

<b>Procedures:</b>	<b>Client Collection</b>
Associated Policy:	Credit and Collection Policy, FM 4.0
Procedure Holder:	Finance and Administrative Services
Original Date:	October 2019
Next Review:	October 2021

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## 1. Purpose and Background

The University takes its fiscal responsibility obligations seriously, will take all necessary and reasonable actions for the collection of overdue accounts. This policy establishes guidelines for the collection of outstanding and overdue accounts, with the overall goal to maximize cash flow and achieve minimal outstanding account delinquency.

## 2. Guiding Principles

- The University will work with its clients to resolve all outstanding overdue situations before they become unmanageable, difficult and/or uncollectable, and will make every reasonable effort to keep collections efforts in-house;
- The University will implement an escalating process for the collection of overdue accounts;
- The University will have a transparent, equitable, and consistent process for dealing with overdue accounts;
- All efforts to collect overdue accounts have taken place before an account is placed with an external agency;
- The University will treat as confidential all information received regarding the collection process, both internal and external, and will follow all applicable territorial and federal acts and statutes, including “Personal Information Protection and Electronics Documents Act (PIPEDA)”;
- The authority to settle an account for less than the total amount due (which may include interest/and/or late fees) rest with the Director of Finance and Administrative Services or their delegate.

### 3. Definitions

- **Accounts:** is the balance of money due to a company for goods or services delivered or used but not yet paid by the customer.
- **Collections:** is the process of pursuing payments of debts owed by individuals or businesses that are overdue.
- **Collection Agency:** a company hired to collect on a debt after multiple in-house attempts to collect on overdue receivables.
- **Company Accounts:** balances owed on account by funders and/or companies.
- **Student Accounts:** balances owed on account by students.
- **Client:** is any student/funder/company who we provide goods or service too.
- **Funder:** an individual, government, organization or corporation that provides financial assistance to a student.
- **Funded Student:** a student whose tuition and/or fees are fully or partially paid by a funder. A funded student account will be zero once the funder has made the commitment to pay for tuition/fees. The funder becomes liable for the debt once the commitment has been confirmed.

### 4. Procedures

#### 4.1 Payment Terms

Yukon University's standard terms of payment is 30 days from the invoice date. This is clearly identified on all invoices created.

Invoices outstanding beyond the 30-day payment term will be charged a 2% interest penalty on the principle outstanding amount until the debt is paid in full.

In addition, with any invoice that is more than 30 days overdue, the University, with proper notification, reserves the right to offset the amount it is owed by the customer against any outstanding expenses the University owes the customer.

#### 4.2 Responsibilities

The Accounts Receivable Clerk in Finance is responsible for the monitoring of collections for finance accounts receivable. The Accounts Receivable Clerk for students is responsible for collection of funder and student accounts receivable once the tuition deadline has

passed and Admissions has attempted to collect from the student. Campus Housing will manage their own accounts receivable to students.

The Accounts Receivable Clerks will run an Accounts Receivable Aging report that is downloaded from Banner. This report will be done monthly, and overdue accounts will be contacted.

For finance accounts receivable, the Accounts Receivable Clerk will communicate with Yukon University departments to ensure that they are aware of outstanding invoices that require collection efforts. The Yukon University contact that initiated the invoicing is copied on any collection letter sent. The expectation is that the initiating department will provide the finance department with any pertinent information about issues that may be preventing payment. This department may also contact the customer if they feel that they can expedite matters due to their knowledge of the customer, including any ongoing issues. Results of such contact with the customer will be communicated to the Accounts Receivable Clerk.

All contact with the client will be documented for future reference.

### 4.3 Uncollectible Accounts

- **31 to 60 days Overdue**

A statement is sent to the customer/student by email/letter requesting payment and an offer to send copies of outstanding invoices.

- **61 to 90 days Overdue**

A second email/letter follow-up with reference to the first email/letter. After the second email/letter the Accounts Receivable Clerk will be in contact with the department (if applicable) that initiated the request for billing. If making personal contact with the customer/student is desirable or could be advantageous to the collection efforts, the accounts receivable clerk or the department (if applicable) will contact the customer by phone and the account will be discussed with them.

- **91+ days Overdue**

If there has been no response and/or no payment the Accounts Receivable Clerk will notify the Manager, Finance & Administrative Services. The customer's credit with

the University will be suspended. Through SOAHOLD in banner, an AR (Accounts Receivable Issue) hold is put on the company/student account. A discussion will be initiated with the department that requested the request for billing (if applicable). A formal letter requesting payment and/or response by a certain date and notification of further action if no communication is initiated by the customer/student, this will be sent to the customer signed by the Manager, Finance & Administrative Services.

- **No Response or Payment Received**

Following the formal letter, the Manager, Finance & Administrative Services will contact the customer/student and encourage payment, either in full or in installments, reiterating what has been said in the letters. If this action does not yield results, the Manager, Finance & Administrative Services will discuss the account with the Director, Finance & Administrative Services in order to determine the next steps.

- **Account is Sent to Collections Agency**

A formal letter will be sent from the Director, Finance & Administrative Services by registered mail cancelling the customer/student credit with the University and the notification that their outstanding account is being sent to a Collection Agency. Through SOAHOLD in banner a CO (Sent to Collection Agency) hold is put on the student/company's account.

## 5. Exceptions to the Procedures

The intent of these procedures is to provide common and fair treatment to all company accounts, student accounts, and funders. Should a reasonable exception be considered, arising from out of the ordinary circumstances, this will be communicated to the Director of Finance and Administrative Services.

## 6. Problem Solving

Any questions arising out of the content or communication of this policy or disputes arising from a decision made as a result of applying this policy should be first reported to the Director, Finance & Administrative Services, who will endeavor to find a resolution with all stakeholders. Failing such a resolution, the matter should be reported to the President.

**7. Forms**

None.

**8. Appendices**

Appendix A: Collection Letters

**9. Document History**

Include all updates here, including housekeeping changes, beginning with formal approval.

<i>Date</i>	<i>Update</i>
October 2019	Approved by Yukon College President.
Jan 2025	Code change from AF 4.1 to FM 4.1

## Appendix A (Collection Letters)

## i. Template for 61 to 90 days Overdue

&Date&

&Address&

&Address&

&Address&

&Address&

&Address&

&Address&

Re: Outstanding Invoice # &Invoice number(s)&

To &Recipient&:

Our records indicate that Invoice # &Number& dated &Date& for \$ &Amount& (attached) remains unpaid and outstanding at this time.

If payment has been processed recently, kindly disregard this notice. Otherwise please arrange for immediate payment, or provide proof of same, in the form of a copy of the cancelled cheque or a copy of receipt of payment from Yukon University.

If there is a problem with the invoice that needs resolution before payment can be made, please contact the undersigned so that we can discuss the issue.

Your prompt attention to this matter is appreciated.

Regards,

XXXXX

Accounts Receivable Clerk

867-XXX-XXXX

[XXXX@yukonu.ca](mailto:XXXX@yukonu.ca)

cc: Yukon University Contact

**ii. Template for 91+ days Overdue**

&Date&

&Address&

&Address&

&Address&

&Address&

&Address&

Re: Outstanding Invoice # &Invoice number(s)&

To &Recipient&:

Our records indicate that Invoice # &Number& dated &Date& for \$ &Amount& (attached) remains unpaid and outstanding at this time.

A letter was sent to you on &Date& requesting payment, proof of payment, or an opportunity to discuss any problems preventing payment.

As we have not received a response to that letter, we are requesting payment by \_&Date& \_ or we will consider further action, including the possibility of referral to a collections agency, and/or requiring payment in advance of future goods and/or services.

If there is a problem with the invoice that needs resolution before payment can be made, or, if a mutually acceptable payment plan can be devised, please contact the undersigned so that we can discuss.

Your prompt attention to this matter is appreciated.

Regards,

XXXX

Manager, Finance & Administrative Services

867-XXX-XXXX

[XXXX@yukonu.ca](mailto:XXXX@yukonu.ca)

cc: Yukon University Contact

**iii. Template for an account that will be sent to Collection Agency (Final Letter)**

&Date&

&Address&  
&Address&  
&Address&  
&Address&  
&Address&  
&Address&

Re: Outstanding Invoice # &Invoice number(s)&

To &Recipient&:

Our records indicate that Invoice # &Number& dated &Date& for \$ &Amount& (attached) remains unpaid and outstanding at this time.

A letter was sent to you on &Date& and &Date& requesting payment, proof of payment, or contact to discuss any problems that may exist that were preventing payment.

As we have not received payment or a response to that letter, &Recipient& will in future be required to pay in advance for any goods or services purchased through Yukon College, including any facility rentals. In addition to this course of action, we will be forwarding your outstanding account to a collection agency.

Your prompt attention to this matter is appreciated.

Regards,

XXXXX

Director, Finance and Administrative Services

867-XXX-XXXX

[XXXX@yukonu.ca](mailto:XXXX@yukonu.ca)

cc: Yukon University Contact