



## 12.5 Collections of Past Due Accounts

### Policy Statement

The Accounts Receivable Department will make every reasonable effort to collect past due accounts for the University of Georgia.

### Reason for policy

The Collection of Past Due Accounts policy is needed to ensure the collection of delinquent accounts in which a student was issued credit for services provided by the University of Georgia.

### Procedures

#### **Collections**

Students are required to complete a Student Account Acknowledgement each term. This acknowledgement occurs the first time the student initiates registration. The University's collection acknowledgement states, "I understand that in the event my student account balance is not paid in full by the due date, I agree to reimburse to The University of Georgia the fees of any collection agency, which may be based on a percentage at a maximum of 33.3% of the debt and all costs and expenses, including reasonable attorney's fees, we incur in such collection effort." The Acknowledgement also states, "I authorize the University of Georgia and their respective agents, collectors, contractors and anyone else working on their behalf, to contact me regarding my student account, loan request or my loan(s), including repayment of my loans, using any phone number I provide including my cell phone or other wireless device by manually dialing the number or using automated telephone dialing equipment or artificial or pre-recorded voice or text messages."

Should any payments that are made be returned for insufficient funds, invalid account, etc. these balances will also be treated as stated above. The student account balance may encompass multiple university related charges in addition to tuition and fees and that all past due balances are subject to collection.

The Bursar's Office will email follow-up correspondence to the student if payment is not received by the due date listed in the payment deadline calendar located on the Bursar's Office website. Emails are sent to the student's UGA email address on a monthly basis notifying them there is a balance on their student account. In addition, reminders are sent prior to key due dates if the student has incurred charges when these notices are requested. When payment remains past due after a series of these emails are sent, a final collection letter is mailed to the student.

Due Diligence must be done before referring the account to a collection agency.

Students who have delinquent accounts should have their University records flagged to deny all University services including holding diplomas until the delinquent account is cleared. A minimum of 24 hours is needed for flags to be removed once the debt is paid to the Collection Agency. Students are responsible for all collection costs.

#### **Collection Agencies**

The University will follow Board of Regents guidelines for accounts that are considered delinquent. Any account which becomes delinquent may be routinely assigned to a collection agency if no acceptable effort has been made on the part of the student to clear the obligation. If the efforts of a collection agency do not produce the desired collection results, presidents and chief business officers are authorized to file actions in small claims court for the collection of debts over which they have administrative control.

In general, unless there has been evidence of good faith intention to pay, accounts which are at least 120 days past due, may be referred to collection. Collection agencies should not retain accounts for more than twelve (12) months. Once an account is referred to a collection agency, the department may not perform any collection efforts on the account as long as it is held by the collection agency. If, after one year, no collection effort has been made, the account may be placed with a second agency for a year.

Collection Agencies contracted with the University will be reviewed periodically to evaluate success in their collection efforts and ensure accounts are being worked in a timely manner.

#### **Death of a Debtor**

A claim against the estate of a Georgia resident must be prepared in accordance with specific regulations and filed within six (6) months after first publication of notice to creditors. Therefore, in order to assure that the University's interests are fully protected, help from the Office of Legal Affairs and Accounts Receivable, as appropriate, is to be sought whenever an institution receives notification that a person owing money to the institution has died.

#### **Bankruptcy**

When a bankruptcy notice is received, all collection efforts must be stopped. A proof of claim may need to be filed. The Accounts Receivable Department will complete verification of the status of the bankruptcy upon notification.

#### **Collection Committee**

Periodically a collection committee made up of members from the Bursar's Division will review method for analyzing accounts that are sent to collections to determine if any adjustments should be made.

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#### Forms/Instructions

[Past due letters](#)

[Payroll deduction authorization form](#)

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#### Additional contacts

Susan Caldwell, Accounts Receivable Manager

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706-542-6942

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#### Policy definitions

##### **Collection Agency**

A business that pursues payments of debts owed by individuals or businesses.

##### **Delinquent (past due)**

Being overdue in payment.

##### **Due Diligence**

A process in which a series of letters are sent to debtor in an attempt to collect on a past due account before it is sent to collections.

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#### Responsibilities

**Responsible University Senior Administrator:** Vice President for Finance & Administration

**Responsible University Administrator:** Associate Vice President for Finance Division

**Policy Owner:** Accounts Receivable

**Policy Contact:** [Susan Caldwell](#)

**Phone Number:** 706-542-6942

*Responsibilities: It is the responsibility of individual departments to perform due diligence on all past due receivables. The department will refer past due accounts to the Accounts Receivable Department for further collection procedures.*

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#### Record Retention

**Retention:** For records related to accounts receivable and collections, including but not limited to account edit sheets, credit card payment forms, invoices, receipts, write-off worksheets, assignment of uncollectible debt letters, collection letters, notices, letters of transmittal, bankruptcy records, and related documentation and correspondence, retention is five (5) years. [BOR 0472-03-012](#)

For records related to accounts aging, including account listings sorted alphabetically by customer showing balances and all other related documentation and correspondence, retention is seven (7) years. [BOR 0472-03-002](#)

**Georgia Code:** O.C.G.A. 9-3-24; 9-3-25; 11-2-725.

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#### Related information

[BOR collection policy 10.4.4](#)

[BOR Garnishment of Pay policy 8.2.14](#)

[< Registration Agreement](#) | [Refund Policy](#) [>](#)

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#### Policy Dates

Effective Date:

Date Last Updated: 06/30/2016

Date of Last Review:

Date of Approval:

Previous Version of Policy: