

POLICY ON STUDENT ACCOUNTS MANAGEMENT



TITLE AND COPYRIGHT

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| Title | POLICY ON STUDENT ACCOUNTS MANAGEMENT |
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1. PURPOSE

It is the policy of the University of Venda that all students should pay for tuition and residence accommodation and that the amounts should be settled according to a debt collection programme.

2. DEFINITION

None

3. RULES

3.1 Registration

- 3.1.1 Extreme care should be exercised to avoid increasing institutional debt where the prospect of academic success and debt recovery seems remote.
- 3.1.2 The institution must have compassion for students who excel academically and assist them in continuing their studies if they can demonstrate a willingness and ability to settle their outstanding debt in future.
- 3.1.3 The institution also has an obligation to protect students against themselves by limiting the accumulation of financial liabilities and preventing them from falling into a debt trap.
- 3.1.4 All past debt must be settled or acceptable arrangements be made before a student can be allowed to register.
- 3.1.5 Only students, who have made sufficient academic progress, will be eligible to apply for the extension of payment.

3.2 Initial Payments

- 3.2.1 Newcomers are required to pay a confirmation deposit once their application has been accepted. This is deducted from the initial payment at registration.
- 3.2.2 All students are required to pay an initial amount at registration for tuition and residence fees. This is a first installment on the tuition fees levied according to subject registration and accommodation. This serves as buffer income to UNIVEN to cover the period before the first subsidy pay-over from government is received on 1 April.
- 3.2.3 Special arrangements can be made on an individual basis through a standard Acknowledgement of Debt (AOD) agreement for those students who do not have funds to pay the initial amount.



- 3.2.4 Students who experience financial difficulties must also be referred to the Financial Aid Section of UNIVEN for professional assistance and guidance.
- 3.2.5 Staff is appointed in various support divisions to assist academically deserving students to obtain bursaries or loans to continue their studies.
- 3.2.6 These commitments or sureties will enable qualifying students to enroll without the initial payment.
- 3.2.7 Students also pay a registration fee to cover direct registration expenditure such as for their brochures, electronic student card and diaries.

3.3 Discounts

- 3.3.1 After registration students have an option to pay the full outstanding amount and receive a discount. The discount serves as compensation for the interest they lose and as an incentive to increase the cash flow of the University. (Refer to fee booklet – rebates)
- 3.3.2 A family discount is granted for students who are from the same household and studying at UNIVEN.

3.4 Installments

- 3.4.1 The installments are structured as follows to achieve a constant cash flow to meet the operational expenditures such as salaries, supplies and services:

| MONTH | CLASS FEE INSTALLMENTS | | RECEIPT OF STATE SUBSIDY |
|-----------|------------------------|-----------------|--------------------------|
| | Semester Courses | Year Courses | |
| January | | | |
| February | Initial Payment | Initial Payment | |
| March | 33.3% | 20% | |
| April | 33.3% | | 25.0% |
| May | 33.3% | 20% | 25.0% |
| June | | | 8.3% |
| July | Initial Payment | 20% | 8.3% |
| August | 33.3% | | 8.3% |
| September | 33.3% | 20% | 8.3% |
| October | 33.3% | 20% | 8.3% |
| November | | | 8.3% |
| December | | | |



| MONTH | CLASS FEE INSTALLMENTS | | RECEIPT OF STATE SUBSIDY |
|-------|------------------------|--------------|--------------------------|
| | Semester Courses | Year Courses | |
| Total | 100% | 100% | 100% |

3.4.2 No interest is charged on outstanding fees which are paid according to the payment schedule as UNIVEN matches this with its cash flow schedule.

3.4.3 Interest is charged at prime rate, minus 1% on arrear installments as an incentive to promote timeous payment and to compensate for the cost of funding the cash flow shortfall and defray the cost of follow-up and collection activities.

3.4.4 In order to limit the total outstanding debt and ultimate write-off, interest is not charged after accounts have been handed over to debt collectors.

4. PROCEDURE

4.1 Accounts are generated electronically and sent out on a monthly basis to students or their sponsors.

4.2 The outstanding amount is aged to indicate which minimum amount is payable.

4.3 Payment options include direct deposits by means of special pre-coded deposit slips with certain banks and the Post Office. These pre-coded slips are printed on the monthly statement of accounts.

4.4 Alternatively, payments can be made at the various cashiers offices on each campus by means of:

- Cash
- Cheque
- Major Bank Credit & Debit cards

4.5 A debit order system is also available.

4.6 The Student Fees Office and the Collection Unit must ensure that all debtors' pay their dues or make alternative arrangements. The procedure is as follows:

4.6.1 Monthly accounts are sent to each debtor (Student, parent or employer);

4.6.2 If arrears occur, the Collection Unit starts making telephonic enquiries;

4.6.3 Students with arrear payments have to meet certain criteria to qualify for special arrangements, such as academic achievement, their previous payment record and proof of their financial



position or that of their sponsor. If not satisfactory, and no prior arrangement has been made, then:

- Scripts and assignments are not marked and/or results are withheld;
- Students are not invited to graduation ceremonies;
- Certificates are not issued;
- Re-registration is prevented if any previous year's debt is outstanding;
- If no results are obtained after repeated requests for settlement, the account is handed over to external debt-collection agencies; and
- Finally the student's name is placed on the national list of credit risks.

4.7 Alternative arrangements for the payment of outstanding balances must be made as follows:

4.7.1 The relevant Student Accounts official will request confirmation from Academic Registry

4.7.2 The student number must be supplied.

4.7.3 In accordance with the rules contained in the Student Prospectus, the relevant Academic Registration official will print the academic record and calculate credits passed.

4.7.4 A positive or negative outcome will be furnished to the relevant Student Accounts official.

4.7.5 The Student Accounts official will analyse the payment history and advise the student.

4.7.6 An Acknowledgement of Debt (AOD) form will be completed by the successful applicant to be signed by the relevant Student Accounts official.

4.7.7 The signed AOD must be presented to the cashier.

4.8 A provision for bad debt is calculated on an annual basis and provided for in the Balance Sheet through adjustments in the Income Statement.

4.9 It is a Council policy that accounts in arrears for more than 1 year are handed over to the debt collectors

4.10 The individual's name is placed on the national credit risk register and can only be removed by UNIVEN once the outstanding debt has been settled.

4.11 Any recovery of bad debts is credited against the provision for bad debt.

5. FORMS

Acknowledgement of Debt

6. RELATED POLICIES AND DOCUMENTATIONS

Policy on creditors- interim payments



Policy on 5% and Family Discounts

7. REGULATORY FRAMEWORK

GAAP

King III report on Corporate Governance

Higher Education Act (Act 107 of 1997)

8. REVIEW DATE

This policy will be reviewed after three years or as and when the need arises.

9. RECORD OF CHANGES

| REVISION | DATE | AUTHOR(S) | DESCRIPTION |
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| | | | |

10. APPROVAL



Registrar (Secretary of Council)