

Debt Collection Policy

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1. Introduction

- 1.1 This document sets out the policy of the University in relation to student and non-student debt, along with the debt management procedures that will be followed. Recognising that student fees represent the majority of the University's income the policy focuses predominantly on student debt alongside the University's Tuition Fee Charging and Refund Policy.

2. Students

- 2.1 The policy applies to all students including full and part-time, undergraduate, postgraduate, home and overseas students and is set out to ensure that all students are treated in a fair and equitable manner.
- 2.2 The University recognises that there will be instances where students face financial hardship which will impact on their ability to pay their fees and charges in full and on time. The University takes the welfare of all its students seriously and offers a variety of support and where appropriate financial assistance. Should any student find themselves in financial difficulty and are unable to pay their fees, it is imperative that they contact the Finance Income Team to discuss their specific circumstances and for advice about support available within the University.
- 2.3 Students should also refer to the Student Contract relating to their year of entry, and the University's Tuition Fee Charging and Refund Policy which can be accessed using the links below:

<https://www.dmu.ac.uk/study/student-contract/index.aspx>

<https://www.dmu.ac.uk/current-students/student-support/student-finance/tuition-fees/tuition-fee-charging-and-refunding-policy-2019-20.aspx>

- 2.4 Students must be aware that they are personally liable for payment of Tuition Fees relating to the course(s) they register on and for Accommodation Fees that are due under their Licence to Occupy or Tenancy Agreement with the University.
- 2.5 Where students owe a significant amount in overdue debt for tuition fees and have no means of paying this debt it will not be in the student's best interests for the University to allow them to continue their studies and increase their burden of debt.
- 2.6 Details of the provision of statements and reminders, for the various categories of debt are provided in the relevant sections of this policy which also details actions that may be taken to recover debt should a student or sponsor fail to either make payment, adhere to an agreed payment plan or to contact the Finance Income Team regarding settlement of their account balance.

Contact Details are as follows:

Income Team

Telephone: 0116 207 8810

Email: income@dmu.ac.uk or epayments@dmu.ac.uk

3. Invoices – Payment Terms

- 3.1 Payment of all invoices must be made in full within 30 days from date of invoice. For students there is an option to set up an acceptable payment plan, details of which are noted below under the specific headings.
- 3.2 The University accepts many different forms of payment, including Online, bank draft or cheque, Bank transfer, in person and over the phone. Cash is not accepted under any circumstances.

4. Income Collection

- 4.1 It is the responsibility of the Finance Income Team to ensure that revenue due to the University is collected and allocated by the efficient application of agreed credit control procedures. This is reliant on the prompt notification by Faculties and Directorates in order that all income due to the University is invoiced promptly and collection initiated without undue delay in order to minimise the extent of any uncollected debt.
- 4.2 It is the responsibility of all Faculties and Directorates to ensure that tuition fees accurately reflect students' registration status and any discounts or scholarships they may be due. Student records must also be maintained accurately and updated on a timely basis in order to avoid any delays to the invoicing and debt collection procedures.

5. Definition of Academic and Non-Academic Debt Types

5.1 Academic Debt

Tuition Fees (over £50)

Sponsored Tuition Fees (over £50)

Non-Academic Debt

Accommodation Fees

AV Loan Equipment

Other miscellaneous charges Commercial

Debt

Library Fines

DMU Global

Trips

Tuition Fees (under £50)

- 5.2 In accordance with CMA guidance following Consumer Rights Act 2015, academic debt as defined by tuition fee debts only of £50 or more. All other debts of £50 or more relating to library loans/fines, AV loans/fines, accommodation, DMU Global etc. are defined as non-academic debts. Only academic debtors can be prevented both from receiving their award and attending graduation. Non-academic debtors can only be prevented from attending their graduation ceremony. This can be summarised as follows:

	Academic debtor		Non-academic debtor	
	<£50	=>£50	<£50	=>£50
Withhold results/progression/award	no	yes	no	no
Prevent from attending graduation	no	yes	no	yes

6. Tuition Fees

- 6.1 Tuition fees invoices will be sent via email to a student's University email address alongside any personal addresses the student has provided. The use of a student's personal email will continue to be reviewed in light of GDPR regulations.
- 6.2 Our student tuition debt process starts at the point of Registration. All First-year overseas students are required to pay 50% of their tuition fee at the point of Registration. All other students are required to pay 50% of their fee and set up a payment plan within four weeks of registration for the balance. Failure to do so will result in reminder letters being sent to the students.

7. Tuition Fees Collection Process – All Students

- 7.1 The table set out in Appendix A shows the process for chasing student debts.
- 7.2 The correspondence referred to in Appendix A will be sent to students via e-mail to their DMU email address. Examples of the correspondence can be found in Appendices C, D and E.

8. Implications for Non-Payment of Tuition Fees

- 8.1 If after exhausting the debt collection procedures set out in Appendix A any tuition fee debt remains unpaid the following sanctions will be placed against the student:
- **Student ID card & Library Access Rights** – once the third reminder letter for non-payment of tuition fees has been issued, the student's ID card will be blocked. This will deny access to buildings and restrict the ability to borrow books from the Library. The ID card will only be reinstated once the University receives payment in full or an acceptable payment plan has been agreed with the Finance Income Team. This will normally be done within 72 hours (taking account of weekends where relevant).
 - **Students who default during their study** will be deregistered in line with the University's Charging and Refunding Policy and will only be reinstated once they have settled their debt or agreed an acceptable payment plan.
 - **Returning students** will not be allowed to re-register and will be withdrawn from their course unless they have settled in full any overdue debt from the preceding year/period of study at the University.
 - Students will not be eligible for a student loan or any financial support from the University. Any student holding a Tier 4 Visa will be reported to the Home Office Immigration authorities, UKVI, where their Visa may be curtailed.
 - **Tier 4 visa holder** – international students holding a valid Tier 4 visa issued by UKVI who have not registered on time in any academic year covered by the Visa will be in breach of

the Visa conditions and will be reported to the Home Office Immigration Authorities where their Visa may be curtailed.

- **Correspondence** – students with outstanding tuition fee debt will not be entitled to receive any University letter confirming them as a student, certificate of award, completion certificate or transcript until the debt is paid in full.
- Any student with outstanding tuition fee debt **shall not receive the certificate for any degree, diploma or other qualification awarded by the University** until the debt is cleared in full.
- **De-Registered and Non-Returning Students** – Debts will be referred to the university's debt collection agencies if no response for resolution of outstanding debt has been received, where appropriate legal action will be taken to recover amounts outstanding. Debts that are uneconomical to pursue through debt collection agencies will be directly referred to County Court. Only reputable Debt Collection Agencies who must be a member of one of the professional bodies, either the Institute of Credit Management or the Credit Services Association are employed by the University.
- **Completed or withdrawn from study** - Students who have completed or withdrawn from studies with outstanding debt without entering into an acceptable payment plan will be served with a legal notice and a 10% charge of any outstanding debt may be added to the account. If the balance is cleared before any legal action is taken the 10% charge may be waived. This is to cover the costs the University will incur for taking legal action.

9. Sponsors

- 9.1 A student is classed as a sponsored student if funded by, Student Loan Company (SLC), their home government, any other organisation or company. A University scholarship towards the cost of your tuition fee is also considered to be sponsorship. Parents or guardians, family members or friends cannot be classed as sponsors.
- 9.2 To be confirmed as a Sponsored Student the Finance Income Team must receive formal written notification clearly stating the student's details, the value of the sponsorship and for how long this sponsorship will run. A new letter must be supplied each academic year the student is in attendance. The student should ensure that the University is provided with full contact details for the sponsor prior to registration. It is the student's responsibility to provide the relevant paperwork to the University as proof of a sponsorship.
- 9.3 Where a student has confirmed that they will be funded by a sponsor, the University will invoice the sponsor directly.
- 9.4 Where a sponsor fails to pay, the student will not be considered sponsored and will be treated as a self-paying student. The fee liability will therefore become the responsibility of the student and the standard tuition debt collection procedure will be followed.

10. Accommodation

- 10.1 Accommodation charges are determined by the Accommodation Office. As with tuition fees the Finance Income Team are responsible for sending out the invoices on request by the Accommodation office. Invoices are emailed to students 10-14 days after the contract start date. Payment is required either by termly instalment as per the accommodation contract or by a payment plan that allows the cost of the annual rent to be spread over four equal monthly instalments between November and February. Payment plans for accommodation contracts

covering periods less than an academic year are dealt with on a case by case basis.

10.2 The table in Appendix B sets out the process for chasing student debts. The correspondence detailed in Appendix B will be sent to students via e-mail or letter depending on the time of year. In addition, statements are sent to all students with details of outstanding balances on a termly basis.

11. **Other Invoices – Students**

11.1 Other charges applied to the student account during the year by Faculties and Directorates must be paid in full by the given due date.

11.2 The Income Team will attempt to pursue these debts with at least one reminder letter and follow up phone call.

11.3 Should debts remain unpaid after the Income Team have exhausted their collection procedures the account may be passed to Debt Collectors. The University reserves the right to pass on any third-party recovery fees in the pursuit of an unpaid debt.

12. **Payment Plans**

12.1 The University offers payment plans for students predominantly for tuition and accommodation fees. If a student is unable to pay an invoice by the due date, they should contact the Income team immediately. The University can refuse to offer a payment plan at any time depending on individual circumstances.

12.2 Failure to adhere to any payment plan will result in the agreement being cancelled and the standard debt collection procedures will commence.

12.3 The university offers the following payment plans for all Undergraduate, Postgraduate and Part Time Students.

	September Registrations	January Registrations
All First Year Self-Funding Overseas Students. <i>Please note that it is a condition of the Tier 4 Visa that students have adequate financial means to pay for their studies whilst in the UK.</i>	50% of tuition fees in advance of or on the day of registration. The remaining balance must be paid by a monthly/termly instalment plan that must be agreed with the Income Team within four weeks of registration. The termly plan consists of two further instalments payable on 21 January and 21 April and the monthly plan consists of seven instalments payable on the 2nd of the month running from November to May.	50% of tuition fees in advance of or on the day of registration. The remaining balance must be paid by a monthly/termly instalment plan that must be agreed with the Income Team within four weeks of registration. The termly plan consists of two further instalments payable in April and July the monthly plan consists of six instalments payable on the 2nd of the month running from February to July.
All Self-Funding Home/EU Students & Returning Overseas students	50% of tuition fees within four weeks of registration. The remaining balance must be paid by a monthly/termly instalment plan that must be agreed with the Income Team within four weeks of registration. The termly plan consists of three instalments payable on 21 October, 21 January and 21 April and the monthly plan consists of seven instalments payable on the 2nd of the month running from November to May.	50% of tuition fees within four weeks of Registration. The remaining balance must be paid by a monthly/termly instalment plan that must be agreed with the Income Team within four weeks of registration. The termly plan consists of three instalments payable in January, April and July. The monthly plan consists of seven instalments payable on from February to July.

13. Exceptional Payment Plans

13.1 For students who have no control of when their funding is released, such as a Post Graduate Student Loan (from the SLC), the University may enter into an agreement matching when the funding is released. The Income Team will require confirmation from their loan provider of the details on the provider's headed paper.

14. Re- Registration

14.1 Returning students with an existing debt must clear this debt in full prior to the start of registration or they will have their registration blocked.

15. Communication

15.1 The University contacts students via their University e-mail account where possible. It is expected that students continue to check their University email account on a regular basis.

15.2 To ensure that contact can be made with the student the university may also contact students using:

- any phone number provided by the student,
- any alternative email address provided by the student,
- by letter to the term and /or home address provided by the student.

15.3 The use of a student's personal email will continue to be reviewed in light of GDPR regulations.

16. **Statements and Reminder Letters**

16.1 Statements and reminder letters are e-mailed to students' University e-mail account. Statements are issued on a monthly basis. Reminder Letters are issued on a weekly basis.

17. **Graduation**

17.1 Students will not be permitted to graduate from the University where any academic debt remains outstanding.

17.2 Where a student is funded by a sponsor, and their sponsor has failed to make payment following our debt collection procedures of any academic fees e.g. tuition fees, the debt will be transferred to the student's account and must be paid in full prior to graduation.

17.3 Students will not be issued with any letter, Certificate of Award, Confirmation of Completion of Studies or Transcript whilst they have an outstanding academic debt.

18. **Deregistration**

18.1 A student will continue to be charged tuition fees until such time as they notify the faculty they no longer wish to study. Please refer to the tuition fee charging and refunding policy for the relevant liability dates

<https://www.dmu.ac.uk/current-students/student-support/student-finance/tuition-fees/index.aspx>

19. **Refunds**

19.1 Refunds are returned to the source of payment, i.e. if paid by credit card the refund will be credited back to that card and if paid by bank transfer, it would be refunded back to the originating source bank account.

19.2 If the bank account is no longer in use, the account holder will be required to provide to the Income Team appropriate bank details in the name of the payer of the original amount.

19.3 The income Team aim to process refunds as soon as possible but authorisation from the relevant sections and any money laundering checks must be obtained and completed prior to payment being made.

20. Commercial Debt

20.1 All commercial customers must be checked for credit worthiness prior to undertaking any university business with them. Goods and services can then be exchanged providing the check comes back satisfactory.

20.2 Commercial invoices are due within 30 days of the date of invoice.

20.3 Commercial customers will be sent regular monthly statements listing their outstanding balance and will be followed with a phone call. Failure to pay will result in three reminder letters being sent out escalating the issue before passing the customer to a debt collection agency to recover any outstanding debt.

21. Management of bad Debts

21.1 For student debt:

- Where a student is no longer studying at or has been excluded from the university and still has outstanding debt, legal notice will be served and a 10% charge of any outstanding debt may be added to the account. This 10% charge is to cover the costs the University will incur for taking legal action.
- If the balance due is cleared before any legal action is taken the 10% charge may be waived.
- If the debt has not been cleared within 14 days of legal notice being served, referral to a debt collection agency will follow.

21.2 For all non-student debt:

- Unless agreed in advance, debts overdue for 90 days or more will be passed to a debt collection agency and may be referred for litigation.
- Any additional costs incurred by the debt collection agency will be passed on to the debtor

Due consideration will be given for the level of overdue debt in order to determine whether it is economical to pursue recovery of the debt through legal means.

To enable the effective monitoring of the University debtor levels, a monthly aged debt report will be produced for the Financial Controller and Deputy Chief Finance Officer. This will identify movements of debtor balances and contain narrative commentary of key risks, issues and updates on debt collection activities.

Throughout the financial year once it is established that debts are likely to be irrecoverable or uneconomic to pursue further the debt will be recommended for write-off. The delegated authority limits for the writing off of bad debts is shown in the table below. Each proposed bad debt will be presented to the relevant body for approval.

Up to £7.5k	Financial Controller
Up to £15k	Deputy Chief Finance Officer
Up to £25k	Chief Finance Officer
Up to £100k	Finance and HR Committee
Over £100k	Board of Governors

Where student debt has been written off the individual record in the student database will have the appropriate debtor flag attached.

Where commercial debt is written off, the University may be able to claim VAT relief. The Income Manager will liaise with the Head of Taxation to pursue this.

The University can reinstate debts and attempt to collect them if new information becomes available.

22. Complaints

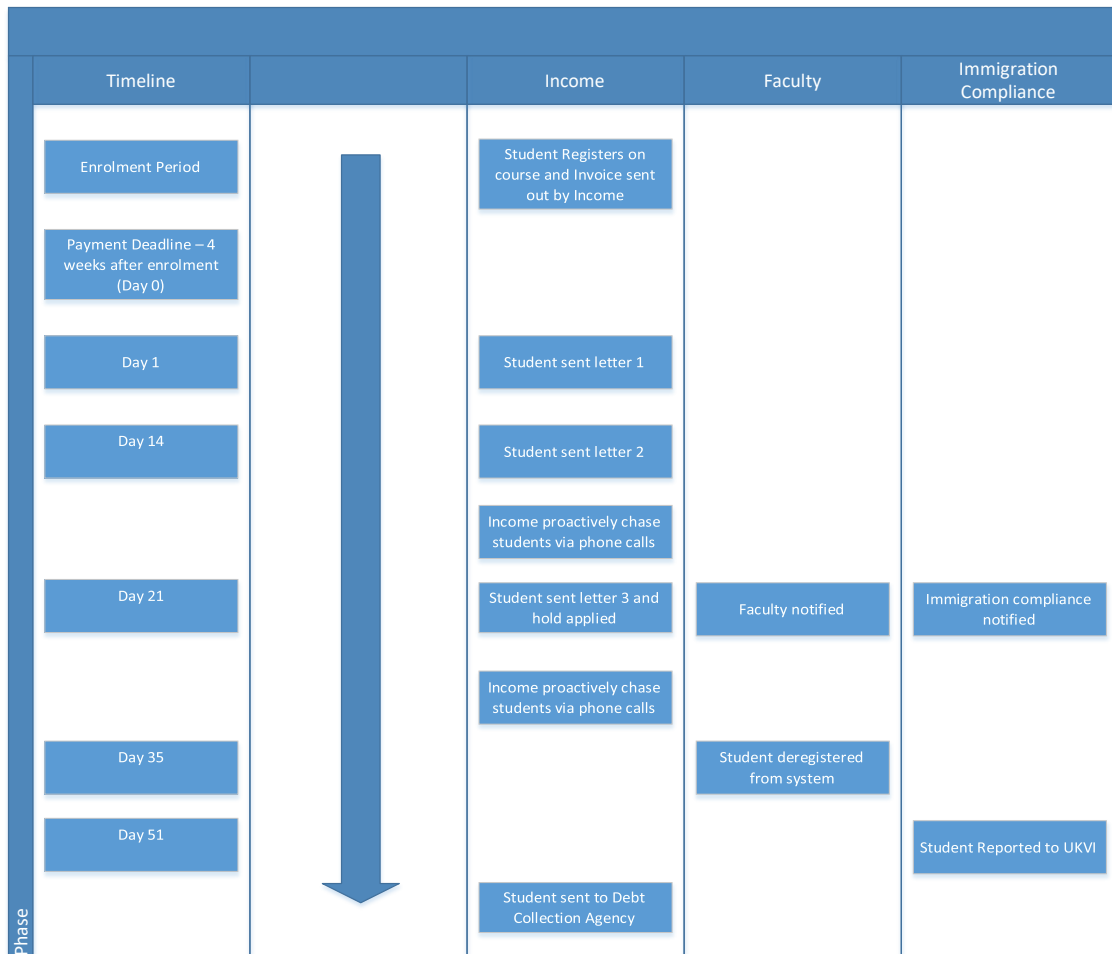
22.1 If a student or customer is dissatisfied regarding a decision concerning payment of fees or any other debt with the University, they should contact the Income Team in writing or by email at income@dmu.ac.uk.

22.2 If a student remains dissatisfied, they should follow the University's complaints procedure using the following links:

<https://www.dmu.ac.uk/current-students/student-support/exams-deferrals-regulations-policies/student-complaints/index.aspx>

22.3 If a commercial customer remains dissatisfied their complaint will be escalated to the Financial Controller for review and action.

Appendix A- Tuition Fee Debt Collection Process



1. Registration Period

- Students registers on SAP
- Invoices are raised on SAP in real time by the SAP fee matrix calculation
- Invoices are emailed out to students via SAP to both university and personal email addresses
- The Email to students contains details on how to pay and who to contact in the event of a query
- Students who have not paid or set up a payment plan by the 31st October will be sent a first reminder letter.

Day 1

- Any student who has not paid or is not in a valid payment plan will be sent a letter (day 1) via email by the Income Team to their university email address

Day 14

- Any student who has not paid or is not in a valid payment plan will be sent a second letter (day 14) via email by the Income Team to their university email address
- The Income Team will also follow up with telephone calls, text messages and any other means of communication the university feels appropriate to all students who have had two letters

Day 21

- Any student who has not paid or is not in a valid payment plan will be sent a third letter (day 21) via email by the Income Team to their university email address
- The third letter triggers an exclusion hold, this is a real time block to students accounts which restricts access to all IT systems and the Library
- The Income Team will call all students who have had this hold placed on their account
- The immigration Compliance team will be notified of any Tier 4 students who are in debt at this point.

Day 35

- If the student does not pay or agree an acceptable payment plan they will be deregistered from the system by the faculty, this will be backdated to the date of exclusion (day 35)

Day 51

- If a Tier 4 student has still not paid they will be reported to the UKVI Team to have their visa curtailed 30 days after the hold was applied (day 51).

Appendix B- Accommodation Debt Process for September Starters.

End of September	Student Accommodation provides a list from the RMS system of students that have checked into DMU halls during the intake weekend. This information is provided within 2 weeks of the new term after room swaps and no shows have been updated.
First week of October	Accommodation invoices are raised in SAP and emailed to students.
First week of November	<p>All students that have not paid their first termly/monthly instalment are emailed a letter requesting payment within 14 days and to set up a payment plan for the remainder of the rent.</p> <p>If the Income Team receive no response to the letter, the list of students is given to the Accommodation Manager to arrange for the relevant Hall Managers to visit the students to discuss their outstanding payment.</p>
Beginning February	<p>All students who have not paid their second termly instalment or monthly instalments are emailed a letter requesting payment within 14 days.</p> <p>If the Income team receive no response to this letter, the list of students is given to the Accommodation Manager to arrange for the relevant Hall Managers to visit the students to discuss their outstanding payment.</p>
May	<p>A final accommodation letter is emailed to the students requesting any remaining balance to be settled within 14 days.</p> <p>If the Income Team receive no response to this letter, the list of students is given to the Accommodation Manager to arrange for the relevant Hall Managers to visit the students to discuss their outstanding payments.</p> <p>If rent remains unpaid after the contract end date and no payment plan is in place, an end of session letter will be sent and notice given that the debt may be referred to external debt collector</p>
July	Any students still owing rent with no agreed payment plan set up are passed to an external debt collection agency to commence legal proceedings.