Procedures

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<th>Policy Name</th>
<th>Collection &amp; Management of Accounts Receivable</th>
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<td>Policy Sponsor</td>
<td>Associate Vice-President, Financial Services</td>
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<td>June 5, 2013</td>
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<td>President &amp; CEO</td>
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<td>CFO &amp; Vice-President, Administrative Services</td>
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See the related POLICY.

DEFINITIONS

**Student** – refers to a person having enroled 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.
PROCEDURES FOR COLLECTION OF OVERDUE ACCOUNTS

1.0 Collection of Overdue Student Accounts

a) Payment of tuition and fees for domestic and international students registered in credit programs is due by the dates outlined in Policy #1214, Tuition and Fees. Payment of tuition and fees for students registered in Extension courses is due at the time of registration. Friendly in-house collection efforts for unpaid tuition and fees may commence immediately after the applicable due date.

b) Failure to pay tuition and other fees by the required due date may result in late payment penalties, interest charged on overdue amounts, financial holds, and even discontinuation from the program. Financial holds prevent a student from registering in future Saskatchewan Polytechnic programs and courses including regional college registrations and may cause transcripts, grades, certificates, diplomas or other completion documentation to be withheld until the account has been paid in full.

c) Student accounts are monitored on a regular basis. A series of reminder notices (letters, e-mails, phone calls, etc.) are issued to students whose accounts remain in arrears. Those notices will escalate according to the urgency of the situation.

d) If initial collection efforts are unsuccessful, Financial Services will work with Enrolment Services, Program Heads, Instructors and, where appropriate, the respective Dean, in an attempt to resolve outstanding collection issues. If, after further collaboration, the account is deemed uncollectible it may be forwarded to a collection agency for additional collection activities on behalf of Saskatchewan Polytechnic without notice to the student.

e) For student accounts deemed uncollectible, Financial Services may also recommend a discontinuation letter be issued to the student by Enrolment Services.

2.0 Collection of Overdue Non-Student Accounts

a) Friendly in-house collection efforts may commence immediately after an invoice has been issued, but typically no action is taken until the account has been outstanding for 30 days. Failure to pay an invoice will result in the placement of a financial hold on the account and may result in interest being charged on the overdue amount.

b) Non-student accounts are monitored on a regular and recurring basis. A series of reminder notices that escalate according to the urgency of the situation are sent to those with accounts in arrears. These reminders may include, but are not limited to, emails, letters and phone calls as deemed appropriate.

c) Prior to exhausting in-house collection efforts, delinquent non-student accounts are escalated to the Manager, Revenue & Receivables. The manager will make one last effort to secure payment prior to the account being sent to a collection agency or engaging legal counsel without further notice to the client. Continued delinquency will restrict future activity and/or sponsoring of students at Saskatchewan Polytechnic until the account has been paid in full.

3.0 Credit Balances

a) A credit balance on a student’s account results when the total of credits posted (e.g. payments, student loan disbursements, scholarships, etc.) exceeds the total of the tuition and fees assessed for a specific academic period.

b) Students who withdraw (and notify Enrolment Services), who are required to discontinue, or who are enrolled in a program or course discontinued by Saskatchewan Polytechnic, and have a credit balance on their student account may be entitled to a refund as outlined in Policy #1214, Tuition and Fees.

c) Credit balances are reviewed regularly and resulting refunds are processed as promptly as possible. However, verification of eligible refund amounts requires investigation and may take
some time especially during peak periods. Refunds will be returned to the student by the same method of payment used in the original payment transaction wherever possible.

d) If a credit balance results from a student loan overpayment or sponsorship overpayment, the refund will be returned to Canada Student Loans or the sponsoring organization if required under the regulations or agreements in effect.

4.0 Bad Debt Expense and Write Off of Uncollectible Accounts

Each year, Saskatchewan Polytechnic systematically determines which student and non-student accounts are deemed uncollectible and enters the following accounting entries as required:

a) For student and non-student accounts outstanding more than one year, a bad debt expense is charged to the applicable cost centre with a corresponding credit to Allowance for Doubtful Accounts. Collection efforts and other restrictions will continue but this entry is recorded to recognize the negative financial impact of the uncollectible account(s) in accordance with Public Sector Accounting Standards.

b) For student and non-student accounts outstanding for more than two years, the account shall be written off.

c) The above entries to record Bad Debt Expense, Allowance for Doubtful Accounts, and Write Offs are accounting entries only and do not relieve students and organizations from their financial obligations to Saskatchewan Polytechnic.