

BLACK HILLS STATE UNIVERSITY
Policy and Procedure Manual

SUBJECT: University Collections
NUMBER: 5:3

Office/Contact: Business Office
Source: [SDBOR Policy 5:21](#)

1. Purpose

This policy implements [SDBOR Policy 5:21](#) and sets forth the guidelines for collection of accounts with accounts receivable balances at the University. This policy pertains to student, employee, and customer receivables including, but not limited to, tuition and fees, institutional student loans, parking fines, library fines, housing fines, student health and other student charges of whatever kind or character; except that student obligations arising from participation in federal student financial aid programs shall be collected in the manner specified under federal regulation.

2. Policy

- a. A commercial or vendor account shall become delinquent 45 days after the established due date. A student account shall become delinquent when a balance remains after the established deadlines.
- b. Collection of student, commercial or vendor accounts shall be handled according to the amount of money owed to the university, less than \$250 and \$250 or more.
- c. University employee debts to the University may be satisfied through voluntary or involuntary deductions from salary, or they may be referred to a collection agency.
- d. Debtor-employees may challenge such deductions under grievance procedures established in SDBOR policy.
- e. The University is authorized to assess interest on delinquent accounts at the Category F specified in SDCL § 54-3-16.

3. Procedures

- a. The debtor shall be informed that if the account is not satisfied in full or appropriate arrangements made by the due date, the account shall be handled as follows:
 - i. All student accounts with an accounts receivable balance of \$250 or more shall have a hold placed on them as soon as they become delinquent. The hold will prevent the student from registering, adding or dropping classes, or obtaining an official transcript from the University. The hold shall not be removed until the account is satisfied in full. Failure to satisfy the account shall result in loss of eligibility for future institutional financial aid.
 - ii. For all commercial or vendor accounts that become delinquent, the University shall discontinue their services until accounts are paid in full.
- b. Collection of student, commercial or vendor accounts shall proceed according to the following schedule:
 - i. Accounts less than \$250:
 1. Accounts that are less than \$250 shall be handled by using in-house collection procedures, which shall consist of a minimum of three (3) contacts to the debtor, with at least two (2) of them being in writing. Debtors shall be responsible for all collection fees incurred where permitted under law.
 2. When the in-house collection efforts are exhausted, the account may be referred to the State of South Dakota's Obligation Recovery Center. Debtors will be responsible for all collection fees incurred including, but not limited to, attorney fees and court costs.
 3. When collection efforts are exhausted and the account is at least two (2) years delinquent, the account will be submitted to the State Board of Finance to be written off in accordance with procedures established by the State Board of Finance.

4. The hold may remain on a debtor's record even after the account is approved for write-off, which will prevent the debtor from receiving services from the University in the future.
- ii. Accounts that are \$250 or more:
 1. Accounts that are \$250 or more shall be handled using in-house collection procedures, which shall consist of a minimum of three (3) contacts to the debtor, with at least two (2) of them being in writing, one (1) by registered mail. The collection process on accounts of \$250 or more shall be completed within 180 days from the date the account became delinquent. Debtors shall be responsible for all collection fees incurred where permitted under law.
 2. When the University's collection efforts are exhausted, the account shall be referred to the State of South Dakota's Obligation Recovery Center for collection efforts.
 3. When collection efforts by the Obligation Recovery Center have been exhausted and the debt has been referred back to the university, it will be submitted to the State Board of Finance for write-off in accordance with procedures established by the State Board of Finance.
 4. The hold shall remain on a debtor's record even after the account is written off, which will prevent the debtor from receiving services from the University until the debt is satisfied.
 - c. University employee debt
 - i. University employees shall be billed for debts to the University in the same manner as others who owe monies to the University.
 - ii. Where University employees fail to respond to demands for payment, the University may refer the matter to a collection agency, or it may:
 1. Notify the debtor-employee that their monthly salary will be reduced to cover the amount owing, plus interest, beginning with the salary earned during the month following that in which the notice is sent.

2. The notice sent to debtor-employees shall fix a time for an informal meeting between the Vice President for Finance and Business, or designee, and the employee to discuss the debt and its resolution.
 - a. The meeting shall be scheduled no later than ten (10) working days prior to the date of the first deduction.
3. If the debtor-employee contacts the University in response to such notice, the University may work out mutually acceptable terms for the use of salary deductions to repay all sums owing.
4. If the debtor-employee fails to respond to the notice, or if no mutually acceptable agreement is reached, the University may recoup its claim from the debtor-employee's salary beginning with the installment payable for services provided during the month following that in which the notice was sent.
5. Deduction from salary may be in such amounts needed to satisfy the debtor-employee's obligations to the University; provided that the deductions from salary shall comply with the priorities and limitations on deductions from wages established by SDCL Ch. 21-18.

iii. Grievance procedures established in SDBOR policy

1. If an employee succeeds in showing the deductions have been improper, the University shall make a lump sum payment of the amount deducted, plus interest from the time of the deduction.

3. Responsible Administrator

The Vice President for Finance and Administration, or designee, is responsible for the annual and ad hoc review of this policy. The University President is responsible for approval of this policy.

SOURCE: Approved by President Laurie Nichols on 10/11/2021.