is not made in full within 30 days.
4. The debtor will be randomly placed with one of the contracted external collection agencies should they not respond to the letter series. This first placement of the debtor will last for one year from the time of placement. At the time of placement, a collection agency service indicator will be added to the student's account in the college's student system showing they are placed with an external collection agency as a first placement. This service indicator will restrict future registration or official transcript activity.

5. After one year has expired, if there has been no activity on the accounts placed with the external collection agencies, those accounts are closed with the respective collection agency and returned to the college.
6. Returned student accounts will be reviewed by the internal collections unit and then be randomly re-assigned to a different external collection agency as a second placement for the period of one year. Additional service indicators will be placed on each student account reflecting a second placement.
7. After an additional one year has expired, those accounts in which no activity has occurred will be closed and returned to the college.
8. Upon collection efforts being exhausted and returned by the external collection agencies, the internal collection unit runs a report of those students who may be sent to the State for Taxation set-off (SOIL). Prior to submission, this list is reviewed by the Collection Coordinator and the Assistant Director, then forwarded to the Director of Student Accounts and sent to the Treasurer for final approval.
9. Those accounts which have been through two rounds of external collection agency efforts will be reviewed for balances. Those with a balance under \$500 will be presented to the Treasurer for write-off approval. Those accounts with a balance over \$500 will be held for one additional year to meet the threshold of three years inactive. Once the third year passes, these accounts will be presented to the Treasurer for write-off approval. All write-off requests will be accompanied by supporting backup documentation.
10. After the write-offs are approved, the next step is to prepare the proper accounting entries to reduce the college's accounts receivable balance. These entries are posted by the Collections Coordinator in the student system and all formal collection efforts will cease. An additional service indicator will be applied to each student's account entitled "SWO – Account Written Off" which will remain on the account until the debt is paid in full.
11. If a payment is received subsequent to the approved write-off of the account, the debt will be reinstated on the student account and the payment applied against the outstanding debt. Once the account is paid in full, the "hold / service indicator" will be removed.

B. NOTES

1. Student Account receivables refers only to the debtor's tuition, fees, fines, or room/board accounts of \$25.00 or more that appears as outstanding debt on the student's account.
2. Any account with a \$24.99 balance or less will not be included in any internal/external collection efforts. The accounts with a balance between \$10.00-\$24.99 will receive a final request letter for payment the semester they are turned over to internal collections.

Should payment not be made, these accounts will be presented for write-off approval one year after the account has been turned over to internal collection and become delinquent. There will be no holds/ negative service indicators applied to these student accounts. A positive service indicator will be applied to these accounts entitled "SWN – Account Written Off – No Impact" to advise the account has been written off with no negative impacts.