

**STUDENT**

**AND**

**COMMERCIAL DEBT**

**POLICY**

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| **1.** | **Purpose** | |
| 1.1 | The purpose of this policy is to ensure that DN Colleges Group (DNCG) has a clear and transparent approach to outstanding academic and commercial debt. This document details DN Colleges Group expectations and procedures for the collection of academic debt owed by any student or former student. | |
| **2** | **Scope** | |
| 2.1 | This document sets out the policy of the DN Colleges and subsidiary companies in relation to commercial debt and student debt where the fee is paid by a sponsor, along with the debt management procedures.  The purpose of this policy is:   * To ensure payment for invoices, tuition fees and charges are received at the correct time. * To avoid high levels of debt each year and to reduce the amount of irrecoverable debt. * To minimise the amount spent on collection and legal charges. * To provide clarity for customers, students and DN College Group employees alike. | |
| **3** | **Responsibilities** | |
| 3.1 | The Director of Finance is responsible for managing and reviewing this policy.  The Head of Finance is responsible for the effective operational implementation.  Head of Registry is responsible for ensuring that all fees are recorded at enrolment correctly and any fee remissions applied. Registry are also responsible for processing withdrawals or transfers timely and updating appropriate fee amendments.  Employees within the Finance Department and other College staff who are involved with raising invoices, reviewing progress or taking payment are responsible for the effective operation of debt management procedures.  All Group employees are expected to be familiar with this policy and to contribute toward its effective implementation. | |
| **4** | **Definitions and/or Relevant Legislation** | |
| 4.1 | N/A | |
| **5** | **The Policy** | |
| 5.1 | **Payment of Fees**  No student will be enrolled who has any debt outstanding from the prior year. This will be indicated by a flag showing on the system. If a student falls into this category, then they will not be allowed to enrol unless agreed by the Vice Principal’s for Further and Higher Education or Director of Finance.  Fees will be due at the start of each academic year or period of study for the whole programme or course. An invoice will be issued to the student shortly after the enrolment date. Payment should be paid in full within 30 days from the date of the invoice.  Progression through a programme of study may be affected if this obligation is not fulfilled. It is the responsibility of the student to ensure that the necessary funds are in place to pay their fees.  At enrolment the student should indicate how any fees are going to be discharged. In virtually all cases this will fall into one of three categories:   1. Settlement by student themselves 2. Settlement by an employer/sponsor 3. Settlement by loan from the Student Loan Company 4. Settlement from bursary support   All tuition fees become due in full at enrolment, but DNCG recognises that some students may be unable to pay their fees in full at enrolment.  DNCG offers a payment plans of:   * 3 monthly instalments for any course with a fee between £300 and £1,200; * 6 monthly instalments for any course with a fee between £1,201 and £2,400; * and 8 monthly instalments for any course with a fee over £2,400.   Any instalment plan agreed will not extend beyond the course end date. The first instalment must be paid within 30 days of enrolment.    DNCG is not able to offer a payment plan for short courses of less than 8 weeks duration; therefore, all fees are payable on enrolment.  In addition to the above plan’s payment for Masters courses can be made in line with the Maintenance Loan payment schedule: i.e. termly in equal thirds.  **Apprenticeships**  The employer contribution may be paid by instalments if in excess of £300.  The first payment equates to 3/12 of the invoiced amount followed by nine further instalments of 1/12 each.  The payment period can be extended to over 12 months for high value apprenticeships with prior agreement from the Principal or Director of Finance, but in all instances, payment must be made in full prior to the scheduled end date of the apprenticeship  For all instalment plans the first payment will be taken at enrolment and at monthly intervals thereafter. All fees must be paid prior to the course end date, this will sometimes mean that the number of instalments may be reduced. Any default on the plan will result in any amounts outstanding becoming due immediately. Payment is by direct debit on/after the 1st of the month, unless agreed by exception.  **Employers/Sponsor paying fees**  Students whose employers have agreed to pay their fees will be required to produce a letter/purchase order from their employer at the time of enrolment confirming that they will cover the full cost of the course.  An invoice will be issued to the sponsor shortly after the enrolment date. Payment should be paid in full within 30 days from the date of the invoice.  In all cases the default position for a student debt is if by the end of November the College has not received either a sponsor letter or confirmation from the SLC of funding then the student will be invoiced. If a student can clearly demonstrate that any delay is due to the SLC then this deadline can be extended by finance. Other than this, there will be no exceptions. Please note that for the SLC on-going evidence of communication will not be sufficient in itself, it must be either an agreed offer of a loan or clear evidence of SLC delay.  **Other fees**  In the case of international fees, 50% is payable in advance of the official letter being sent confirming that a place has been offered, with the balance being payable upon enrolment.  In the case of most two-year courses the fees are payable over two years upon enrolment in each year.  **Non-payment of fees**  If the payment terms are not kept to then the following process will be applied for student fees:   1. Within 2 weeks of the default date Finance will email the student with a 1st reminder that the fee needs to be paid 2. Within 6 weeks of the default date Finance will email the student with a 2nd reminder that the fee needs to be paid 3. Within 10 weeks of the default date Finance will email the student with a 3rd and final reminder that the fee needs to be paid 4. Within 12 weeks the Finance department will inform Registry to commence withdrawal procedures 5. At 16 weeks debt recovery action will commence with the debt being passed to DNCG’s debt collection agency.   The default date will be 30 days from date of invoice.  Throughout all the above stages the student will be able to seek support, help and assistance from Finance, Financial Support, IAG, Student Welfare and similar areas to see what can be done to address the position or understand the reasons for non-payment. This help could be in the form of a payment from Financial Support, agreeing a payment plan, suspending action or suspending study for a period as examples.  At any time the above stages can be suspended and halted if an agreement is reached. However it is imperative that the process is enforced and actioned if no such agreement is arrived at.  In accordance with DNCG’s Financial Regulations, for any student who has not paid their fees in full at the end of the academic year:   * Assessed work may not be marked; * Confirmed transcripts of marks and university certificates may be withheld; * References for employment beyond confirmation of dates and courses attended may not be issued; * The student will not be permitted to progress to the next year of study or enrol on another course at DNCG, unless with prior authorisation from the Principal/Vice principal or Director of Finance; and * If the debt still remains outstanding, following the process identified above, the DNCG reserves the right to pass the matter to a debt collection agency.   A list of students with outstanding debt at the end of the financial year will be provided to Registry prior to any graduation ceremony.  For non-academic debt or commercial debt payment terms are 30 days from date of invoice. Accounts not paid within 30 days are in default and a series of overdue correspondence will be issued to customers (by post or email, or both).   * A first reminder will be issued as soon as the payment terms date has been exceeded. * A second reminder will be issued 14 days after the 1st reminder (unless the initial reminder has prompted correspondence/telephone conversations) * A final reminder will be issued 14 days after the second reminder unless the second reminder has prompted correspondence/telephone conversations)   **Ways to pay fees**  Fees can be paid by any of the methods listed below:   * Cash * Cheque * Credit or Debit Card * Direct Debit * Direct bank transfer (against an invoice, quoting the reference number) * Purchase order and invoice * Student Loans Company   Wherever possible fee instalments will be collected by direct debit. | |
| **6** | **Relevant Policies and Procedures** | |
| 6.1 | * Tuition & Examination Fees Policy * Financial Regulations | |
| **7** | **Who to Contact with Queries** | |
| 7.1 | Any queries regarding the contents of this Policy should be forwarded to the following:  **Barrie Shipley – Director of Finance**  Email: barrie.shipley@dncolleges.ac.uk  **Trisha Birch - Head of Finance**  Tel: 01302 553565  Email: [trisha.birch@don.ac.uk](mailto:trisha.birch@don.ac.uk) | |
| **8** | **Communication** | |
| 8.1 | This Policy will be communicated/be available via the DN Colleges Group website(s) and the DN Colleges Group staff intranet. | |
| **9** | **Authorisation** | |
| Policy Holder: | | Barrie Shipley, Director of Finance |
| Approval Committee: | | Senior Leadership Team |
| Approval Date: | |  |
| Implementation Date: | | 01 August 2021 |
| Next Review Date: | | 01 August 2024 |