

RECEIVABLES POLICY (STUDENT ACCOUNTS)



THE MICO UNIVERSITY COLLEGE 1A Marescaux Road, Kingston 5

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1. INTRODUCTION

The University College although allotted a subvention from the Ministry of Education, must collect fees to provide a suitable teaching and learning environment for its students, and in accordance with the institution's Scheme of Arrangement, is allowed to demand and raise fees from the student population. These fees are the various sums which are levied primarily in respect of the academic work of the University College, and include tuition fees, boarding fees, and miscellaneous fees. The University College must collect the fees it levies.

2. PURPOSE

The purpose of this policy is to establish guidelines for the timely collection of student fees. The policy however, may also be used to process other delinquent receivables from vendors and non-student accounts. This policy does not apply to the receivables from the Ministry of Education, the Student Loan Bureau (SLB), JAMVAT or PATH.

3. OBJECTIVES

The University College shall seek to collect all the fees levied.

The University College shall also be guided by the principle that its actions are

- Clear and consistent
- Fair and reasonable
- Open and transparent
- Legally compliant

4. SCOPE

The Receivables Policy (Student Accounts) shall cover all fees levied by the University College. Tuition fees do not include other University goods or services which are not a necessary part of an academic course.

This policy applies to University College staff and students

5. DEFINITIONS

- Academic Session: - the time during which classes are in session (a semester or the academic year).

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- Delinquent Account: - An account on which the student has failed to make at least the minimum payment by the due date.
- Default: - When a Debtor is unable to meet the legal obligation of debt repayment.
- Sponsor: - A company or person paying the tuition or Boarding fee for a student. Sponsors include companies, government agencies or individuals. Third parties who are not being invoiced directly by the University College are not sponsors.

6. RESPONSIBILITY

6.1. The Board of Directors

The Board of Directors shall:

- a) Receive timely reports in respect of the Receivables (Student Accounts)
- b) Approve as it sees fit, the recommendation from the Management to reduce the level of its Receivables.

6.2. The Executive Management Committee

The Executive Management Committee shall:

- a) Ensure that the University College meets the commitments details in this Policy
- b) Recommend to the Board, strategies to reduce the level of the institution's Receivables and shall implement the strategies on approval by the Board.

6.3. The Financial Director

The Financial Director shall:

- a) Be responsible for the day-to-day management and implementation of this Policy
- b) Monitor this policy, and shall review the policy periodically to ensure continued compliance with legislation, effectiveness, and equality impact.
- c) Report to the Executive Management Committee and to the Board through its Finance Committee as to the status of the Receivables

6.4. The Office of Student Finance

The Office of Student Finance shall:

- a) Ensure timely billing of students
- b) Track the collection of inflows from students and maintain student files
- c) Advise students of their status
- d) Maintain adequate records regarding legal financial obligations (i.e., debts) owed to the University College.

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6.5. The Academic Staff

The Academic Staff shall:

- a) Ensure that students in their classes are duly registered, indicating that they have made suitable arrangements with the Office of Student Finance, with respect to any Receivables balance.

6.6. The Student

The Student shall:

- a) Ensure that they have made suitable arrangements with the Office of Student Finance with respect to any Receivables balance, whether the student is a past student of is currently pursuing a course of study.

7. POLICY PROVISIONS

7.1. Accountability and Probity

Accountability

All money received by the University College or is a Receivable must be correctly recorded in the University's Financial System, and must be for University purposes.

Probity

All University College staff should observe the following ethical standards:

- All business must be conducted in the best interests of the University College, avoiding any situation which may impinge, or might be deemed to impinge, on impartiality
- Confidentiality must be maintained in all dealings.
- Security must be maintained over revenue related information
- Staff must decline gifts, gratuities or any other benefits which may influence, or might be deemed to influence, equity or impartiality.

7.2. Fees and Payment of Fees

7.2.1. Standard Terms and Condition with respect to Fees

The fees levied by the University College include tuition fees, boarding fees, and miscellaneous fees. The University College must collect the fees it levies. Fees are normally charged per annum, but payment is acceptable per semester.

- i) All fees and charges due to the University College shall be payable in advance and are non-refundable except in exceptional circumstances. The University College may require students to make advance payment before they enrol for a semester. Advance payments do not affect these terms and conditions.

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- ii) The University shall not convert tuition fees into a loan.
- iii) Students become personally liable for their own fees when they accept a firm offer from the institution, and all students shall be required to ensure that fees can be paid in full when they fall due.
- iv) Students with a University College scholarship will have their fees waived for the academic session/s as covered by the scholarship.
- v) Students whose fees are through the Student Loan Bureau (SLB) or who receive a grant from JAMVAT, PATH must continually liaise with the agency to ensure that the process for the disbursement for the loan/grant is followed through to completion.
- vi) All other students who are not paying their own fees for an academic session themselves must provide proof of sponsorship.
- vii) Sponsors include companies, government agencies or individuals. Third parties who are not being invoiced directly by the University College are not sponsors.

7.2.2. Payment Methods

- i) The University offers students several payment methods, including:
 - Debit and credit card;
 - Bankers draft;
 - Cheque;
 - Cash
- ii) Students shall be notified in advance of changes to payment methods unless changing economic conditions, new regulatory requirements or fraud prevention mean this is not possible.
- iii) Students making payment from a foreign bank shall pay all currency translation, conversion and bank charges incurred.
- iv) Bank charges incurred by the University College from processing payments by debit or credit card, shall be borne by the student.
- v) Additional charges for bank fees and administration shall only be charged when students have been notified in advance.
- vi) The University College will accept no liability for cash, paper documentation or any other form of payment which is lost in the post or in transit.

7.2.3. Variation of Standard Terms and Conditions

- i) The University is under no obligation to extend payment terms beyond its standard terms and conditions. However, the University recognises that major events can occur, which:
 - a) are beyond foresight and control, and
 - b) create an ongoing disruption to a student's flow of funds, and
 - c) limit or constrain the student's ability to pay fees when they fall due.

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In these exceptional circumstances, and at its own discretion, the University College may extend payment terms beyond its standard terms and conditions.

In determining a request to extend payment terms the University may require the student to provide documentation to support the request.

7.2.4. Refunds

- i) All fees and charges due to the University College shall be payable in advance and are non-refundable except in exceptional circumstances. However, at the University College's discretion, refunds may be given:
 - Where a foreign student has paid in advance, but has subsequently been denied a Student Visa
 - for fees on a proportionate basis for student formally withdrawing from a programme (as per the Refund Policy)
- ii) Students requiring refunds to a foreign bank must pay for all currency translation, conversion and bank charges incurred by the University College

7.2.5. Communication

The University College undertakes to communicate fee information to students in the fullest possible way, and hence the University College undertakes to:

- notify students of their fees for an academic session;
- have monthly statements sent to students with any unpaid fees
- reminder letters sent to students with overdue fees
-

In addition, to recover overdue fees the University may:

- contact students by telephone, email or other electronic means
- require students to provide evidence of means (income, expenditure, assets and liabilities)
- require students to provide evidence of changes in their circumstances
- require students to attend interviews to facilitate payment of fees.

The University College will primarily contact students using The Mico's email account that the University issues to each student on enrolment. Students agree to check this email account regularly as part of the terms and conditions they agree to before enrolling.

The University may also contact students using the contact details students themselves have given to the University College.

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7.3. Criteria for Recognizing an Account Receivable

A student account receivable will be recognized (recorded in the University College's financial records) when:

- the student has been billed, has not settled the bill, but enrolled for classes at the University College or has been registered for classes by the University College;
- a student has incurred charges for costs associated with attendance (tuition fees, boarding, miscellaneous fees, library fees etc.)
- payment is due to the University College from the student or a third party and payment has not been received (collected) by the University College from the student or third party;

7.4. Recording an Account Receivable in the Financial Records

An account receivable is recorded in the financial records by the billing and registration process. These entries credit the appropriate revenue accounts and debit the appropriate account receivable accounts in the University College's accounting system. In the event that a student withdraws during the semester, the accounts receivable outstanding balance is reduced by the appropriate percentage refund rate relevant at the time of withdrawal.

7.5. Reconciling Accounts Receivable

The Finance and Accounts Office shall maintain adequate records of student accounts, including students' accounts receivable and shall prepare a reconciliation of the student receivable records and the financial accounting records on a timely basis.

7.6. Aging Accounts Receivable

The Finance and Accounts Office shall also maintain an aging schedule for all student accounts receivable with the total of the aging schedule balanced to the total recorded accounts receivable.

The following aging brackets are used:

- Greater than 30 days old
- Greater than 60 days old
- Greater than 90 days old
- Greater than 1 year old

At year end, other ranges may be analyzed to aid in the process of the calculation of the allowance for doubtful accounts.

7.7. Collecting Accounts Receivable

The mechanism for the collection of students' accounts receivables shall be dependent on whether the student is an active student or an inactive student.

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Active Students

Active students shall be billed throughout the semester and advised of the due dates to complete payment set by the Student Finance Office. After being billed students shall be given adequate time to honour outstanding balances. If students pay outside of the due dates they shall be assessed penalties for late payments. However, if the student has not honoured his/her obligation, after the cut-off for late payment, a hold shall be placed on the students' account, preventing their registering or for them to gain access to University College services, until the account is settled. If the student had registered, and not paid the balance of the fees due, the student shall be deregistered, but allowed some time to pay outstanding balances in order to be re-registered. If a student has been barred from registering, or has been de-registered, the student shall be excluded from lectures, tutorials and other classes including practical classes and from examinations, or from the University College. Active students shall not be turned over to a collection agency for collection during the semester if they are actively enrolled.

Inactive Students

The accounts receivable for inactive students shall be regarded as being in default. The University College shall determine the attention and the effort to be expended on accounts in default and whether or not collection agencies shall be utilized.

An account will be considered in default if the following apply:

- the account balance is at least 90 days old;
- the debtor has not exhibited concern regarding the delinquent account (i.e., requested a repayment agreement/payment plan); and,
- the debtor is not an active student.

Delinquent accounts will be analyzed and processed on a regular basis. Any general deposits will be applied to inactive students' outstanding balances to defray the amounts due to the University College. After this analysis, delinquent accounts on inactive students will be subject to collection activity. Attempts shall be made to contact students regarding their outstanding balances. The institution may issue demand letters, which shall be issued in compliance with the applicable laws. During the communication period, students will be allowed to make repayment arrangements / payment plans. If these contacts fail to settle outstanding balances, the delinquent accounts may be turned over a collection agency or referred to an attorney-at-law for legal action. If a collection agency or the attorney-at-law is engaged, the costs will accrue to the delinquent student.

If a debtor with a delinquent account establishes a repayment agreement / payment plan and makes scheduled payments towards the balance within one of the warning periods, the debtor will be treated as an "active" student. If however, the arrangement breaks down, and the arrangement for collections will revert to the arrangements for "inactive" students.

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A hold shall be placed on all inactive students' accounts, preventing the student from obtaining a transcript, a status letter or the certification, until the balance has been paid in full.

Summary

In summary, if fees are not paid when due, sanctions shall be applied, after reasonable notice has been given. A student who is in debt to the University College in respect of fees shall be liable to one or more of the following:

- i) Be required to pay any costs to debt collection incurred by the University in recovering fees;
- ii) Be excluded from lectures, tutorials and other classes including practical classes and from examinations, or from the University College;
- iii) Shall be withdrawn from scholarships and/or bursaries
- iv) Shall not be eligible to register for any Course in the semester, or as a Student
- v) Shall not be eligible to receive other university services e.g. access to the Library, Computer labs, and may be removed from the online services;
- vi) Shall not be eligible to receive letters certifying student status;
- vii) Shall not be eligible to receive a degree or other award; and shall be barred from graduation; and;
- viii) May be referred to a collection agency, and shall be required to pay any costs incurred by the University College in recovering fees.

The University College may also start legal proceedings for recovery of debt, where the University will apply for its legal costs to be paid by the student. If the Court decides in favour of the University College then this could negatively affect the student's credit rating, which may limit their ability to take out loans or mortgages at a future date.

7.8. Write-off of an uncollectible account

The University College will establish procedures to determine when the write-off of an uncollectible account will occur. These write-off procedures will take into account both the age of the account and the amount due from the student.

A list of all accounts written off will be filed in the Office of the Director of Finance and all student accounts that have been written off will be flagged in the student accounts system. Additionally, a transcript and registration hold will be placed on these student accounts to prevent these persons from receiving future services from the University College until their balances have been paid in full.

7.9. Forgiveness of Debt versus Write-Off of Uncollected Accounts

The write-off of an uncollected account is a bookkeeping entry only and does not relieve the debtor from his/her financial responsibility to the University College. Although the uncollected account has

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been removed from the financial books and records (i.e., written-off as uncollectible), the University College may still have a claim against the debtor and may still seek legal remedy (i.e., file suit for collection in a court of law). Therefore, it is the responsibility of the Office of Student Finance to maintain adequate records regarding legal financial obligations (i.e., debts) owed to the University College.

7.10. Allowance for Double Accounts

In the University College's records there shall be an allowance for doubtful accounts on past due accounts for all accounts that have not been written off or forgiven. Prior to closing of the book's each fiscal year, the Office of Student Finance will analyze and adjust the allowance for doubtful accounts, with offsets to the appropriate revenue accounts or bad debt expense, in accordance with accounting guidelines. An allowance for doubtful accounts will be set up as a contra-receivable in each appropriate general ledger.

8. DATA PROTECTION

The University College will not give information concerning a student's financial situation to any individual/organisation including individuals and organisations who have agreed to fund that student's fees and this extends to a student's family members. This information shall not be released to such individuals/organisations unless specifically authorised in writing by the student to do so. If the students authorize the University College it may invoice Sponsors directly.

The University College, however, may share information concerning a student's financial situation amongst its own staff and individuals who are contracted to work for it, where it has a business need to do so.

Where debt has been passed for legal action, the University may release any personal data it holds on the defaulting student to its lawyers or collecting agents which is deemed necessary to facilitate collection.

9. FRAUDULENT ACTIVITY

Fraud is defined as including any of the following: theft, false accounting, bribery, corruption, money laundering, forgery, deception and collusion or other financial malpractice. Where fraud is suspected or discovered immediate action must be taken. Where, as a result of fraud, the University has, or is at risk of, suffering a financial loss it may take immediate steps, without further reference to minimise the risk and/or recover any funds advanced or debts outstanding.