



College of The Albemarle Procedure

Procedure Number: 6.2.9.2

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Title: Non-Student Debt Collection

Related Policy: 6.2.9 Debt Collection

Division of Responsibility: Business and Administrative Services

I. Scope of Procedure

This Procedure shall be used for all College non-student accounts receivable. Accounts receivable or uncollected billings that may be submitted for collection include, but are not limited to: salary overpayments, contract work completed by the College for which the College has not received payment, fees owed to the College, deposited checks returned unpaid for insufficient funds, unpaid fines, damage to College property, and nonpayment for goods or services purchased from the College.

II. AGE OF ACCOUNTS & COLLECTIONS OF PAST DUE BILLINGS

- A. Current: An account that is invoiced but not due. For example, an account is invoiced April 1 but not due until April 30. The period from April 1 through April 30 is considered current.
- B. 1-30 days past due: In the above example, this period is from May 1 to May 30. The account is considered 30 days past due after May 30. The College will mail the first past-due letter (demand letter) to the debtor.
- C. 31-60 days past due: In the above example, this period is from May 31 to June 29. The account is considered 60 days past due after June 29. The College will mail the second and final demand letter to the debtor and send a confirmation letter for repayment.

III. ASSESSMENT OF LATE FEES

If, after thirty (30) days, there is no satisfactory response to the letter, the College shall charge interest at the rate established pursuant to N.C.G.S. § 105-241.21, as mandated by N.C.G.S. § 147-86.23. Interest begins to accrue on the date the account becomes past due. The College may also apply a one-time late payment penalty fee of ten percent (10%).

IV. COLLECTION TECHNIQUES

- A. If there is no satisfactory response to the final notice letter(60 days past due), the College shall initiate the following:
 - 1. **Notice of Intent to Setoff:** The Chief Financial Officer or designee shall provide the debtor with a written "Notice of Intent to Setoff." This notice shall inform the debtor of the \$15.00 collection assistance fee and their right to contest the matter by filing a



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written request for a local hearing within thirty (30) days of the date the notice was mailed.

2. **Hearing Process:** If a hearing is requested, the President shall appoint a Hearing Officer not directly involved in the initial debt determination. The hearing must determine whether the debt is owed and the correct amount.
 3. **SODCA/SEDCA Referral:** If no hearing is requested within 30 days, or if the hearing decision confirms the debt, the College shall refer the matter to the North Carolina Department of Revenue pursuant to the Setoff Debt Collection Act (SODCA) or State Employee Debt Collection Act (SEDCA) guidelines for any debt of at least fifty dollars (\$50.00).
 4. **State Employee Coordination:** Pursuant to the State Employee Debt Collection Act (SEDCA), if the debtor is a current state employee, the College may coordinate collection through the debtor's current employing agency as a condition of continued employment.
 5. **Collection Agencies:** The College may also refer the matter to one of the State-approved collection agencies.
- B. The College reserves the right to take all appropriate legal action to collect the debt.
- C. If the debtor is paying a debt in periodic payments through the payment arrangement form satisfactory to the College, the account may be retained until the account is satisfied.

V. USE OF LATE FEES

Any funds the College accrues as a result of late fees shall be used as follows:

- A. Applied towards any fees incurred by the College for the collection effort;
- B. Student aid; and/or
- C. Other expenditures of direct benefit to students.

Legal Reference: N.C.G.S. §§ 105A-1 et seq. (SODCA); 105-241.21; 115D-5; 115D-39; 147-86.23; 1E SBCCC 200.2; NCCCS Accounting Procedures Manual Section 1

June 13, 2023

April 13, 2026

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Date Approved by President's Leadership Team

Date of Last Review

Date of Last Revision