



## FINANCE

EMC Reviewed: January 14, 2013  
Policy Council Review: First Reading: February 6, 2013  
Board Approved February 26 2013 : BM # 13: 2012 - 2013

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**NAME:** BAD DEBTS

### **PURPOSE:**

As a trustee of public funds, the Board intends that the College will make a reasonable effort to collect outstanding debts while remaining sensitive to the circumstances of particular situations.

### **POLICY:**

1. Personal contact should always be the first step in dealing with persons or agencies that have overdue accounts with the College.
2. The College should employ an "escalating penalty" approach to encourage payment of accounts that are in arrears.
3. When normal collection attempts have been unsuccessful, the Board should approve write-offs of uncollectable accounts.
4. In the case of large debts that could not be recovered by usual means (short of court action), the Chief Executive Officer (CEO) should not initiate court action without first advising the Board.
5. The consequences in this policy which apply to students who acquire outstanding debts to the College should be published in a student handbook or some other suitable document.

### **POLICY PROCEDURES:**

1. Personal contact shall be attempted by the College immediately when the Director of Finance and Administration determines that any account is in arrears; when a student account is in arrears, the contact must be made through Program Coordinators.
2. The Director of Finance and Administration shall arrange for a "Request for Payment Letter" to be issued when an account becomes more than 30 days overdue (60 days is current).
3. For balances in excess of \$500 which are not paid in response to "Request for Payment Letters", the Director may, at his-her discretion, secure the services of a local collection agency (if there is one).
4. For balances in excess of \$10,000 which are more than 60 days in arrears, the CEO shall be notified.
5. The CEO shall notify the Board whenever the College's solicitor is directed to issue a "Demand for Payment Letter".
6. The CEO shall ensure the Board is appropriately advised of outstanding debts and that recommendations concerning write-offs and other actions are provided to the Board on a timely basis in accordance with this Policy.



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7. Any outstanding balance in excess of \$2,000 must not be written off until all available avenues for collection as specified above has been exhausted.
8. Debts shall be written off by means of a Board resolution when the Board is satisfied that every reasonable step has been taken to collect an outstanding debt.
9. The College shall withhold grades and transcripts of students with accounts in arrears.
10. Files of students with arrears in excess of \$100 shall be flagged and these students may be refused admission to the same or another program until outstanding debts are paid in full.

Cross-reference this policy with *Student Discontinuation Policy* and *Tuition Payments Policy*.