



STUDENT ACCOUNTS RECEIVABLE  
PROCEDURAL GUIDE

BUSINESS OFFICE

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**IMPORTANT:** This guideline is not all-inclusive, nor does it address every situation that may arise. Its sole purpose is to guide management and to provide reasonable assurance in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with the Mississippi Board of Trustees of State Institutions of Higher Learning (IHL) and the University's policies and procedures
- Compliance with applicable state and federal laws and regulations, and
- Safeguarding the University's assets and resources.

The Business Office homepage is located at <http://www.jsums.edu/finance/>, where you will find important UNIT NAME information, answers to common questions, directions to the office and staff contact information. All correspondence may be mailed to the following address:

Jacksons State University  
Business Office  
P.O. Box 17159  
Jackson, MS 39217

#### UNIT MISSION STATEMENT

Jackson State University may amend this document without notice. It is intended to provide guidance regarding the administration at Jackson State University in accordance with State and Federal laws and does not give rise to any contractual rights. Should there be a conflict between the content of these guidelines and state or federal statute, statute shall subjugate, having full precedence.

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## DEFINITIONS

Resources - Revenue is money collected from internal or external sources within a given fiscal year (excludes budget transfers).

Delinquent Accounts - an account on which the student failed to pay in full the balance owed to Jackson State University or failure to honor the payment plan agreement.

Collection Process - If a student fails to pay any tuition, fees, charges, or expenses or a student fails to make acceptable payment arrangements to bring their student account current, the University may refer the delinquent account to a collection agency or report the student to credit bureaus. The student is responsible for all collection charges associated with the collection of the debt, including but not limited to: collection agency fees, reasonable attorney's fees, court costs, and all other charges allowed by law.

Collection Agency - an entity used to recover funds that are past due or accounts that are in default.

ECSI/Recovery Select - pre-Collection agency that assist students with delinquent accounts with options to get the account current.

Account Analysis - The process of examining financial information for accuracy and reasonableness. If determined to appear inaccurate or unreasonable, further investigation is warranted and corrections are made if needed.

## OBJECTIVE STATEMENT

It's important that the University maintain a positive reputation regarding the stewardship of all monies, whether public, federal or privately provided. It is also recognized that it is equally important that sound fiscal processes be in place that will address the needs of the University community in an efficient and effective manner. While it may not be all inclusive, the advantages of having this written document are to better educated employees, to establish clear performance standards and assurance of legal compliance.

## PURPOSE

These University guidelines to promote the proper accounting and control of revenues as it relates to the recording of charges and revenue associated with the Student Receivables and other revenue sources management through the Bursar. The University promotes effective controls to ensure the protection of assets, accurate financial reporting and effective use of resources. These statements are issued as a guide regarding activities associated with

## ADHERENCE

All are expected to adhere to these guidelines. Willful disregard of this shall be considered non-compliance and may result in a formal reprimand up to and including termination.

## **AUTHORITY/RESPONSIBILITY**

The Bursar is held responsible with the receiving, safeguarding and depositing of University funds. The Bursar, who is also authorized to grant credit, realizes that accounts receivable balances that result from the extension of this credit are subject to scrutiny by state authorities, auditors and other constituents. Therefore, this area must exercise care to ensure that all transactions are necessary, reasonable and directly related to the goals and missions of the University. Whenever possible and practicable, it shall be the position of the University to obtain cash as immediate settlement for all charges, services or materials. Cash must be immediately obtained in all cases for transactions which are minor in amount to reduce the additional record keeping which is inherent with an accounts receivable system. Other responsibilities include the management of:

- Receive Departmental Deposits
- Post Payments to Student Accounts
- Make Bank Deposits
- 1098 Reporting
- Tuition Calculations
- Title IV Fund
- Third Party Billing
- Student Refunds
- Super Card Collections
- Perkins Loans Application of Payments

As a general rule, a receivable arises when the University has a valid claim against an individual or entity. The creation of a valid claim constitutes a signal to record a receivable. The purpose of accounts receivable procedures is to record and maintain accounts of claims against others for the future receipt of money.

Control is a key factor in handling accounts receivable. Control of accounts receivable consists of determining amounts due from others, billing them, seeing to it that the bills are recorded and collecting the amounts billed. Failure to properly control receivables can cause financial problems for the University.

As a matter of sound business practice, it is sometimes necessary that services and/or materials be sold on a credit basis, resulting in the creation of accounts receivable for the selling agency. The value or success of such a business practice is determined by a number of factors, some of which are the proper selection of persons/agencies to whom credit is granted, the amount of control exercised over the accounts, and the ultimate collection of cash due from the accounts.

## **CASH HANDLING**

The cash handling policies and procedures of Jackson State University has been determined by the University to be necessary for the effective administration and control of cash handling operations throughout the University. This guide contains informative notes to help employees with cash handling functions to better understand and perform their duties in accordance with University

policy. The overall cash policy of the University is to institute controls and procedures to ensure the physical security of cash; maximize the use of cash funds; and accurately record the receipt of cash to ensure the reliability of financial data.

The cash handling function is divided into two general areas: (1) Cash collections - The collection, control, and deposit of amounts due to the University from cash sales, collection of accounts receivable, credit card sales, and other sources; and (2) Cash disbursements - The dispensing of cash (both currency and check) for expenditures for miscellaneous reasons and the control of funds set up for this purpose.

### **AUTHORITY TO RECEIVE CASH**

The cash made available to Jackson State University belongs wholly and completely to the University and comes under the jurisdiction of the Board of Trustees of State Institutions of Higher Learning for the State of Mississippi.

The Vice President for Business and Finance, or the Director of the Business Office, by authority given by the Board of Trustees, is authorized to receive funds and may from time to time delegate to specific departments the authority to collect and receive monies on behalf of the University. The Vice President for Business and Finance or the Director of the Business Office also reserves the right to withdraw any department's authority to collect and receive monies.

Individuals authorized to receive cash must do so in accordance with the policies and procedures set forth by the University. The names of each individual authorized to receive cash must be submitted to a bonding company, to insure that there are no improprieties.

If it is determined that a University employee has not followed procedures, that person is expected to reimburse the University for monies receipted and not collected, lost, stolen and/or unaccounted for. Misrepresentation of cash receipts and malfeasance are grounds for dismissal.

### **ACCOUNTING FOR FUNDS RECEIVED**

Every person receiving cash on behalf of the University must receipt the funds in accordance with procedures set forth by the University. There are two exceptions to this policy:

The use of a cash register by a Department authorized to receive cash. In this case, the cash register receipt substitutes for an official University Cash Receipt.

The sale of tickets for University sponsored events such as athletic events. In this case, the tickets are considered to be the individual's receipt. The department selling tickets is held accountable for all tickets that it issues.

Regardless of the methodology used, the source of cash receipts must be clearly identified and adequate records must be maintained of the transactions producing those receipts. Persons who receive cash are not authorized to control, handle or have access to the accounting records and vice versa.



All receipts used by the University are to be accounted for in the following manner - Receipts used are to be pre-numbered and ordered by the Business Office. Once received, receipts are to be checked by the Senior Business Office Representative to assure accuracy. The Senior Business Office Representative then issues University Cash Receipts to the Cashier, as needed. Each Cashier is to operate from only one Cash Receipt batch until the batch is completely exhausted.

### **SAFEGUARDING FUNDS**

Cash, checks and credit card transactions must be secured until properly prepared deposited with the Business Office daily. Cash receipts on hand are to be maintained in a secured place at all times. When it is not possible to follow this procedure, permission must be obtained from the Director of the Business Office to store the cash receipts overnight in departmental cash boxes. All cash collected are delivered to the bank daily by courier service.

### **CASH COLLECTONS BY THE BUSINESS OFFICE**

Each Cashier is assigned a unique identification number as well a separate cash draw. It is the Cashier responsibility to ensure that all funds collected and posted under their identification number be accounted for and safeguarded. When an individual leaves his/her station, the drawer must be locked and the key safeguarded regardless of how brief the absence.

When issuing cash back to the student, always count it twice. The Cashier should count it first when making the change and secondly in front of the student. This ensures the correct amount is being returned. Refunds or payments cannot be made directly from funds received from cash receipts. All refunds must be processed through appropriate procedures as established by the Business Office.

When accepting credit cards for payment, the name of the cardholder and student's name (if different) and the student's J number must be written on the receipt. The original (white copy) is retained by the Cashier and the duplicate (yellow copy) is issued to the student.

Verify that all information is correct on the front of the check such as the name, address, telephone number, work number, dormitory location, dormitory phone number and student J Number for all checks received for payment. If any of this information is missing, it must be written on the check.

If the funds received are in the form of a bank draft drawn on a foreign account, DO NOT post the transaction to the student's account until the local depository confirms that the funds have been received. The local bank will send the University a notice that the draft has been collected, and the amount of the collection fee withheld from the funds collected. Once the notice of collection is received, post the net amount (amount of draft less bank's collection fee) to the student's account

### **STUDENT ACCOUNT**

A student account is established for each student at the time the student is admitted to the University. This account is used to record student financial obligations such as tuition, fees, housing, and meal plans and payments that include by not limited to federal financial aid, scholarships, and payments made by students. Each student is responsible paying any outstanding financial obligation in full by the date that it is due.

## **APPROVALS OF TUITION AND OTHER FEES**

The Board of Trustees of State Institutions of Higher Learning is responsible for approving room and board fees and tuition for Jackson State University. All changes to fees require Board of Trustees approval as evidenced in the official minutes of the Board meeting. In addition, new fees are published in the University catalog for public knowledge. It is the responsibility of the Vice President to ensure that all fee changes are submitted to the Business Office and are billed correctly.

## **AUTHORITY TO EXTEND CREDIT**

No department, support service unit, or auxiliary enterprise shall extend credit to faculty, staff, students, or businesses outside the University without the prior approval of the Vice President for Business and Finance. The Vice President for Business and Finance may grant special permission to render service on a charge basis where it is in the overall best interest of the University.

## **STUDENT CREDIT POLICY**

Students that receive awards through the Financial Aid Office from one or more of the following programs must pay the amount of their bill less the amount awarded for the financial aid. Any liability resulting from a reduction of financial aid becomes the student's responsibility payable upon notification of the adjustment of the award. Financial aid awards for purposes of the credit policy are as follows: Pell Grants, Stafford Student Loans, Federal Insured Student Loans, Institutional Loans, SEOG, Perkins Loans, College Work-study, and departmental employment, Vocational Rehabilitation, Fellowships, Assistantships and Grants. Students wishing to utilize Veterans benefits under the credit policy must demonstrate financial need in compliance with normal financial aid standards.

## **STUDENT BILLING**

Students with outstanding balances receive statements monthly and have access to view their account balance through the Student Online Service. These balances must be paid prior to the end of the academic term. Students with outstanding balances at the end of an academic term are not allowed to complete registration for a subsequent academic term or if graduating, receive a diploma. Students are subject to the collection policies of the University.

## **NON-UNIVERSITY FINANCIAL AID**

Approved payment plans are available to each student that will not have enough financial aid to cover tuition and fees. The fee for the payment plan is \$100 and the payment plan extends over the term enrolled. Failure to comply with payment plan agreement will void the payment plan.

## **CONTROL OF RECEIVABLES**

The Business Office staff is responsible for student billings, recording accounts receivable, and cash receipts.

## **PAST DUE RECEIVABLES**

Student accounts that have not been paid in full by the due date is considered past due. Failure to complete the payment plan agreement will void the payment plan and the student account will

become past due. Contact by mail or phone will be made to the students with a balance that have separated from the university. Students having an outstanding balance that's at least one year old will be sent to the collection agency. A financial hold is placed on students' accounts with past due balances preventing the student from registering for classes in future terms, receiving a diploma, and/or requesting a transcript.

### **DOUBTFUL ACCOUNTS**

The policy of Jackson State University is to undertake a continuing and diligent effort to collect all unpaid balances. It is necessary that University personnel lend all possible assistance to keep losses to an absolute minimum. The balances to accounts receivables are reviewed periodically to determine the collectibles of the accounts. Amounts determined to be uncollectible are to be provided for in an allowance account.

### **RETURNED CHECKS**

Responsibility for collecting unpaid checks is assigned to the Business Office. The amount of the returned check fee is displayed in the class schedule and on the JSU's website. The depository bank used by the University will redeposit checks returned for insufficient funds a second time. Checks deposited to the bank that remain unpaid after the second deposit will be returned to the Senior Business Office Representative (Head Cashier) in the Business Office.

### **DELINQUENT ACCOUNTS COLLECTION**

Student Accounts Receivable is responsible for all delinquent account collections. Student delinquent accounts will result in a registration block and transcript hold being placed on the student's account. Other collection actions possibly used on any category of delinquent account include: debt referral to third party collection agency; reporting debt to a credit bureau; and/or litigation (bring suit) against debtor

### **WRITE-OFF ACCOUNTS**

Student receivable accounts are NOT written off.

### **RETURN OF TITLE IV FUNDS**

The Higher Education Amendments of 1998 (HEA98) represent a major shift in the Return of Title IV Federal Financial Aid when a student withdraws from the university. This change in policy went into effect at Jackson State University during the Fall 2000 Semester. The policy governs all federal grant and loan programs (Pell, SEOG, Stafford Loans, Perkins and PLUS loans), but does not include the Federal Work Study program.

In general, the new law assumes that a student "earns" approved/verified federal financial aid awards in proportion to the number of days in the term prior to the student's complete withdrawal. If a student completely withdraws from the school during a term, the school must calculate, according to a specific formula, the portion of the total scheduled financial assistance that the student has earned and is therefore entitled to retain, until the time that the student withdrew.

If a student receives (or the university receives on the student's behalf) more assistance than he/she

earns, the unearned funds must be returned to the Department of Education or to the Federal Stafford or parent's Federal PLUS loans lenders. If a student's charges are less than the amount earned, and a refund is due, the student may be able to receive those additional funds. Students who have not completed the verification process are ineligible to receive any financial aid.