

# PROCEDURE:

## 3.1.13p1. Collection

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### I. PURPOSE

Ogeechee Technical College will attempt to collect amounts owed by students that are a result of the students withdrawing after the third instructional day and/or the result of financial aid being adjusted. If a student account is deemed uncollectible by ordinary collection means, the College may turn the account over to a collection agency which is experienced, staffed, and equipped to collect unpaid accounts.

### II. RELATED AUTHORITY

TCSG Procedure 3.1.13p. Debt Collection Contract for Collection of College's Unpaid Accounts

Georgia Constitution Article III, Section VI, Paragraph VI

TCSG Accounting Procedures Manual, Due Diligence

### III. APPLICABILITY

The procedure applies to all student accounts receivable of Ogeechee Technical College.

### IV. DEFINITIONS

None.

### V. ATTACHMENTS

None.

### VI. PROCEDURE

The more rapidly a debtor is notified of their outstanding balance, the less likely they are to default. Therefore, the initial collection letter should be sent to the debtor no later than thirty (30) days after the last day of the term in which the charges were incurred. The initial letter should advise the debtor of the outstanding balance and may allow the debtor up to thirty (30) days to satisfy the debt. If the initial letter does not result in payment, a more strongly worded letter should be sent immediately following the date listed in the initial letter. This letter should advise the debtor that they have up to 15 days to bring their account current or their account will be referred to a collection agency.

A student account is deemed uncollectible by ordinary collection means of the College when the student has been notified of the debt in writing twice. The collection agency notification is considered the third notification required by TCSG Due Diligence

procedures. The student's ID is added to the collection list using Banner form TGACOLC, and the account is put on hold to block registration, grades and transcripts. Completion of a collection form is required by the collection agency specifying name, current address, current phone number, social security number, amount owed and default date when the debt is sent to the collection agency. The collection agency will report any collections to the College monthly. Payments received are posted to the student's account in Banner. Once full payment is collected, the student is taken off of the collections agency list and the hold removed from the student's account. Copies of all OTC correspondence with the debtor and/or collection agency must be maintained and made available to the auditors if and when the uncollectible debt is either written off or placed in the reserve for uncollectible accounts receivable.

**VII. RECORD RETENTION**

All documents associated with unpaid accounts will be retained for five (5) years after the account is either paid in full or deemed uncollectible.