

Collection of Student Debt Policy



**Harper Adams
University**

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1. Introduction

The following debt collection policy will apply to students who are in debt to the University and applies to all students irrespective of whether or not they are financially sponsored with effect from September 2016. Generally, where a sponsor (including the Students Loan Company) is to pay on behalf of a student, but fails to do so, then the student will be held liable for payment personally. The responsibility for acting as an intermediary and ensuring adequate information is provided to both the University and the sponsor rests with the student.

Debts will include accommodation fees, tuition fees and other miscellaneous student debt.

2. Policy

The University's process for debt collection is set out in Section 3 below. In following any debt collection process the University will:

- Notify students that they can contact Student Services if they are experiencing financial difficulties. Overdue accounts will be referred to Student Services to ensure appropriate support is available to students as set out in the debt collection process below.
- Invite students to contact the Finance department to discuss their payment options; and
- Not impose sanctions or otherwise pursue debt collection procedures for a reasonable time frame whilst good-faith discussions are going on with the student concerned or negotiations are continuing on behalf of the student with Student Services, staff or external agencies,.

Students should also note that:

- Sanctions will be lifted if a student makes an agreement with the Finance department to pay in instalments and shall remain lifted provided payments are made in accordance with the agreed schedule. However, where credit card payments are later rescinded by the credit card company or cheques or other forms of payments "bounce" (are refused by the debtor's bank) then the University may re-impose sanctions until such time as cleared funds are received;
- The principle that sanctions can be applied for student debt will be referred to in the Students' Fees and Charges booklet available on the University website; and
- Library Services manage and collect library debts. If the library debt remains unsettled, the outstanding balance will be consolidated within an individual's account and normal University regulations for debt should apply.
- Should there be occasions when a refund is due to be made by the University to a student, the refund will be made by the same payment method and to the same account as the original amount was received in order to comply with money laundering guidelines.

3. Process

The debt collection process is based on the due date of the debt. The standard terms for debt is usually 14 days from the date of invoice, full time Tuition Fee and accommodation invoices are specified separately and becomes the instalment date specified for each academic year. If an instalment plan has been agreed, in which case the due date becomes the date of each agreed instalment.

All written communication from the University will be sent by email to the student's university email address and personal email address if available.

The University's process for debt collection is set out as follows:

<i>Due date +8 day:</i>	Reminder Letter 1 sent (see example in Appendix 1)
<i>Due date +15 days:</i>	Reminder Letter 2 sent (see example in Appendix 2)
<i>Due date +22 days:</i>	Reminder Letter 3 sent (see example in Appendix 3) and case will be referred to Student Services
<i>Due Dates +30 days:</i>	Debt considered for referral to the University's debt collection partner*

For substantial **Tuition** debts £400 or over, the following sanctions may also apply:

- Continuation of studies with the university for the following year normally prevented (unless satisfactory arrangements have been made with Finance for repayment);
- Debarment from Graduation Ceremonies; and
- University letters, formal transcripts, diplomas, certificates relating to academic performance and references will be withheld.

For non-substantial **Tuition** debts < £400, the following sanctions may also apply:

- Formal transcripts, diplomas, certificates relating to academic performance and references may be withheld.

For **Accommodation** debts £400 or over, the following sanctions will normally also apply:

- Student's laundry services denied;
- Student's room cleaning reduced to 50% frequency;
- Eligibility to apply for accommodation in future years denied; and
- Notice to terminate accommodation contract served and enforced.

**Referral to our Debt Collection Partner*

We use STA International to help us recover outstanding debt where all the steps in our debt collection policy have been exhausted. STA International's debt collection policy is set out in on their website: <https://www.stainternational.com/debt-collection/recovery-process/>

Non-recovery of debt may result in legal action being taken by the University. Should legal proceedings be required, the University reserves the right to add to any claim the costs incurred in pursuing the debt (for example, court fees and legal costs and to apply interest equivalent to the Bank of England Base rate to the amounts outstanding.

4. Policy Review

The student debt collection policy and procedures should be reviewed annually by the Registry and Finance Department in consultation with the Director of Finance, Director of Academic Services and University Executive.

Director of Finance and Director of Academic Services
February 2017

Appendix 1 – Reminder Letter 1

Student Ref

Date:

Dear student

REMINDER

Student Arrears - £

I draw to your attention the overdue invoices that are shown in the account summary below. In accordance with the terms of payment your immediate settlement of these invoices would be greatly appreciated to avoid any further action being taken.

If payment has been made in the last 7 days please disregard this reminder.

If you are experiencing difficulties clearing the arrears we must request you contact the Finance Office on 01952 815214.

Or, if you have any other queries or concerns, you can also contact Student Services to obtain further advice and support.

Yours faithfully,

Student Income Controller

Appendix 2 – Reminder Letter 2

Student Ref:

Date:

Dear student

REMINDER

Student Arrears - £

Despite our previous correspondence I note that the invoices listed in the account summary below remain outstanding.

In accordance with the terms of payment your immediate settlement of these invoices would be greatly appreciated to avoid any further action being taken.

If payment has been made in the last 7 days please disregard this reminder.

If you are experiencing difficulties clearing the arrears we must request you contact the Finance Office on 01952 815214.

Or, if you have any other queries or concerns, you can also contact Student Services to obtain further advice and support.

Yours faithfully,

Student Income Controller

Appendix 3 – Reminder Letter 3

Student Ref:

Date:

Dear student,

FINAL REMINDER

Student Arrears - £

Detailed Breakdown of outstanding fees and charges

Tuition Fee:

Accommodation:

Short Course:

Parking Fine:

We are disappointed to note your student account remain in arrears, and must request you clear this balance **within the next 7 days**.

If you are experiencing difficulties which are preventing you clearing this liability, please contact the Finance Office immediately on 01952 815214.

In accordance with our **Student Debt Collection Policy {Add Hyper Link}** your contact details have been referred to our Student Services Team who may be able to offer you support, and advice with issues preventing you from meeting student obligations.

Please note that if you fail to clear this balance and or make suitable contact within the next 7 days your case will be considered for referral to our debt collection partner STA International.

Thank you in anticipation of your prompt attention to this matter.

Yours faithfully,

Student Income Controller

Appendix 4 – Library Policy For the collection of library fines and charges

- The library applies fines on material immediately it becomes overdue. The fine charged varies according to the loan category. For short loan material (this is loaned until the next day) the fines are 50p per hour, rising to a maximum fine of £5.00. For week loan material the fines are 50p per day, rising to a maximum fine of £5.00.
- For 3 week loan material the fines are 15p per day, rising to a maximum fine of £4.95.
- Fines are transferred onto a student's library record once the book has been returned or renewed.
- If a student has outstanding fines of more than £5.00, they are unable to take any further books out on loan or renew their books until their fines have been reduced to less than £5.00.
- Students are also blocked from taking any further books out on loan if they have a book out on loan which is more than 22 days overdue. Should the student fail to return a book, the library will invoice the student for the replacement cost of the book which will be applied to the student's library record.
- The policy for the issue and collection of fines and charges have no impact on the student's access to the library's online resources. Access continues as normal.
- To settle outstanding Library Fines, students should make payments using the online payment services found here; <https://payments.harper-adams.ac.uk/library/> which in real-time automatically updates the student's library record.
- If the library debt remains unsettled or the student leaves the University, the outstanding balance will be consolidated within an individual's Student Account, at that point standard University regulations for collection of debt will apply.