



UNC Office of Business Compliance

Student Accounts Standards

October 2024

Student Accounts Standards

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Summary Discussion

The Student Accounts Business Process Compliance Program Standards were established based on recommendations from a UNC Operational Assessment Study Report released in October 2008. The report recommended that basic uniform standards for the business processes at the constituent institutions be established and monitored, and that training be provided by the System Office.

The initial business processes for which uniform standards were built were determined by an oversight steering committee and directed by a project management office. As the standards were built, best practices were determined in consultation with subject matter experts. An advisory team made up of selected student accounts officers was gathered together to review and provide comments on the draft standards prior to their official release.

The Student Accounts Business Process Standards include the following topics: (I) General Management, (II) Financial Aid Disbursements, (III) Third Party Payments, (IV) Billing Procedures, (V) Processing Payments and Credits, (VI) Past Due Accounts, (VII) Refunds/Adjustments, (VIII) Reconciliation (IX) Emergency Loans, and (X) Special Areas. The standards integrate internal controls to ensure compliance with state policies and federal regulations. In addition, implementation of these standards will help meet the University of North Carolina's Strategic Plan (approved by the Board of Governors in January 2017) by providing guidelines to properly administer initiatives that commit to affordable tuition and improve the quality of service to our students.

Topic I - General Management

The Student Accounts Office serves as the central collection center for student accounts receivable. The office is responsible for verifying that university billing, collection, and accounting procedures for student tuition, fees, and related charges are in compliance with federal and state statutes, as well as university policies. These General Management standards relate to the administration of this process. These guidelines are designed to promote efficiency and effectiveness within the Student Accounts Office. Roles and responsibilities are defined in the Student Accounts Office, and positions are cross-trained to mitigate an absence or separation. New employees are trained according to office policies and procedures before they commence work. The Student Accounts Office should maintain a policies and procedures manual that covers the basic functions of the office.

Topic II - Financial Aid Disbursements

The Student Accounts Office works closely with the Financial Aid Office to coordinate each student's payment of institutional charges with awarded financial aid. However, federal student financial aid can only be applied to "allowable charges" as defined by the US Department of Education (see Definition Section) unless authorization from the student is received to use federal aid for other institutional charges (e.g., parking, library fines). The

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Student Accounts Office should have procedures in place to verify that only appropriate charges are paid for with federal financial aid awards.

Topic III - Third Party Payments

The Third Party Payments sub-process describes how a student's bill may be paid for by a university department or outside organization that commits to pay for all or part of the semester charges for a specific student (i.e., third party). When the bill is to be paid by a third party, the Student Accounts Office should verify that proper authorization has been received from the payor or third party vendor. After proper authorization is received, the Student Accounts Office should proceed with billing the third party and verify that all payments are subsequently received.

Topic IV - Billing Procedures

The Billing Procedures sub-process involves generating bills for student tuition, fees, and related charges. The initial bill to each preregistered student should be billed at least 21 calendar days prior to the university established payment due dates unless the legislative approved billing rates are not available. Students who register late or do not preregister will be billed or notified on a shorter time frame in accordance with university policy. Student bills should include approved tuition and fees as well as institutional charges for each university. The university should post on its website bill dates and due dates so that students, or parties making the payment on behalf of the student, are aware of payment deadlines.

Topic V - Processing Payments and Credits

Typically, a university offers multiple ways in which a student can make a payment for tuition, fees, housing, and dining charges. The university should post on its website the methods of payment accepted by the university and the ways a student can pay their bill. The university may also offer different ways a student can reduce their bill through waivers, deferments, tuition remission, third party payments (see Third Party Payments section), and financial aid (see Financial Aid Disbursements section). The university should have policies and procedures in place to manage the student payments and to verify that payments are correctly posted to the student's account.

Topic VI - Past Due Accounts

The North Carolina Office of the State Controller requires each university to implement procedures to collect tuition, fees, and other charges in a prompt manner. It is the responsibility of the student to pay charges on the student's account by the university's published due date. The university should have published deadlines and due dates for student accounts as well as established late fees and interest charges.

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Topic VII - Refunds/Adjustments

The Refunds / Adjustments sub-process covers the procedures to follow in the event that the student's account needs a refund or adjustment for tuition and fees. These refunds can relate to financial aid refunds that are distributed to the student to help cover other educational expenses as well as other refunds due to students who have a credit balance on their student account. The Refunds / Adjustments sub-process is highly regulated due to its association with the disbursement and refunds of federal financial aid. Additionally, if a student withdraws from the university or drops to part-time status, the student could potentially be eligible for a tuition refund. The Student Accounts Office should work with the student to supply the refund in a timely manner to help the student pay for their other educational expenses.

Topic VIII - Reconciliation

The Reconciliation sub-process serves to support the accuracy of the financial data by verifying the university's accounting records are in agreement with the student accounts' records. This sub-process covers the reconciliations that should occur within the university relating to student accounts. The following standards outline the different reconciliations that should occur on a daily, monthly, or term basis. The university should have processes in place to verify the following reconciliations are occurring in the period outlined in these standards. Reconciliations are required, but may occur in offices other than the Student Accounts Office.

Topic IX – Emergency Loans

An emergency loan is a short-term loan granted to students who need assistance in covering expenses that result from unforeseen situations. Emergency loans assist students with paying educational related expenses. Emergency loans should be used in accordance with the funding source. The Student Accounts Office or other appropriate office should verify that these loans are properly approved and recorded before distributing funds to the student.

Topic X – Special Areas

The Special Areas sub-process covers security processes and student tax reporting for the Student Accounts Office. The Student Accounts Office should have policies and procedures in place to protect all confidential student data. The office should conform to state and federal confidentiality laws in regard to confidential student data. Access to any systems containing confidential data used by the Student Accounts Office should be limited. The Student Accounts Office should also safeguard all assets within the office. This includes having proper security over any cash or cash equivalents held in the office. The Student Accounts Office or other appropriate office is responsible for collecting information for the 1098-T tax form. The Student Accounts Office or other appropriate office should have procedures for complying with 1042-S reporting requirements. The Student Accounts Office or other appropriate office should have a procedure to identify students who will receive these forms.

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Baseline Standards

Topic I – General Management

- 1) Policies and Procedures: A policies and procedures manual should be established by the Student Accounts Office. These policies and procedures should be communicated to the staff of the Student Accounts Office. The manual adheres to federal and state regulations as well as to the mission and guidelines of the university. **(Appendix Topic I – A.)**
 - a) At least annually, documented policies and procedures, including supporting forms, templates, training materials, and job responsibilities, should be reviewed to verify that they are accurate and reflect current office activities.
 - b) Prior to implementation, changes to the processes should be reviewed and approved by management.
 - c) The manual should be stored on a shared drive or posted online with easy access by all employees associated with the process.
- 2) Training: New employees should receive appropriate and relevant training on the policies and procedures of the Student Accounts Office. Training requirements are standardized, documented, and monitored. Training should be offered in various forms including, but not limited to external conferences, internal training sessions, and webcasts. Employees who attend trainings are responsible for sharing the information with the Student Accounts Office in order to promote cross training between employees.
- 3) Annual Review: The Student Accounts Office should have a procedure in place for complying with the annual employee review process.
- 4) Roles and Responsibilities: A roles and responsibilities matrix or list of responsible employees by function / department (including the employee names, phone numbers, email addresses, training history) should be established and maintained by the Student Accounts Office. This document should be maintained on a current basis and include all roles key to the student accounts process including, but not limited to, those functions/departments involved with billing, receiving, reporting, depositing, and maintaining accounting records. Annually, this document should be reviewed and evaluated to determine if all necessary tasks have been properly assigned and if employees are properly trained. This document should also be evaluated during the year to determine if cross training is needed and if functional duties are properly segregated or compensating controls are established to reduce risk. **(Appendix Topic I – B.)**
- 5) Segregation of Duties: Positions responsible for the student accounts' function should be segregated such that no one employee or group has exclusive control over any one

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student, or group of students, records. Throughout the Student Accounts Standards, specific duties that should be segregated for purposes of the student accounts process are addressed.

- a) When segregation of duties is not possible, compensating controls must be placed in operation to reduce the related risk.
 - i) Examples of compensating controls may include more training for employees and closer supervision or increased reviews by management.
 - b) As part of the student accounts manual, and to ensure proper segregation of duties or the use of compensating controls, guidelines should be established for assigning functional responsibilities related to the student accounts process.
- 6) Records Retention: Student records are retained in accordance with university, state and federal policies. These retention policies are stated within the student accounts policies and procedures manual.
- 7) Billing Rates: Tuition rates are reviewed by the University's Board of Trustees and the Board of Governors of the University of North Carolina System and set annually by the North Carolina legislature. Fees are reviewed and approved by the University's Board of Trustees with final approval pending the Board of Governors of the University of North Carolina System review.
- a) Each term prior to issuing student bills, the Student Accounts Office must update the approved billing rates. Controls should be in place to verify that the rates loaded into the Banner table, or the system used to maintain student accounts, are the appropriate approved rates. The Student Accounts Office should maintain a copy of these approved rates for documentation purposes. **(Appendix Topic I – C.)**
 - b) Proper documentation of approval of charges should be maintained by the Student Accounts Office or other appropriate office for off model classes. These charges should be approved by the appropriate party in the university and updated in the system each term prior to issuing the student's bill.

Topic II - Financial Aid Disbursements

- 1) Allowable Charges: Federal financial aid awards are applied to student accounts in one of the following methods:
 - a) "Allowable charges" are current charges that include:
 - i) Tuition
 - ii) Mandatory Student Fees

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- iii) Room
 - iv) Board
- b) Current award year charges other than “allowable charges” that a student has incurred for educational related activities can have federal financial aid awards applied to them only if the institution obtains the student’s written authorization or the parent’s written authorization in the case of PLUS loan funds. This approval authorization document may be an electronic form that a student completes via the web or it may be maintained in a hard copy in the Student Accounts Office.
- i) The Student Accounts Office, Financial Aid Office, or other responsible office, must have a standard form, which may be electronic or a hard copy, for students (or parent PLUS loan borrowers) to authorize the use of federal financial aid awards to be applied to other current educational charges on the student’s account. **(Appendix Topic II – A.)** After the student, or parent in the case of PLUS loans, completes this form, the student’s record must be adjusted to allow payment from federal financial aid funds to other current charges. Documentation must be maintained of the student’s approval to distribute federal aid awards funds to other current charges on the student’s account.
 - ii) A student, or parent in the case of PLUS loans, may authorize the Student Accounts Office to distribute federal financial aid awards to other educational charges, and at a later date, revoke this authorization. In this situation, the Student Accounts Office must have procedures in place to verify that the student’s records are updated to no longer allow charges other than “allowable charges”. Once a student revokes this authorization, federal financial aid awards can only be applied to tuition, fees, room, and board.
- 2) Prior Year Charges: In general, federal financial aid funds may only be used to pay for the student’s costs for the period for which the funds are provided. However, an institution may use current year funds to satisfy prior award year charges for tuition, fees, room, and board for a total of no more than the limit as approved by the US Department of Education. The institution may also use current year federal aid awards to pay for other past educational related charges if the student, or parent in the case of PLUS loans, has given documented approval to the Student Accounts Office. Institutional procedures should be established to verify that no more than the limit as approved by the US Department of Education is used to pay past year student balances.
- 3) Disbursement and Application of Payments: The Student Accounts Office should coordinate with the Financial Aid Office to distribute financial aid funds to the student’s account. For Banner schools, the Financial Aid Office should disburse financial aid awards to the student using the Banner process RPEDISB. Once the awards are disbursed, the Student Accounts Office should apply these awards to the student’s account through

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application of payments (TGRAPPL). These two processes should be separated to promote adequate segregation of duties. Schools that do not use Banner should have procedures in place to verify that these processes are properly segregated. System access rights should be configured to verify that no one office has the ability to both disburse funds and post funds to the student's account.

- 4) Detail Codes: For Banner schools, detail codes should be established to link Financial Aid Award Disbursement to student accounts and to control various aspects of the disbursement including FOAPAL. PeopleSoft schools should establish item type codes to link the Financial Aid Disbursements to student accounts to control the disbursement of aid. **(Appendix Topic II – B.)**

Topic III - Third Party Payments

- 1) Written Authorization: The third party agreeing to pay the student's bill should provide written authorization to the Student Accounts Office that they will pay the university on behalf of the student. This authorization should include:
 - i) Student's name
 - ii) Student's ID number
 - iii) Term (time period covered)
 - iv) Type of charges covered
 - v) Details regarding the payment
 - a) This authorization should be verified or renewed before the due date of each semester to prevent cancellation of course registration.
 - b) In Banner the contract payment function associates the third party with the student's account. When schools are using the contract payment function, once the third party authorization is received, the Student Accounts Office should credit the student's account and invoice the third party for the agreed upon amount. This moves the receivable off of the student's account and creates a receivable from the third party. If the third party payment is a partial payment of the student's bill, the student is responsible for charges not covered by the third party, and the Student Accounts Office should bill the student for the remaining balance according to the university billing policy.
 - i) When the university does not use the contract payment function, the Student Accounts Office should have a procedure to associate the student's account with the third party. The third party should be billed for the amount agreed upon in the third party authorization. If the third party payment will not cover the student's entire bill, the student is responsible for the remaining balance according to the university billing policy.

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- c) The Student Accounts Office may refuse to accept future term third party authorizations from certain organizations that have consistently failed to pay their obligations in the past.
- 2) **Billing:** After the end of the drop / add period, the Student Accounts Office should send a bill to all properly authorized third parties. This bill should include the agreed upon amounts of payment in the third party authorization form. Third parties should pay their bills within 30 calendar days of the billing date. When payment is received, the applicable receivables account is relieved of the balance.
 - a) If the third party revokes authorization for any student account, the Student Accounts Office should notify the student(s) that he/she is now responsible for paying the balance and bill the student(s) on the next billing cycle.
 - b) If the third party fails to make a payment within 60 calendar days, the Student Accounts Office should contact the third party to determine why payment has not been made, to resolve any issues regarding billing and to obtain an estimated payment date. If the third party account is tracked through a third party accounts receivable module, the charges can remain on the third party account as long as Student Accounts Office is confident that all outstanding issues are resolved and payment is imminent. The Student Accounts Office should monitor the status of the third party account to ensure payment is made as expected.
 - c) If the Student Accounts Office cannot determine if and/or when the third party will pay for charges as authorized or if the third party fails to make payment as expected, the Student Accounts Office should notify the student that he/she is responsible for paying the balance and bill the student on the next billing cycle.
 - i) If the third party account is tracked through a third party accounts receivable module, then the Student Accounts Office should place the responsibility to pay the bill back with the student.
- 3) **Reconciliation:** It is important to verify that all third party accounts are reconciled. The Student Accounts Office, or other responsible office, should reconcile all third party accounts each term. This reconciliation should account for all funds received and billed to third parties as well as all funds transferred from a student's account to a third party's account. **(Appendix Topic III – A.)**

Topic IV – Billing Procedures

- 1) **Institutional Charges:** Student bills should include charges for tuition and fees set by the state legislature as well as other approved institutional charges for each university.
 - a) Other institutional charges may include but are not limited to:
 - i) Housing
 - ii) Meal Plans

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- iii) Health Insurance
 - iv) Parking
 - v) Lab Fees
 - vi) Infirmary Charges
 - vii) Study Abroad
 - viii) Library fees
- b) The Student Accounts Office should have policies in place to determine what other institutional charges are included on student bills. The university should also verify that the amount charged for each different institutional charge is authorized. **(Appendix Topic IV – A.)**
- c) The Student Accounts Office should have procedures in place to verify that students are billed the correct amount according to the student’s classification. The Student Accounts Office should have procedures to verify that charges posted to the general ledger are accurate and reconcile to the charges on the student’s account.
- 2) Bill Mailings: Bills should be sent to student using either paper bills or eBills.
- a) A university may use an electronic billing system, commonly referred to as eBill. This system sends an email notification to official university email addresses of registered students with outstanding balances on their accounts. A student can print a copy of the statement or forward the statement to his / her parents or a third party for payment. A student may also authorize a parent as a user in the system if the university allows this process.
 - b) A university may also mail paper bills to a student’s address. The university can send bills to the student’s permanent address or local address, depending on university policy. Although this process is acceptable, the university should utilize the eBill process when possible to improve efficiency and reduce costs associated with printing and mailing paper bills.
- To comply with UNC System Office guidelines, universities should include language in the billing text section on the e-bill explaining how to access the Uses of Tuition document provided by UNC System Office along with a link to the document publicly posted on the university’s website. For those campuses that do not utilize an on line billing system such as TouchNet and can accommodate an electronic attachment or “stuffer”, this option is preferred.
- 3) Bill Frequency: For each term, bills should be sent to students on a frequent basis to inform students of balances owed to the university. As charges or changes occur, they should be included on the student’s bill in the next billing cycle. It is recommended that

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the university send bills to students at a minimum on a monthly basis, after the initial term bill, to encourage prompt student payments and to reduce the age of receivables.

- 4) **Dates:** The university should make public their billing dates and payment due dates. These dates should be posted on the Student Accounts / Cashier's website and communicated to students.
- 5) **Fixed Tuition:** As required by North Carolina General Statute §116-143.9 and [UNC Policy 1000.1.1](#), Policy on Tuition Rates, universities must provide a fixed tuition benefit to qualified students. The university should have procedures in place to bill the fixed tuition, as per [UNC Policy 1000.1.1 \[R\]](#), Regulations on the Fixed Tuition Benefit.
 - a) Students who have a break in enrollment and re-enroll at their original constituent institution may seek a waiver to allow them to retain their original fixed tuition rate. Additionally, students who withdraw from all classes after the census day and subsequently re-enroll may seek a waiver to prevent the semester during which they withdrew from counting against their fixed tuition time period. Waivers may be granted based on:
 - i) Military Service Obligation
 - ii) Serious Medical Debilitation,
 - iii) Disability, and/or
 - iv) Other Extraordinary Hardship
- 6) **Reports:** The Student Accounts Office should have a report or set of reports that monitors current receivables. At a minimum, these reports should include an aging report and a reconciliation report.

Topic V – Processing Payments and Credits

- 1) **Payment Methods:** The Student Accounts Office website should include information on the method of payment accepted by the university as well as information on how to make a payment. This policy should instruct students, as well as other departments, of the proper locations to drop off cash payments within the university. This policy should also provide internal parties (e.g., departments, university offices) with procedures to follow if they receive cash outside of the approved university entry points.
 - a) The university reserves the right to refuse payments that substantially exceed the balance on the student's account.
 - b) Any payments received in the Student Accounts Office (e.g., cash, checks, money orders) should be deposited daily as mandated by the Daily Deposit and Reporting Law (G.S. 147-77). The Student Accounts Office must follow university policy for depositing cash and cash equivalents within one business day of the cash entering the

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Student Accounts Office. These payments should be logged when received and reconciled on a daily basis. **(Appendix Topic V – A.)**

- i) The university may offer online payment options for students to utilize while paying their tuition. These options may include but are not limited to:
 - (1) ACH
 - (2) Web checks
 - (3) Wire transfers

 - c) Checks should be made payable to the university, or jointly to the university and the student. The university should ask students to include, at a minimum, the following information on the check:
 - Student’s full name
 - Student’s ID number

 - i) The university should post instructions on its website for delivering checks to the university. The website should include a mailing address for checks and identify the appropriate office that accepts checks.

 - ii) According to the North Carolina policy on collection of returned checks (G.S. 25-3-506), the university should charge a fee for any check or EFT transmission where payment has been refused by the payor bank for reasons including but not limited to insufficient funds or invalid account number (see Past Due Accounts 7b).

 - iii) For deceased students that have credit balances on an account that needs to be refunded, the Student Accounts Office should contact its university legal counsel for guidance.

 - d) The Student Accounts Office should have approved policies on the treatment of debit and credit cards. Any university that accepts credit card payments may charge a convenience fee to cover the costs associated with the credit card payments. This convenience fee must be communicated to the Office of the State Controller (OSC) and the Office of State Budget and Management (OSBM). The university should verify credit card payments are from approved card companies and payments are processed according to university policy.
- 2) Payment Plans: The university may choose to offer students the option of a payment plan, allowing students to make tuition payments throughout the semester. The university should have procedures to verify that payments are received and posted to the correct student account. If the university offers a payment plan, it may be outsourced to a third party vendor or handled in-house.

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- a) If the payment plan is outsourced to a third party vendor, the university should verify that the vendor utilizes proper controls over the payment process.
 - b) If payment plan is not outsourced, the Student Accounts Office should follow university policy for approving and enforcing an enrollment fee on payment plans.
- 3) Tuition Waivers: Employees of an institution within the University of North Carolina may receive a tuition waiver to any of the system schools, in accordance with UNC System Office policy (G.S. 116-143). **(Appendix Topic V – B.)**
- a) The Student Accounts Office or other responsible office should establish and publish a deadline to receive the approved tuition waiver request, preferably by the last day of the drop / add period and consistent with deadlines established by the Human Resources Office.
 - b) The Student Accounts Office or other responsible office should establish a process for verifying the student’s eligibility for the tuition waiver.
 - c) The Student Accounts Office or other responsible office should establish a process for ensuring that students do not exceed the number of courses allowed within the policy.
 - i) Beginning in the 2021-22 academic year, law enforcement officers employed at constituent institutions or affiliated entities, excluding student employees who are working as part-time law enforcement officers, may enroll in an **unlimited number of courses per academic year**. ([UNC Policy 1000.2.2.1\[R\]](#))
 - d) The Student Accounts Office or other responsible office may publish, as appropriate, those programs that are not part of the tuition waiver program because they are entirely receipts supported.
 - e) Tuition waivers should be communicated to the Financial Aid Office to review for potential over awards.
- 4) Deferments: Deferments allow students to delay payment of their bill for reasons approved by the Student Accounts Office. If the university allows deferments, the Student Accounts Office should have established policies around granting deferments to verify that the deferments are only granted for approved reasons such as when a funding source can be identified.
- 5) Tuition Remission: Tuition remission allows graduate school students who live outside of the state of North Carolina to attend school for in-state tuition amounts. The university should have policies to verify that the tuition remission is appropriately approved by the

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awarding party. The tuition remission should be communicated to the Financial Aid Office to review for potential over awards.

- a) The Student Accounts Office should bill the student at the out-of-state billing rate and then, when approval of the tuition remission is received, the student's bill should be reduced to the appropriate in-state rate.
- 6) Outside Scholarships: When an outside scholarship payment enters the university in the Student Accounts Office, the scholarship information should be forwarded to the Financial Aid Office to review for potential over awards. The university should have a policy defining how and in what office an outside scholarship payment should enter the university. These payments should be logged, deposited, and reconciled according to university cash management policies.
- 7) International Payments: The university should have policies to address the handling of international payments.
- a) If a university accepts payments from a student in non-US currencies, the Student Accounts Office should send these payments to a bank for conversion to US currency. The bank will convert the funds and deposit them into the university's bank account. Procedures should be in place to refund or collect the differences caused by currency exchange rates on the payment received from the student.
 - b) Student payment from non-US currencies should not exceed the amount of the charges on the student's account. Students will not be issued a refund for substantial overpayments of charges on the student's account. In this situation, the Student Accounts Office should reject the payment and request a payment for only the amount charged to the student's account.
 - i) The university should have a policy identifying what constitutes as a substantial overpayment of charges. According to the Patriot Act, amounts brought into the country without appropriate currency reporting greater than \$10,000 is considered bulk cash smuggling. The university's policy defining substantial overpayments should not exceed \$10,000.
 - c) If the Student Accounts Office accepts wire transfers, they should have policies in place to provide clear instructions to verify that the payor can match to the student's account. **(Appendix Topic V – C.)**
- 8) Segregation of Duties: The Student Accounts Office should have policies to verify that proper segregation of duties is maintained in the receiving of funds by the university. Positions within the Student Accounts Office should be segregated so no one employee receives, logs, deposits, and reconciles payments.

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Topic VI - Past Due Accounts

- 1) Due Dates: Due dates for student bills should be clearly established and communicated to students. These dates should be posted on the Student Accounts Office website and included in any bill sent to the student.
 - a) The university should have policies in place on when to mark student accounts as past due. At a minimum, student accounts should be marked past due at the end of the semester if payment is still outstanding. This practice will help the university reduce the time it takes to collect receivables.

- 2) Interest and Late Payment Penalties: According to the State of North Carolina General Statute 147-86.23, a state agency shall charge interest at the rate established pursuant to G.S. 105-241.1(i) on a past due account receivable from the date the account receivable was due until it is paid. A state agency shall add to a past due account receivable a 10% late payment penalty as determined by the Attorney General's Office. A state agency may waive a late-payment penalty for good cause shown. These late fees and interest rates should be posted to the Student Accounts Office website and communicated to students via their student accounts. **(Appendix Topic VI – A.)**
 - a) Interest should begin to accrue on all delinquent accounts at the time the account was due and continue to accumulate until the delinquent portion of the account is satisfied. The university should contact the North Carolina Department of Revenue for the established current interest rates.
 - b) The university should have a policy that defines good cause shown and provides reasons for waiving the required late payment penalty.
 - c) A percentage of late payment penalties collected are remittable to OSBM. Universities should complete a Collection Cost Worksheet for Civil Penalties, Fines and Forfeitures annually, typically in the month of July. OSBM will determine the percentage of fines collected that can be retained by the University, not to exceed twenty percent (20%). Any remainder must be remitted to OSBM. ***Please note: If a university does not submit a Collection Cost Worksheet, 100% of the penalties must be remitted to the OSBM beginning August 1, and continue until the worksheet is submitted and approved. Also, a university must remit funds to OSBM within 10 days after it is collected.*

- 3) Holds: The university should use hold techniques in accordance with policy in place at that university. System access to remove holds should be limited to authorized positions in the responsible office.

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- 4) Schedule Cancelations: The university should have a policy in place on when to cancel students' schedules for nonpayment of the student's bill. This cancellation date should be agreed upon by management of the university and may be posted publicly.
- 5) Aging Report: The university should produce an aging report for student account receivables on at least a monthly basis. The Student Accounts Office staff should review this report to verify that all past due accounts are in the appropriate stage of the collections process. The Banner process TGRAGES may be utilized to produce this aging report.
- 6) Allowance for Doubtful Accounts: The Student Accounts Office management, or other appropriate office, should establish an allowance for doubtful accounts to reflect the amount of student accounts that management estimates will be uncollectible. The establishment of an allowance account ensures the agency's receivables are not overstated for financial reporting purposes. **(Appendix Topic VI – B.)**
 - a) The estimated allowance for doubtful accounts should be based upon historical data and/or other pertinent information relative to student accounts receivable. The methods and procedures used should be documented by the university and maintained to support the value established.
- 7) Collection Guidelines: The university should have established policies and procedures for following up on past due accounts. These policies and procedures should describe the process of collecting past due accounts and adhere to all federal and state guidelines.
 - a) Per OSC policy, the university adheres to the following collection guidelines:
 - i) 1- 30 days past due: Mail first past due letter and receive a promise to pay.
 - ii) 31-60 days past due: Mail second and final past due letter, send confirmation letter for repayment, and refer to Attorney General's Office.
 - iii) 61+ days past due: Complete appropriate submittal forms and send to the Attorney General's Office, or the agency legal counsel. Refuse additional service to the delinquent debtor where this does not conflict with Federal and State laws.
 - b) Unpaid billings due from another State agency shall be turned over to the Office of State Controller with attached documentation, no more than 90 days after the due date of the billing.
 - c) After a student account has been with the Attorney General's Office for a period of time determined by the university, and the account is still past due, the Attorney General's Office sends guidance back to the university regarding the next steps for

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collection. The Attorney General's Office may recommend sending the account to a state approved collection agency. While the account is with the collection agency, it should continue to accrue interest and penalties. According to the North Carolina Attorney General's Office, any debt assigned to a collection agency must exceed the determined limit. If a collection agency collects or seeks to collect on behalf of the university, the processing fee must be separately stated on the collection notice.

- d) SEDCA: The State Employee Debt Collection Act (SEDCA) requires that employees whose salaries are paid in whole or in part by state funds must make full restitution of the amount owed to the state as a condition of employment or service. The university should utilize this collection technique for employees of the state who hold past due accounts with the university. **(Appendix Topic VI – C&D.)**
- e) SODCA: The North Carolina Setoff Debt Collection Act (SODCA) provides that North Carolina individual income tax refunds are subject to state claims to cover past due accounts. The university should utilize this act as a collection technique when pursuing collections from students who are residents of the state of North Carolina. The university should report debts to the Attorney General's Office at the same time they are pursuing collections.
 - i) The university should have a policy to identify a hearing officer for appeals of setoff debt. The hearing officer should be appointed by the Chancellor or Chancellor Designee. The hearing officer will evaluate the evidence and make a final determination on behalf of the university. The hearing officer should not have any prior involvement in the case.
- f) Threshold Limits: The university should adhere to the following threshold limits for past due accounts as set by the Attorney General's Office and Office of State Controller:
 - a. **\$10 limit** - If the individual account balance is less than or equal to \$10, the account may be written off at the campus level without additional collection efforts per the Attorney General's Office. The Office of State Controller requires that the reasons for writing off an account and compliance with the agency's write-off policy must be adequately documented. Such documentation must be readily available for audit.
 - b. **Greater than \$10 and less than \$50** - Outstanding past due account balances of greater than \$10 and less than \$50 do not require additional collection procedures after the dunning letter process is complete and may be written off as approved by management in accordance with the university's write-off policy, documented as to justification and approved by management.
 - c. **Greater than \$50 and less than \$500** – Outstanding past due account balances of greater than \$50 and less than \$500 should receive dunning letters, be

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reported to the Department of Revenue for Setoff (SODCA) and referred to collections agency. If the debt is owed by a state employee, collections should follow procedures for State Employee Debt Collection (SEDCA).

- d. **Greater than \$500** – Accounts equal to or greater than \$500 should be reported to the Attorney General’s office. The Attorney General’s office will advise the campus of next steps regarding collection of debt, such as write-off, lawsuit, referral to a collections agency or other. The debt is still subject to SODCA and SEDCA and those guidelines should be followed.

8) Write-Offs: Past due student accounts should be written off when all collection procedures, including referral of the debt to a collection agency, have been conducted without results and management determines the student account to be uncollectable. The university should still pursue collections using appropriate methods even after accounts have been written off. **(Appendix Topic VI – E.)**

- a) Any write-off of an uncollectable account should be approved by management. A list of approved situations for a write-off may be approved by management to satisfy this standard.
- b) When the account is written off, the university should follow their university policy regarding hold techniques until the debt is satisfied or discharged through bankruptcy. The Student Accounts Office must comply with all bankruptcy directives. The Student Accounts Office should consult with the university’s legal offices for further guidance on bankruptcy laws.
- c) OSC requires that the reason for a write-off of an account and acknowledgement of compliance with the university’s write-off policy be adequately documented. This documentation should be maintained according to the university’s record retention policy.

Topic VII – Refunds/Adjustments

- 1) Guidelines: The Student Accounts Office should have policies in place relating to general refund guidelines / information. If the student is currently enrolled in the university, payments should not be refunded without an approved reason for the refund. Parents or other payees should not be allowed to receive payment from a student’s account without the consent of the student. The Student Accounts Office should follow all FERPA and privacy guidelines when communicating with parents about financial records on a student’s account.
- 2) Refund Schedule: Each university should develop a refund schedule for students officially withdrawing or dropping to part-time status. The student may receive a refund if they

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officially withdraw from the university in this time frame. This policy should be posted on the Student Accounts Office website and communicated to students.

- a) When a student withdraws, the Student Accounts Office should receive notification of the withdrawal and the date the student officially withdrew from the university to use in the calculation of a potential tuition refund.
 - b) Campuses should have a process for review and approval of the university's tuition refund schedule. This policy should be reviewed and approved by the proper management before it is implemented by the university. If any changes to this policy are implemented, the university should notify students of the changes.
 - c) The Student Accounts Office should have policies in place to verify that all official withdrawal refunds, and drop to part-time refunds, follow the refund schedule.
 - d) To receive any refund for a withdrawal, the student must follow the official withdrawal process of the university. If the student does not follow the official withdraw process, no refund should be issued.
- 3) Refund Appeals: If a student disagrees with a refund decision, they may appeal the decision. Any student appeal should be filed in writing with the appropriate office or committee. There should be a policy in place for handling appeal reviews and approvals.
- 4) Credit Balance: When a student has a refundable credit balance on their student account, the university should refund this balance to the student within 14 calendar days after the funds are disbursed and applied to the student's account. A credit balance is refundable if the Student Accounts Office has determined that the balance should be distributed to the student. If the Student Accounts Office is unsure if the credit balance will be distributed to the student, or the balance is being held for a processing time period, the balance is not considered refundable. This refundable credit balance may be caused by financial aid or other payments to the student's account. All federal financial aid credit balances must be refunded to the student within 14 calendar days. The Student Accounts Office can provide this refund to the student in a check, electronic deposit into a bank account authorized by the student, or a stored value card as outlined in the Federal Financial Aid Handbook (34 CFR 666.164(3)). The Student Accounts Office should have a process to promptly identify students who are due a refund.
- a) If a parent PLUS loan created a credit balance on the student's account, this balance must be refunded to the parent. If the parent wants the refund to go directly to the student, the parent must provide the appropriate office with written authorization to distribute the refund to the student.

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- b) The Student Accounts Office should not be able to set up students as vendors in the system. Duties should be segregated so that no one who accepts payments can also set up students as vendors in the system.
 - c) If the university offers refunds via direct deposit, the Student Accounts Office should provide information on their website for students to set up their direct deposit account. The Student Accounts Office should have policies in place to distribute the student's refund if the student fails to set up a direct deposit account.
 - d) If the university offers refunds by check, the Student Accounts Office should mail the check to the student's address or provide the check for pick up on campus. Once funds are disbursed and applied to the student's account, the refund check should be issued promptly.
- 5) Unaccounted for Refunds: If a student fails to cash a refund check, the Student Accounts Office should determine if the funds were from a federal financial aid refund or another type of refund. If the refund was a federal financial aid refund and the student cannot be located to accept the funds, the Student Accounts Office should return the funds to the awarding agency. The following standards apply to refunds of federal financial aid funds:
- a) The university may only hold a refund check for 21 days after the date the student is notified of the refund. If the student does not pick up the check within this 21-day period, the institution must immediately mail the check to the student or parent, initiate an EFT to the student's or parent's bank account, or return the funds to the appropriate federal student aid program.
 - b) If a refund check is returned to the school or an EFT is rejected, the school may make additional attempts to disburse the funds, provided that those attempts are made not later than 45 days after the funds were returned or rejected.
 - c) The school must cease all attempts to disburse the funds and return them no later than 240 days after the date it issued the first check.
 - d) Schools are prohibited from charging students a fee for delivering federal financial aid funds.
 - e) If the refund was a non financial aid refund and the student cannot be located to accept the funds, the funds should be escheated following university and state policies.
 - f) No federal funds should be escheated to the state. All undistributed federal funds must be returned to the federal government. The university should have a process for escheating funds to the state.

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- 6) Adjustments: The Student Accounts Office should have policies in place to verify that all adjustments to a student's account are approved and authorized by the appropriate office. Documentation of this authorization should be maintained within the Student Accounts Office.
 - a) If funds feed from another system, such as housing, dining, or library, the Student Accounts Office should have a process to verify that access to this system is limited.
 - b) Access to manually adjust the student's account should be limited to authorized offices. Only employees whose jobs include making this adjustment should have this access.

Topic VIII - Reconciliation

- 1) General Guidelines: The Student Accounts Office should follow general guidelines when performing any type of reconciliation. To ensure appropriate segregation of duties, the individual performing the reconciliation should not be directly involved in the receipts and disbursements process. If differences are identified in the reconciliation process, the appropriate office should be contacted for resolution / follow-up / correction. Any differences identified should be resolved within 30 days. All reconciliations should be reviewed and approved by an individual independent of the person who performs the reconciliation, generally the individual's supervisor. Due to limited resources if this separation of duties cannot be met, compensating controls must be in place. Documentation of the reconciliation should be maintained by the office performing the reconciliation in accordance with university record retention policies.
- 2) Daily Reconciliation: The following should be reconciled on a daily basis to verify that funds are properly accounted for within the university accounting records:
 - a) Cash receipts
 - b) Checks
 - c) External processing system payments and credits
 - d) Electronic fund transfers
- 3) Monthly Reconciliation: The following should be reconciled on a monthly basis to verify they are properly accounted for in the university accounting records:
 - a) Student receivables should be reconciled to the general ledger. This reconciliation is described in greater detail in the General Accounting Standards.
 - b) Emergency Loans
 - i) Emergency loans should be reconciled to verify that funds are accounted for accurately. This reconciliation should be performed by an individual not involved in the awarding of emergency loans and is reviewed by management.

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- c) Financial aid funds should be reconciled on a monthly basis. This reconciliation should reconcile the following funds:
 - i) Funds disbursed from financial aid
 - ii) Funds reported to Common Origination Disbursement (COD)
 - iii) Funds posted to the student's account
 - iv) Funds posted to the general ledger
 - v) G5 accounts

(1) The above mentioned items should all reconcile and any discrepancies should be resolved within 30 days. This reconciliation may take place in different offices, but must be completed somewhere in the university (See Financial Aid Standards reconciliation section for more details).

- d) Any funds that are kept in clearing accounts should be reconciled on a monthly basis. The following is a list of potential clearing account funds that should be reconciled:
 - i) Financial Aid Refunds
 - ii) Non Financial Aid Refunds
 - iii) Third Party Payments
 - iv) Checks (see General Accounting standards for further guidance)
 - v) Setoff Debt Collection Act (SODCA)
- e) Recovery of write-off accounts
 - i) Any recovery of a write-off account should be reconciled to the student's account. When money is recovered from a written off account, the balance should be reconciled to the student's account to verify that holds and other markers are removed from the account if appropriate.

4) Term Reconciliation: The following funds should be reconciled each term:

- a) Third Party Accounts
 - i) If the university uses a contract payment function, the charges to third parties should be reconciled to the receivables and payments associated with third parties.
 - ii) If the university is not using a contract payment function, the payments and bills to third parties should be reconciled back to the student's account to verify that they balance.

5) Authorized Feeds: The university should have procedures in place to ensure that data that feeds to the Student Account Office is authorized to be fed and that activity that

Student Accounts Standards

generates the feed is reviewed and reconciled by the appropriate university department. This reconciliation should occur on the same frequency as the feeds.

Topic IX – Emergency Loans

- 1) Approvals: The university should have an established procedure for approving emergency loans. The Financial Aid Office or other office responsible for approval of emergency loans should communicate approved loans to the responsible office in writing. This documentation should be maintained in accordance with the university record retention policy.
 - a) Before an emergency loan is approved, the responsible office should verify that the student will have funds to repay the loan. The student may either have pending financial aid or provide documentation of the ability to repay the loan before the due date.
 - b) If the university has a limit on the number of emergency loans granted per student for each term, the office responsible for approving the emergency loans should have a procedure in place to identify students who have received the allowable number of loans per term.
- 2) Payment Terms: The Student Accounts Office or other appropriate office should establish standard payment terms for emergency loans. Students should be required to pay the loan balance before the end of the current term or in accordance with the funding source. When an emergency loan is granted to a student, the responsible office should communicate the terms of the loan to the student.
 - a) The university should follow their university policy regarding hold techniques.
- 3) Recording: The Student Accounts Office or other appropriate office should record the emergency loan when issued. The Student Accounts Office should have procedures in place to verify that emergency loans are satisfied before any refund is issued to the student.
- 4) Reconciliation: Emergency loans should be reconciled to verify that funds are accounted for accurately. This reconciliation should be performed by an individual not involved in the awarding of emergency loans and is reviewed by management.

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Topic X – Special Areas

- 1) Confidentiality: The confidentiality of the student record and data must be protected. Access to student data should be limited to personnel whose job duties require access to such information. The Student Accounts Office staff should be trained on, and follow, all university, state, and federal guidelines including, but not limited to:
 - a) Family Education Rights and Privacy Act
 - b) North Carolina Identity Theft Protection
 - c) Red Flag Rules
 - d) PCI Security Standards Council
 - e) Gramm-Leach-Bliley Act
 - f) Truth in Lending Act

- 2) Accounting System: The Student Accounts Office should utilize an accounting system to maintain student account records. It is important to limit access to this system to prevent any unauthorized changes of records in the system. Other university offices may have either limited or inquiry only access to the student's records when appropriate.
 - a) System access granted to an employee should be removed when the employee leaves the office, moves to another position, or is terminated. The Student Accounts Office or other responsible office should have rules to ensure that system access to student financial records are reviewed at least every six months.
 - b) The responsible university office should have back-up procedures in place to ensure that the system data can be recovered in case files become corrupt or damaged. The backup files should be maintained in a storage location that is secured and preferably off-site.
 - c) The Student Accounts Office should have an approved business continuity plan.

- 3) Auxiliary Systems: The Student Accounts Office occasionally uses other auxiliary systems to assist with the processing of student accounts data. Auxiliary systems may include outside processing systems used to process payments, credit card information, or student refunds. The Student Accounts Office should ensure that security for all auxiliary systems is adequate to protect sensitive data.
 - a) The Student Accounts Office should have a policy defining who has the ability to grant and remove system access to auxiliary systems. Only employees whose job duties require access to these systems should be granted access. Employee access should be reviewed every six months to ensure that employees only have access to systems needed in performing their job. Signed and dated documentation should be maintained to provide evidence of the review.

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- 4) Safeguarding Cash: The Student Accounts Office may deal with large sums of cash and cash equivalents in their office on a daily basis. To protect these assets, the Student Accounts Office should have physical security in place to safeguard cash and cash equivalents held in the office, such as a security camera or a safe. Cash or cash equivalents should be secured in the office and deposited with a bank according to university policy for daily cash deposits.

- 5) 1098-T: The Student Accounts Office or other appropriate offices are responsible for attempting to obtain accurate information required to prepare Form 1098-T Tuition Statement and for filing the information return with both students and the IRS on an annual basis. The Student Accounts Office or other appropriate office may require students to provide their social security number prior to registering for classes.
 - a) The Student Accounts Office or other appropriate office must gather certain information regarding reportable transactions for each individual enrolled for any academic period within the calendar year. This information must satisfy the requirements in IRS Publication “Instructions for Reporting 1098-E and 1098-T 20xx”.

 - b) The Student Accounts Office may give students the option to retrieve their 1098-T form electronically if the recipient affirmatively consents to the electronic format. The Student Accounts Office should follow all regulations around disclosures, format, and access period.

 - c) The Student Accounts Office is not required to provide for 1098 T for nonresident aliens unless the student requests a form. Please reference the 1042-S reporting section.

- 6) Faculty/Staff Waivers: UNC System Office policy provides guidance for administering the Faculty/Staff Waiver program. This guidance holds institutions accountable for ensuring that employees are informed about the possible taxability of course waivers and appropriate withholdings.
 - a) Student Accounts Office or other appropriate office should include in its policy for administering faculty staff waivers a provision addressing possible taxation issues:
 - i) §117 (d) provides that tuition reductions at the undergraduate level are not includable in gross income.

 - ii) §127 (a)(1) provides that employee gross income does not include amounts paid as part of an eligible educational assistance program. Section §127(a)(2) limits this benefit to a designated threshold.

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- iii) Graduate waiver amounts in excess of the approved threshold that are not job related may be taxable and are reportable on Form W-2.
- 7) 1042-S: 1042-S forms are generated for international students who received a fellowship/scholarship/grant in excess of tuition charges. The university should have a process to identify students who are subject to the tax. The 1042-S form may be made available to students electronically with the student's written consent, picked up on campus, or mailed to the student's permanent address. The Student Accounts Office or other appropriate office should refer to the IRS Publications 515, 519, and OSC Policies and Procedures Pertaining to Payments and Compensation of Foreign Nationals, Governments, and Corporations for more information on 1042-S reporting.

Student Accounts Standards

Appendix

For Templates and Examples, go to the [Student Accounts folder](#) within the documents menu on [SharePoint](#).

Topic I - General Management

- A. Policies and Procedures Template
- B. Roles and Responsibilities Matrix
- C. Approved of tuition rates

Topic II - Financial Aid Disbursements

- A. Financial Aid Authorization Form
- B. Detail Codes Example

Topic III - Third Party Payments

- A. Third Party Funds Reconciliation Template

Topic IV - Billing Procedures

- A. Authorization of Institutional Charges

Topic V - Processing Payments and Credits

- A. Check Log Template
- B. Tuition Waiver Form
- C. Wire Transfer Template

Topic VI - Past Due Accounts

- A. Interest Script Example
- B. Allowance for Doubtful Account Policy Example
- C. State Employee Debt Collection Example 1
- D. State Employee Debt Collection Example 2
- E. [UNC System Office Guidance on Collection of Past Due Receivables and Write-Offs](#)

Key Terms and Definitions

Stakeholders

The target users of this document include the following units:

Student Accounts Standards

1. Student Accounts Office – maintains student’s records and collections of funds from students. Staff works to collect receivables from students in a timely manner.
2. Financial Aid Office (Assisting Role) – responsible for working with students to post the correct amount of financial aid and other resources on the student’s account to offset the student’s bill.
3. Registrar’s Office (Assisting Role) – works with the Student Accounts Office to maintain the proper charges on the student’s bill.
4. Accounting / Controller’s Office (Assisting Role) – assists in support of the accounting functions of the Student Accounts Office.
5. Internal Audit (Monitoring Role) – reviews and evaluates internal controls within departments to aid in the effective and efficient performance of university operations.

Guidance

1. Federal
 - a. Department of Education and Federal Student Aid Handbook
 - b. Governmental Accounting Standards Board(GASB)
 - c. USA Patriot Act
2. State
 - a. UNC General Administration Policies
 - b. The North Carolina General Statutes
 - c. The North Carolina Office of the State Controller’s Policies and Procedures
 - d. The Office of State Budget and Management

Key Terms

1. OSC - North Carolina Office of the State Controller
2. OSBM – North Carolina Office of State Budget and Management
3. ED - United States Department of Education
4. AG’s Office – North Carolina Attorney General’s Office

Definitions

Allowable Charges – includes current charges for tuition, fees, room, board and other current charges that a student has incurred for educational related activities if the student’s written authorization has been obtained or the parent’s written authorization has been obtained (in the case of PLUS loan funds)

Deferments – allows students to delay payment on their bill for reasons approved by the university

Electronic Funds Transfer (EFT) – refers to the computer-based systems used to perform financial transactions electronically

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Escheating – succession of abandoned property to the State. While commonly associated with properties that come from an estate, the concept has been broadened to include the recovery of any property that results from the failure of a person legally entitled to that property to make a valid claim against the holder of the property within a prescribed period of time

Federal Financial Aid – money awarded to the student by the Department of Education to help the student pay for educational related expenses

Fixed Tuition - tuition that remains fixed based on program length, student classification, and a calculation of the fixed tuition period. Fixed Tuition guidelines are set by the state of North Carolina General Statutes and UNC Policy.

Form 1042 Annual Withholding Tax Return for U.S. Source Income of Foreign Persons – form used to report the federal government income and income tax withheld on payments made to nonresident aliens and resident aliens who used tax treaty benefits. The gross income and taxes withheld (if any) must be reported on a Form 1042-S information return filed with the IRS and sent to the recipient by March 15th of the calendar year following payment

G5 Accounts – G5 is the Department of Education’s grants management system

Official Withdrawal – withdrawal of a student from academic participation with a university effective on the date notification was given by the student to a university official of his or her intent to withdraw

Off Model Classes – generally used to describe courses not funded by traditional methods supported in part or in whole by state appropriations. Off Model classes may be funded by receipts or special appropriation and rate approval should be documented and maintained for audit purposes.

North Carolina Setoff Debt Collection Act (SODCA) – provides for the collection of past-due accounts by offset against state income tax refunds due to debtors of the state

North Carolina State Employee Debt Collection Act (SEDCA) – requires that arrangements be made for the satisfaction of amounts owed to the State as a condition of continued employment or service by all State employees, public officials and State legislators

Parent PLUS loan – allows parents of a student to fund the cost of education through a Federal loan

Payment Plan – allows the student to pay their tuition bill in smaller sums throughout the semester without penalty to the student

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Third Party – an individual or organization external to colleges and universities that commits via written authorization to pay a portion or all charges for a student on a term by term basis. Third Party activity is differentiated from normal student payments in that the school bills the third party separately from the student for amounts authorized, and this process occurs after a specified passage of time at the beginning of each term

Tuition Payment Statement 1098-T – information return that colleges and universities are required to issue annually to each student that incurred reportable transactions. The form is issued to assist taxpayers in determining eligibility for education tax credits. For more information on reporting 1098 T reportable transactions, please visit www.irs.gov

Tuition Remission – application of tuition credit to certain graduate student accounts. Eligible graduate students must serve as a graduate teaching assistant, a graduate research assistant, or in a similar instructional or research assignment while at the same time being enrolled as a graduate student. The credit cannot reduce the amount of tuition paid to an amount lower than the institution's approved graduate resident tuition rate.

Tuition Waivers – law allowing for waiver of tuition and fees for employees as identified by UNC GA Policy and Regulation 1000.2.2. The same policy and regulation define the number of waivers available and determine the year as an academic year of fall semester, spring semester and the summer sessions that follow unless otherwise specified.

Written Authorization – includes any form of documentation including electronic records

Question and Answers

- Who owns the detail codes (item type codes)? (Financial Aid Disbursements. 5)
 - *Due to variance of structure across campuses the ownership of this process may vary but, generally the detail codes (item types) are owned by the Student Accounts Office or Financial Services.*
- What is considered a Bill? (Billing Procedures. Summary)
 - *Bills include many methods of notifying the student that payment is due on their account. Bills may include paper statements mailed to the student's address or an email notification sent to the student alerting them that payment is due.*
- What type of log is required for payments accepted in the Student Accounts Office? (Processing Payments and Credits. 1)
 - *Each office should have a method of recording payments at the earliest entry point in the university. Mail containing payments should be opened and logged when received.*

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- Does a lab and class count as one or two classes for tuition waivers? (Processing Payments and Credits. 3)
 - *If a lab is required with a class and cannot be taken separately from the class it counts as one waiver. If a lab can be taken separately from the class it counts as two waivers.*
- What are some methods of resolving an outstanding bill? (Past Due Accounts. 3)
 - *Bills can be resolved by payment or a variety of other options. For example, a bill can be resolved by a payment in full of the outstanding balance, other university approved payment methods, or a settlement in bankruptcy.*
- What type of account needs to be sent to the Attorney General's office? (Past Due Accounts. 7)
 - *All past due student accounts greater than or equal to \$500.00 should be referred to the AG's office. The AG's office will work with the individual campus in determining the next steps for collections.*
- How is Tuition Remission administered?
 - *In accordance with State Statute §116-144, institutions are allowed to charge graduate students that are both enrolled and serving as a graduate teaching or graduate research assistant at the institution, a lower tuition amount provided the rate is not lower than the resident rate. The university should have policies for determining eligible recipients for tuition remission and for approving awards. Remission credits should be applied to the student's account, effectively reducing the student's tuition rate from the out-of-state rate to the in-state rate. The student would be responsible for paying the balance of tuition charges which would equate to the in-state rate and relevant university fees unless the student receives financial aid (from all sources) sufficient to pay the charges on account.*
- When should interest be charged to a student account? (Past Due Accounts 2A)
 - *In accordance with state statute, interest should be charged monthly on delinquent accounts and interest should continue to accrue until the delinquent portion of the account is paid in full. Interest charges are based on the prevailing NCDR rate and are calculated as simple interest. Rates are subject to change every six months and any changes can be reviewed at <http://www.dorn.com/taxes/rate.html>. Interest charges and late payment penalties are two separate and distinct charges.*
- Should a late payment penalty be added to a student account? (Past Due Accounts 2A)

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- *In accordance with state statute, a late payment penalty should be added to a delinquent account. The late payment penalty should be added to delinquent account balances of \$50 or more - The statute does allow for the late payment penalty to be waived if good cause is shown so state agencies should have a written policy that defines good cause - such as medical or financial hardship – and outlines the process for requesting the late payment penalty be waived.*
- What tax potential do Faculty/ Staff tuition waivers have?
 - *The Faculty / Staff Tuition Waiver program can be designated as qualified educational assistance program; therefore according to current regulations, §127 would allow for amounts up to \$5,250 - that would normally be taxable under §117(d) - to be excluded from W-2 reporting for graduate students. Any waiver benefits in excess of \$5,250 that are not job related would be taxable and would be reportable on W-2 forms. Additionally, the value of any educational expenses (tuition and fees) paid by faculty / staff tuition and fee waiver cannot be used as the basis for any tax deduction or credit.*
- Can senior citizens audit courses?
 - *Please refer to the UNC Policy Manual - [Policy on Auditing Courses for Person Who are at least 65 Years Old](#)*
- Is there UNC System Office Procedural Guidance on COVID-19 Accounting and Reporting?
 - *Please refer to the Business Compliance Program section on Sharepoint – [COVID-19 Accounting and Reporting](#)*