

HAYWOOD COMMUNITY COLLEGE	BUSINESS SERVICES NON-STUDENT DEBT COLLECTION	Procedure 6.2.9.2
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I. Scope of Procedure

This Procedure shall be used for all College non-student accounts receivable. Accounts receivable or uncollected billings that may be submitted for collection include, but are not limited to: salary overpayments, contract work completed by the College for which the College has not received payment, fees owed to the College, deposited checks returned unpaid for insufficient funds, and nonpayment for goods or services purchased from the College.

II. Age of Accounts and Collections of Past Due Billings

- A. Current: An account that is invoiced but not due. For example, an account is invoiced April 1 but not due until April 30. The period from April 1 through April 30 is considered current.
- B. 1-30 days past due: In the above example, this period is from May 1 to May 30. The account is considered 30 days past due after May 30. The College will mail the first past-due letter (demand letter) to the debtor; make phone contact; and receive a promise to pay.
- C. 31-60 days past due: In the above example, this period is from May 31 to June 29. The account is considered 60 days past due after June 29. The College will mail the second and final demand letter to the debtor and send a confirmation letter for repayment.

III. Assessment of Late Fees

- A. If, after thirty (30) days, there is no satisfactory response to the letter, the College may apply a one-time late payment penalty fee of ten percent (10%) of the balance due (rounded to the nearest whole dollar).
- B. Child Care fees are due by the fifth working day of the month. After the fifth working day, a late fee of \$25.00 is applied to the account.
- C. Once the College is notified of a returned check, a \$25.00 fee (N.C.G.S. § 25-3-506) is applied to the account.

IV. Collection Techniques.

A. Child Care Center

1. As charges become past due, the Center Director notifies the parent of the balance due and the child's position in the classroom. If the account remains delinquent, a subsidized parent is issued a 10 day notice from Southwestern Child Development. If the notice expires, or a private pay parent owes a balance the College issues a standard first letter. They are instructed how and when to settle the balance due. They are given a due date by which to respond.
2. Standard Second Letter: A standard second letter is sent, two weeks after the first letter, in a final attempt to reach a resolution with the indebted party. They are given a due date by which to respond. If no response is received, further collection efforts are followed, as described in #3 and #4 below.
3. A file is submitted to the NC Department of Revenue Set-Off Debt Unit for debts \$50.00 and above. The placement of debts can be submitted simultaneous to the NC Department of Revenue and to a state-approved collection agency. If a payment is received from the NC Department of Revenue, we notify the collection agency of the payment. The collection agency cannot charge us a fee for collections from set-off-debt.
4. Submit a list to the state-approved collection agency. This list can be submitted simultaneous with the Set-off-Debt file. The collection agency sends a monthly statement and a payment electronically for any payments received.
5. Refer the matter to the State Employees Debt Collection Act if necessary.
6. Submit a list of Accounts Receivable for write off to the Haywood Community College Committee on Finance and the Board of Trustees annually.

B. Returned Checks

1. As charges become past due, a standard first letter is sent to each party notifying them of their indebtedness to the College. They are informed of how the indebtedness occurred (i.e. returned check, etc.) and instructed how and when to settle the balance due. They are given a due date by which to respond.
2. A standard second letter is sent, two weeks after the first letter, in a final attempt to reach a resolution with the indebted party. They are given a due date by which to respond. If no response is received, further collection efforts are followed, as described in #3 and #4 below.
3. A file is submitted to the NC Department of Revenue Set-Off Debt Unit for debts \$50.00 and above. The placement of debts can be submitted simultaneous to the NC Department of Revenue and to a state-approved collection agency. If a payment is received from the NC Department of Revenue, we notify the collection agency of the payment. The collection agency cannot charge us a fee for collections from set-off-debt.

4. Submit a list to the state-approved collection agency. This list can be submitted simultaneous with the Set-off–Debt file. The collection agency sends a monthly statement and a payment electronically for any payments received.
5. Refer the matter to the State Employees Debt Collection Act if necessary.
6. Submit a list of Accounts Receivable for write off to the Haywood Community College Committee on Finance and the Board of Trustees annually.

C. If, after sixty (60) days, there is no satisfactory response to the second letter, the College may:

1. Refer the matter to one of the State approved collection agencies; and
2. Refer the matter to the North Carolina Department of Revenue pursuant to the Set-off Collection Act and the State Employees Debt Collection Act.

D. The College reserves the right to take all appropriate legal action to collect the debt.

V. Use of Late Fees

Any funds the College accrues as a result of late fees shall be used as follows:

- A. Applied towards any fees incurred by the College for the collection effort;
- B. Student aid; and/or
- C. Other expenditures of direct benefit to students.
- D. Child care center late fees are used for the Center’s expenses.

Adopted: 06-07-2017