



POLICY STATEMENT

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| Policy Name | Collection & Management of Accounts Receivable | | |
| Policy # | 402 | Category | Finance |
| Policy Sponsor | Associate Vice-President, Financial Services | Previous Revision Date | June 5, 2013 |
| Policy Approved by | President & CEO | Issue or Revision Date | February 7, 2019 |
| Procedures Approved by | CFO & Vice-President, Administrative Services | Review Date | February 2024 |

See the related [PROCEDURES](#).

PURPOSE

This purpose of this policy is to:

1. establish guidelines for consistent, accurate and timely management of student and non-student accounts receivable including collection, write-off and reporting practices; and
2. maximize cash flow and minimize the cost of collections and accounts receivable delinquency.

SCOPE

This policy applies to:

1. management, faculty and staff who participate in the administration and collection of student and non-student accounts receivables;
2. students, sponsors, corporate clients and employees with amounts owing to Saskatchewan Polytechnic; and
3. legal counsel and collection agencies retained for collection of accounts receivables.

GUIDING PRINCIPLES

In its management of accounts receivable, Saskatchewan Polytechnic is committed to the following:

1. Dealing with clients in a fair and equitable manner and with demonstrated professionalism and accountability;
2. Applying policy and procedures in a consistent and standardized manner, corresponding to the escalating seriousness of accounts receivable collection situations;
3. Establishing and maintaining adequate security measures to protect client information and complying with all applicable privacy legislation;

4. Providing excellent customer service, recognizing that payment delays and bad debt expenses are costly, both in financial terms and in resources expended on collection efforts. (To help mitigate hardship for students, a two-payment instalment plan is offered to eligible students, see Tuition and Fees policy # 1214)

POLICY

1. Saskatchewan Polytechnic will, to the extent possible, resolve all accounts receivable before they become uncollectable.
2. Saskatchewan Polytechnic will make every effort to keep collection efforts in-house. Once internal efforts are exhausted, Saskatchewan Polytechnic may forward uncollected accounts to a reputable collection agency, in full compliance with all applicable governing privacy and consumer rights.
3. This policy governing the collection, write-off and reporting of accounts receivable will be managed in accordance with the related procedures and internal guidelines. The related procedures provide a broad outline of the applicable practices while the internal guidelines provide the detailed timelines, approval thresholds and other pertinent information to guide staff in their collection efforts.

DEFINITIONS

Student – refers to a person having enrolled or planning to enrol in a program or course of study at Saskatchewan Polytechnic.

Student Account – refers to the financial record where all charges and payments related to the academic activity of a specific student are recorded.

Non-Student Account – refers to the financial record of an organization (e.g. sponsor, educational partner, corporate client, etc.) to which credit has been extended resulting in a financial obligation to Saskatchewan Polytechnic.

Bad Debt Expense – refers to the monetary loss resulting from an amount owed that is deemed uncollectible. Saskatchewan Polytechnic records bad debt expense after an account remains unpaid for one year.

Allowance for Doubtful Accounts – is the “contra-asset” account associated with accounts receivable and represents management’s best estimate of uncollectible accounts. When offset against total accounts receivable, it serves to report the true net realizable value of accounts receivable. An accounting entry to credit the allowance for doubtful accounts is recorded at the same time as the entry to bad debt expense.

Write-Off – refers to the elimination of the recorded amount of an accounts receivable. The entry to write-off an uncollectible accounts receivable only affects balance sheet accounts and no expense or loss is recorded as part of the write-off. Saskatchewan Polytechnic records write-off entries after an account has been unpaid for two years.

Financial Hold – is a restriction placed on a student or non-student account indicating it is past due. A financial hold may block access to transcripts, grades, diplomas or other completion documentation and prevents further registrations or business activity at Saskatchewan Polytechnic until the account has been paid in full.

RELATED POLICIES/DOCUMENTS

1214 Tuition and Fees

703 Code of Conduct

#1204 Confidentiality of Personal Information and Records of Applicants and Students

APPLICABLE LEGISLATION OR REGULATIONS

The Saskatchewan Privacy Act

Local Authority Freedom of Information and Protection of Privacy Act