PROCEDURE: POLICY 6.210

Student Accounts Receivable
Original Adoption: June 27, 2007
Revised: August 2016
Next Scheduled Review: August 2018
Responsible Cabinet Member: Vice President for Finance and Administration
Department/Office: Business
Office 1

PROCEDURE:
Outstanding student balances carried into future terms typically result from the following situations:

1) A student payment made by check is returned as insufficient.
2) A student's online payment plan, known as an e-Cashier agreement through NBS (Nelnet Business Solutions), the College's external payment processor, is not collected in full due to credit card complications or bank account terminations.
3) Students with in-house payment plans do not honor their payment arrangements.
4) A student's disbursed financial aid is rescinded during the semester typically from the student withdrawing or discontinuing attendance prompting a return to Title IV process.

NPC runs a "financial hold" program at the end of each semester. This program flags students having a balance due, preventing the students from registering and prohibiting them from having an official transcript processed pending the outstanding balance being paid in full.

NPC runs an enrollment cancellation process twice during the fall and spring terms and once during the summer term. The cancellation process, also known as "Drop for Non-Payment" flags students with outstanding balances that have not established an e-Cashier agreement, In-house payment plan, or do not have anticipated financial aid applying to their account. Flagged students are administratively term withdrawn. Tuition and fees, excluding registration fees, associated with that term are respectively removed from the students' accounts.

Student billing statements are mailed three times each year prior to the beginning of the fall, spring, and summer semesters.

At the close of each calendar year, NPC generates a list of account balances greater than $20 and older than 18 months. Using collection assistance from the State of Arkansas, Department of Finance & Administration under the authority of A.C.A. § 26-36-301, NPC pursues collection through the Arkansas State setoff program which garnishes a debtor's state income tax refund.

Additionally, at June 30 each fiscal year, NPC compiles a list of delinquent account balances which are evaluated in reference to payment activity, collection attempts, and potential for future collections. Accounts from this list are then selected for the abatement process. A request is made to the Department of Finance & Administration to formally write-off the selected accounts.

Outstanding Accounts Not Selected for Write-Off

Estimating Allowance for Doubtful Accounts

Because some accounts receivable may prove to be uncollectible, NPC is responsible for determining an appropriate amount as an allowance for those accounts considered to be uncollectible each June 30. This allowance will be used to reduce the total amount of accounts receivable on NPC's financial statements.

NPC will analyze the outstanding balances for the past 5 years against the payments received which will yield a percent of payments towards an outstanding balance. This analysis will look at the payments received (GL, AR Setoff, ICS, and write-offs), what years they paid, and the balances that remained outstanding to date. Those percentages will then be used to determine the amount, for each year, which is uncollectible. The percentages will be re-evaluated every year at June 30.

Year-End Reporting

NPC will use the following breakdown to determine an estimate for the allowance for doubtful accounts receivable beginning with the 2015 financial statements:

Year 1	2%
Year 2	20%
Year 3	36%
Year 4	79%
Year 5+	98%