All About University Billing

Accounts Receivable Operations
555 S. Howes Street
6024 Campus Delivery
970-491-6466
AROperations@colostate.edu
Accounts Receivable Guidance

• State of Colorado Accounts Receivable Rule
  • http://www.colorado.gov/dpa/dfp/sco/acct_rec/ar_rule.pdf
    ▫ For the purpose of establishing procedures for the collection of debts due state agencies.

• Business & Financial Services Financial Policy Procedure
  • http://busfin.colostate.edu/fpi.aspx
    ▫ Record retention for A/R documents – 6 years  FPI J-7
    ▫ Payments to Students – Human Resources/AP/AR – currently revising these procedures
    ▫ Accounts Receivable – we encourage small dollar transactions to be handled by cash at point of sale. This FPI is currently being revised

• Fair Debt Collection Practices Act [FDCPA], Family Educational Rights and Privacy Act [FERPA], Fair Credit Reporting Act [FCRA]
From the State Accounts Receivable Rule:

Basic to any granting of credit is the securing of adequate information to locate each debtor in event of default. Thus, the state agency records for each debtor should include the following information:

- Social Security Number and/or FEIN
- Current home address;
- Current home and/or cell phone number;
- Permanent address;
- Date of birth;
- And any other relevant information, as determined by the state agency.
ARIES A/R is the University’s Central Billing System

- A/R module went live in May 2006
- Balances were transferred from SARS to ARIES
- 51 Departments bill through ARIES
- ARIES also maintains Financial Aid, Registration, and General Person modules, which combined ISIS, SAM, and SARS data into one system.
# December 2009 Transaction Volume

<table>
<thead>
<tr>
<th>Type of Charge</th>
<th>Transaction Volume</th>
<th>Dollars</th>
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</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>133,231</td>
<td>$106,397,408</td>
</tr>
<tr>
<td>General Fees</td>
<td>24,399</td>
<td>$12,087,265</td>
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<tr>
<td>Other Registration Charges</td>
<td>96,530</td>
<td>$6,068,905</td>
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<tr>
<td>Residence Hall Charges</td>
<td>5,069</td>
<td>$11,537,509</td>
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<td>Apartment Rent</td>
<td>1,247</td>
<td>$590,617</td>
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<td>Other Housing Charges</td>
<td>3,400</td>
<td>$556,807</td>
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<tr>
<td>Bookstore</td>
<td>1,019</td>
<td>$52,484</td>
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<tr>
<td>Health</td>
<td>34,849</td>
<td>$2,676,567</td>
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<tr>
<td>Other Student Charges</td>
<td>6,873</td>
<td>$9,449,956</td>
</tr>
<tr>
<td>Other Commercial Charges</td>
<td>16,699</td>
<td>$1,174,387</td>
</tr>
</tbody>
</table>
Getting Transactions to ARIES

- FTP – 14 departments FTP transactions to our secure server

- TWARBUS – 145 users enter transactions through our Batch Upload System

- CASHNet interfaces directly with ARIES to post payments on customer accounts real-time

- Online Modules such as Registration and Financial Aid pass transactions online

- Revenue is recognized at the time charges post and the receivable is created. Cash is posted as payments come in, or if an account is written-off, reducing the receivable
Getting Transactions to ARIES

- Application for ARIES is online at www.aroweb.colostate.edu

- Application for TWARBUS is online at www.aroweb.colostate.edu

- Application for ARIESweb is online at www.rampoint.colostate.edu

- Training for TWARBUS is available by contacting Janet Fox at 1-6663.

- Technical Support is provided by Financial Systems Services
Customer Maintenance

- Check for existing customers on TWACUST before creating a duplicate account

- Address changes can be done on TWACUST, but name changes should be sent to Janet Fox.

- Get as much contact information as you can since we are extending credit on behalf of the State.

- Don’t provide services to customers who are in collection status
Viewing Accounts in ARIES

- ARIESweb
  - Look for HOLDS in the yellow box after entering CSUID or Name. Hover over “Holds” and do not provide services to those with these hold types:
    - Financial – CCS
    - Financial – SPAS
    - Financial – Write-Off
    - Treasury – Returned Check
Viewing Transactions in ARIES

- Go to TSICSRV and enter the CSUID or Name
- Delete checkmark in “Sum by Effective Date”
- Next Block to see transactions
- View recent transactions and payments
- View account balance
<table>
<thead>
<tr>
<th>Detail Code</th>
<th>Description</th>
<th>Term</th>
<th>Charge</th>
<th>Payment</th>
<th>Balance</th>
<th>Effective Date</th>
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<tbody>
<tr>
<td>DL01</td>
<td>Ft Collins Diagnostic Lab Chg</td>
<td>200910</td>
<td>295.50</td>
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<td></td>
<td></td>
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<tr>
<td>RH03</td>
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<td>00.00</td>
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<tr>
<td>ARLC</td>
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<table>
<thead>
<tr>
<th>Query Balance</th>
<th>Account Balance</th>
<th>Current Due</th>
<th>Other Memos</th>
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</thead>
<tbody>
<tr>
<td>1,004.00</td>
<td>1,004.00</td>
<td>1,004.00</td>
<td>.00</td>
</tr>
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</table>

Financial Aid: [ ]
Financial Aid Memo Balance: .00
Authorized Aid Balance: .00
NSF: 0
Monthly Billing Statements

• Statements are generated around the 15th of each month and have a due date of the 10th of the following month.

• The ARIES Critical Dates Calendar is available at [www.aroweb.colostate.edu](http://www.aroweb.colostate.edu) and lists these specific dates.

• Transactions will be summarized or in detail, depending on the type of charge.

• Charges must post to ARIES by the end of the business day on “statement compile” to print on the statement.

• Statement shows Balance Forward, New Charges, Payments or Credits, Account Balance, Minimum Due, and Due Date.
Third Party or Sponsored Billing for Students

- Charlotte Shanahan can answer questions on Sponsored Billing. 491-6735 or Charlotte.Shanahan@colostate.edu

- Who can be a sponsor?
  - Non-family member
  - No stringent billing requirements
  - No history of non-payment
  - Employer, Military, Campus Department, Government Agency or Embassy

- Requires authorization from sponsor to transfer charges from student to sponsor’s account

- Graduate Assistant List should not be confused with the GAAR Report from the Graduate School.

- FP hold placed on student’s account if sponsor does not pay
Payment Methods through Bursar’s Office

- Preferred method is online check on RAMweb for students, or at [www.bursar.colostate.edu](http://www.bursar.colostate.edu) for non-students
- PIN number is required for commercial customers or parents to pay online
- CSU does not accept credit card payments, but contracts with a third party to assist customers who would like to pay via this method. VISA is not accepted and there is a 2.9% fee for this service
- Payments processed by the Cashier’s Office include, check, cash, and debit card
- If you receive payment for charges that have already posted in Aries, forward the payment to the Cashier’s Office.
Credit Balance Refunds

- Financial aid payments
- Overpayments on account
- Charge adjustments
- Refunded via direct deposit or check
- Student accounts are automatically refunded nightly via ACH or bi-weekly via check. Commercial accounts are refunded as time permits
- Credit balances that are not able to be refunded are sent to the State of Colorado annually via the Great Colorado Payback
Non-Payment Penalties

- Late payment charges (LPCs) are assessed monthly after the due date, but before statement compile.

- The LPCs are calculated at 1.5% of the past due balance, if greater than $66.66.

- Holds are placed on the same night. Two types are placed - Registration and Transcript.
  - Registration holds are placed if the past due balance exceeds $66.66.
  - Transcript holds are placed at $.01 past due.
Collection Efforts

• Student vs. Commercial Timing
  ▫ We do not assign currently enrolled students to collection. They will be assigned after census of the first semester they are not enrolled.
  ▫ Commercial accounts are assigned when balance is 30 days past due.
Special Assets Collections Unit

• Internal Collections Department

• One year exemption from State Collections – can keep an account as long as acceptable payment plan is in place. If no payment plan is set up in twelve months, account must be forwarded to the State

• Tools:
  ▫ Letters
  ▫ Phone calls
  ▫ Autodialer
Special Assets Collections Unit

• Returned Checks
  ▫ Collected for all campus departments, not just what is billed through ARIES

  ▫ Don’t accept checks from people who have an unresolved bad check. Look for Treasury – Returned Check hold on ARIESEweb, or to see past history you can look at the NSF counter on TSICSRV. Avoid taking a check from someone with multiple NSF’s.

  ▫ Returned checks for insufficient funds are assessed a returned check fee whether they are paper or electronic. If the account information is incorrect on an electronic payment, the fee may not be charged.
Central Collection Services

If an acceptable payment plan cannot be set up at CSU within twelve months, the account must be forwarded to Central Collection Services (CCS).

Tools

- Letters
- Phone Calls
- Tax Offset – the diversion of state tax refunds
- Credit Bureau Reporting
- Legal Action
Bankruptcies

• If one of your clients has filed for bankruptcy and you have already forwarded charges to ARIES, please also forward the paperwork to our office.

• We are required to cease collection efforts while the bankruptcy is in process and we need to code the account so that we don’t send statements out until the bankruptcy is dismissed or discharged.
Write-Offs

- If an account cannot be collected by the State of Colorado (CCS), we are allowed to make an accounting entry to write-off the receivable from our books.

- The debt is not forgiven and holds will remain to encourage payment in the future.

- Look for the Financial – Write-Off hold on ARIESweb to determine if an account has been written-off. Because these accounts have a zero balance, it is often hard to identify them unless you look for the hold.
Bad Debt Expense

- Bad debt expense is assessed monthly, based on the revenue from the previous month in ARIES.

- The cost is small compared to the service that is provided for billing through ARIES. Currently the commercial rate is 1.68% and the student rate is .1%.

- This money goes into a pooled account that is used for write-offs.

- You are not charged again if an account is written-off. Your contribution was already made when the revenue was originally recognized.
Bad Debt Rates

- Bad Debt Rates are reviewed semi-annually to see if the ending balance in the pooled account is enough to cover the potential write-offs.

- The review is based on historical write-offs and revenue, and projected amounts for the upcoming year.

- If the balance in the pooled account is projected to be too high at fiscal year end, the rates will be adjusted down – and vice versa.
Allowance for Doubtful Accounts

• This is the pooled account that is used to write-off bad accounts

• As of FY10, ARO is no longer distributing the pooled Allowance account balance to departments. This account will be kept central and will reduce the University’s outstanding receivable at a higher level.
Other ARO Functions

• Customer service for Commercial Accounts

• 1098T and 1098E tax reporting for students and loan borrowers

• Student Loans Receivable
  ▫ Perkins Loans
  ▫ Health Professions Loans
  ▫ Institutional Loans
Looking Ahead in 2010

- ARO is currently researching an option for eBilling.
- ARO is working with other student areas on ideas for a parent portal.
- ARO is reviewing our online payment options during the eBilling research.
- We welcome feedback. Please email AROOperations@colostate.edu.
Questions?