

FLORIDA A&M UNIVERSITY BOARD OF TRUSTEES



NOTICE OF PROPOSED NEW REGULATION

Date: April 23, 2007

REGULATION CHAPTER TITLE: Administration **REGULATION CHAPTER NO.:** Chapter 3

REGULATION TITLE AND NUMBER: Settlement of Delinquent Accounts; Collection and Returned Check/Electronic Payment Fees; Write-off of Uncollectible Accounts. (3.019)

SUMMARY OF REGULATION: The proposed regulation establishes policies and procedures for the University's handling of delinquent accounts and returned checks/electronic payments from students, vendors, employees and the public. A returned check fee, pursuant to Section 832.07, Florida Statutes will be assessed for checks returned to the University. It also authorizes the University to employ the services of a collection agency when deemed advisable in collecting delinquent accounts or after reasonable efforts to collect accounts have been exhausted and further authorizes the University to add collection costs/fees to the outstanding balance.

The proposed regulation specifies that students who issue returned checks/electronic payments or have delinquent accounts, will have their ability to register for classes and receive transcripts suspended until the account has been paid in full. If an employee issues the check and fails to remit the amount owed within the specified time, the University will execute setoff procedures or payroll deduction.

Finally, the proposed regulation authorizes the University President to write-off or settle any uncollectible accounts owed to the University after reasonable collection efforts fail.

AUTHORITY FOR REGULATION: Article IX, Florida Constitution, Board of Governors Regulation Development Procedure dated July 21, 2005, Board of Governors Resolution Adopted January 7, 2003, Sections, 17.04, 832.07, 1001.74(4), (11), (19), 1009.24 and 1010.03, Florida Statutes.

UNIVERSITY OFFICIAL INITIATING THIS REGULATION: Dr. Grace Ali, Vice President for Fiscal Affairs.

PROCEDURE FOR COMMENTS: Written comments concerning this proposed regulation shall be submitted within 14 days of the date of this notice to the person identified below. The comments must specifically identify the regulation you are commenting on.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED REGULATION IS: Phyllis Watson, Assistant Vice President for Treasury Operations, Office of the Fiscal Affairs, Suite 304 Foote-Hilyer Administration Center, Tallahassee, Florida 32307, (850) 599-3211 (phone), (850) 599-3848 (fax), phyllis.watson@famu.edu.

FULL TEXT OF THE PROPOSED REGULATION: The full text of the proposed new regulation follows.

Regulations of



Florida A&M University

3.019 Settlement of Delinquent Accounts; Collection and Returned Check/Electronic Payment Fees; Write-off of Uncollectible Accounts.

(a) The University shall use due diligence and make every effort in the collection of all accounts owed to the University by employees, students, vendors and other parties.

(b) In accordance with Section 1010.03, Florida Statutes, the University may also implement set-off procedures, payroll deductions and restrictions on access to diplomas, transcripts and other resources and services of the University to collect delinquent accounts. The University President or President's designee is authorized to establish procedures governing the provisions herein.

(c) Returned Check/Electronic Payment Fee-- When a check or electronic payment is returned uncollected for any fee, tuition, service or item provided by the University and is not redeemed within seven (7) days, it is considered to be a delinquent account with the University. Pursuant to Section 832.07, Florida Statutes, a minimum service charge of \$25.00 will be charged for a returned check/electronic payment up to \$50.00. Thirty (\$30.00) dollars will be charged if the returned check/electronic payment is greater than \$50.00 but less than \$300.00, and \$40.00 or 5 percent (5%) of the face amount of the check will be charged for returned checks/electronic payments of \$300.00 or more. All payments for returned checks/electronic payments shall be remitted by cash, money order or cashier's check only.

(d) If an employee owes the University \$.01 or more for any delinquent account, returned check/electronic payment or overpayment, after reasonable collection efforts have failed, the

employee's wages are subject to set-off procedures or payroll deduction until the debt has been paid in full as well as other collections efforts authorized by law and University regulations.

(e) If a student owes the University \$.01 or more for any delinquent account, returned check/electronic payment or collection fee, the student's ability to register for classes or receive transcripts or diplomas will be suspended until the debt has been paid in full, unless otherwise approved by the President or President's designee.

(f) The University may also employ the services of a collection agency when deemed advisable in collecting delinquent accounts or after reasonable efforts to collect the delinquent account have been exhausted.

(g) Collection Fee-- If any delinquent account is sent to a collection agency, collection costs will be assessed for the collection agency fees and added to the outstanding balance. In addition, the University shall assess a charge representing the reasonable cost of collection efforts to effect payment for overdue student loan accounts.

(h) The University reserves the right to require all delinquent accounts and collection fees to be paid by cash, money order or cashier's check.

(i) The University President may write-off or settle any uncollectible accounts owed to the University after all reasonable and lawful collection attempts have failed. All or a portion of late charges and/or collection costs may at the discretion of the University President be waived on institutional student loans if the borrower makes a lump sum payment of the entire amount of outstanding principal and interest to settle an account.

Specific Authority- Board of Governors Regulation Development Procedure dated July 21, 2005, 1001.74(4) FS. Law Implemented- Board of Governors Resolution Adopted January 7, 2003, 17.04, 832.07, 1001.74(11), (19), 1009.24, 1010.03 FS. History--New 4 - -07.