POLICY Board of Trustees - Montgomery College **45004**

Chapter: Student Affairs Modification No. 001

Subject: **Student Indebtedness**

The Board of Trustees recognizes that prudent fiscal control includes the active collection of all student indebtedness. As such, the President is authorized to develop procedures to ensure all efforts are made to collect student indebtedness in a consistent and timely manner.

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Board Approval: May 21, 1984.

PROCEDURE - Montgomery College **45004CP**

Chapter: Student Affairs Modification No. 004

Subject: **Student Indebtedness**

I. To prevent over-encumbrances, the College President must assure that every effort is made to collect the revenues that are anticipated in the operating budget. The College will exert every reasonable attempt to collect all types of student indebtedness. No student will receive grades, transcripts, or certification letters until all outstanding debts due the College under the law are paid. At the time of next registration, the student will be required to pay all debts legally due the College before subsequent registration is permitted.

II. Students with prior indebtedness who are part of a Workforce Development and Continuing Education contractual course training agreement may be registered and may only attend these specialized contract course training classes, regardless of whether they are offered at a Montgomery College facility or at their place of employment. Certificates of completion will be issued for and released to these students or their employers. Participation does not release these students from any prior indebtedness to the College.

III. The Vice President of Finance/Chief Financial Officer is responsible for the establishment and administration of procedures necessary for the collection of unpaid student financial obligations. After collection efforts by the Business Office staff to collect such obligations are exhausted, all undisputed obligations may be sent to a collection agency that has a collection agreement with the College. Should the collection agency determine that the claim is collectible through court suit and requests College authorization to enter suit, the claim will be reviewed by the Vice President of Finance/Chief Financial Officer. If appropriate, the Vice President of Finance/Chief Financial Officer will forward the claim to the College's General Counsel with a request that the General Counsel issue written authorization to the collection agency so that legal suit may be entered.

IV. Selection of a collection agency will be conducted by the Vice President of Finance/Chief Financial Officer who will require each interested agency with which he/she negotiates to submit its proposal in writing. The Vice President of Finance/Chief Financial Officer will submit his/her recommendations to the Senior Vice President for Administrative and Fiscal Services for approval. All arrangements pertinent to the relationship of the College with the collection agency selected must be reduced to a written agreement which, prior to execution, must be reviewed by the College's General Counsel for legal form and sufficiency.

Administrative Approval: May 21, 1984; December 17, 2002; December 6, 2011; April 28, 2014 (administrative corrections only)