POLICY

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Pub L. 109-351; 34CFR674.49;
34CFR674.51; RCW 43.17.240;
WAC 82-06-010; SAAM 85.54

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Approved By: President Bruce Shepard

Cancels: POL-U5352.06 Generating and Sending Monthly Statements
POL-U5352.10 Writing Off Uncollectible Accounts
POL-U5352.12 Establishing Allowances For Bad Debt

See Also: POL-U5351.01 Billing and Receiving Payment for Tuition, Fees, Goods and Services
PRO-U5352.08C Writing Off Uncollectible Accounts
WWU Fees and Rates

POL-U5352.08 COLLECTING ON ACCOUNTS AND WRITING OFF DEBTS OWED TO THE UNIVERSITY

This policy applies to all charges made for goods or services provided to students and the public.

Definition:

Uncollectible Account – an account for which all reasonable collection efforts have been exhausted or are no longer considered collectible.

1. Vice President for Business and Financial Affairs Ensures Collection of Accounts

   The Vice President for Business and Financial Affairs (BFA) ensures:

   a) A process is maintained to collect on accounts and debts owed to the University, and

   b) Procedures are regularly reviewed for efficiency and statutory compliance.

   The Vice President delegates the daily administration and oversight of the policy and procedures to the Director of Financial Services.

2. Interest, Late Fees and Collection Related Charges Will Be Applied

   Interest, late fees and other charges related to collection activity will be applied as appropriate. Interest will be charged on all accounts past due unless a waiver of interest is applicable under state regulations (WAC-82-06-010).
3. **Student Business Office (SBO) Provides Monthly Statements**

Monthly statements will be provided to customers and students with current activity or an outstanding balance.

4. **Assistance Provided to Students and Families Experiencing Hardship**

In situations of significant hardship (i.e. major illness, student death), the Dean of Students’ [Office of Student Life](#) may be contacted for assistance and support.

5. **Past Due and Written Off Accounts Will Be Flagged**

A student account will be flagged with a “hold” which may prevent the student from accessing certain future services including, but not limited to, receiving transcripts and registering for classes. Non-student customer accounts will be flagged, which may result in review and the discontinuation of goods and services. Flags will be removed when an account is returned to good standing.

6. **University will Perform Due Diligence in Collecting Past Due Amounts**

Departments must comply with [POL-U5351.01](#) to ensure prompt collection of balances due. SBO will take appropriate action to collect past due amounts including, but not limited to, telephone calls, mailings, special payment arrangements, litigation, and referral to collection agencies.

Debts may be assigned to a collection agency when:

a) The University has made reasonable attempts to notify the debtor of the debt,

b) The debt is past due by the number of days required by the Fair Debt Collections Practice Act, and

c) At least 30 days has elapsed from the last attempted notice.

Collection agencies will not be used for the collection of receivables due from government agencies as applicable under state regulations.

7. **SBO Reviews Aging Reports**

The SBO Manager will monitor accounts receivable aging reports monthly for collection status and to determine if an account is uncollectible and/or when an account should be flagged.

8. **Collection Efforts Will Be Canceled or Suspended Under Certain Circumstances**

The University will cancel collection efforts on accounts owed to the University when the account holder is deceased or is totally and permanently disabled.
Collection efforts will be suspended while the account holder has a pending petition for relief in bankruptcy listing the debt.

9. **Accounting Services Uses Allowance Method to Establish Bad Debt Provision**

Accounting Services will calculate an estimate of the total uncollectible receivables using the allowance method at least quarterly. The fund(s) that originally received the revenue will be charged for bad debt expense.

10. **Accounts Determined Uncollectible Will Be Written Off**

After Western’s collection procedures have been followed and the account remains unpaid, the SBO Manager will determine whether an account is uncollectable and not cost effective to continue collection efforts. Accounts determined to be uncollectable will be written off quarterly.

11. **Written Off Accounts to be Reviewed**

The SBO Manager will submit, on a quarterly basis, a report of all written off accounts to the Director of Financial Services, the Assistant Vice President for BFA, and the Assistant Attorney General (AAG). The AAG will review the report for reasonability.

After management review, any account determined to have been inappropriately written off is to be returned to the accounting records by reversing the write-off entry.

12. **Required Documentation Will Be Maintained**

The SBO will maintain documentation, in accordance with the University’s retention schedule, of each transaction affecting receivables including:

a) Establishment of receivables,
b) Recording of receipts,
c) Adjustments of receivables,
d) Valuation of receivables,
e) Collection efforts, and
f) Write-offs of uncollectible receivables.

Detailed postings of these documents are to be recorded and maintained in the subsidiary ledgers for all outstanding receivables.