

SECTION 13.0 - LOAN AND ACCOUNTS RECEIVABLES

13.1 Introduction

This chapter outlines the authorization to establish loans and accounts receivables and the collection of the debts.

13.2 Authorization

13.2.1 Loan Receivables

The College has both campus-funded and State/Federally-funded monies which are loaned to students. The monies are administered by the Financial Aid Office and once loaned establish the following loan receivable:

Short-Term Loans - Campus-based monies loaned to students to cover emergencies; repayment period is 30 to 60 days.

NDSL*/Perkins Loans - Federal monies loaned at a discounted interest rate to students as part of their financial aid package; repayment period is ten years.

Education Fee* and General Loans - Campus-based monies loaned to students at a discounted interest rate as part of their financial aid package; repayment period is five to ten years.

* No longer loaned.

13.2.2 Accounts Receivables

The College has a computerized billing and receivable system for charging fees and tuition. At the beginning of the semester, the student's account is charged with the cost of fees and tuition. Thus, the accounts receivable is established.

13.3 Collection of Loan Receivables

The Fiscal Office is responsible for the monitoring and collecting of the loan receivable. For short-term loans, the Fiscal Office attempts to collect the loans itself. Attempts to collect include placing holds on the student's academic record, disallowing registration for future semesters and withholding bar certification. If collection is not successful, the loans are turned over to a professional collection agency.

For the Education Fee Loans and the Perkins/NDS Loans, the College contracts with a professional billing and collection agency. This agency performs due diligence on the loans and produces the necessary billings.

The interest and principal monies collected from all receivables, except the education fee loans are returned to the loan funds to be loaned to new students. The monies collected from the education fee loans are added to supplement the State appropriation.

13.4 Collection of Accounts Receivable

After the accounts receivable is established, the student makes payment against this account, or his/her financial aid award (if applicable) is applied against the account. If the financial aid award exceeds the amount owed, the College will produce a check to the student refunding the excess amount. If the financial aid award does not meet the amount of the charges, the student is required to pay the difference by the established deadline. All balances on the accounts receivable system must be cleared by the second week of the semester or the student is dropped from the classes.