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## ACCOUNTS RECEIVABLE, COLLECTIONS, AND WRITEOFFS

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**SCOPE:** Louisiana State University and Agricultural and Mechanical College (LSU)

**EFFECTIVE:** June 1, 2026

**PURPOSE:** To establish procedures for the collection and write-off of accounts receivable.

### STUDENT ACCOUNTS RECEIVABLE:

**A. Student Receivables:** Student receivables are established and recognized upon charge assessment for an academic period. Charges are based on **LSU's Tuition & Fee Schedules**. Additional charges can arise from other departments for ancillary and optional services (e.g. housing, meal plan, parking).

A student with course registrations for an academic period will receive a Financial Responsibility Acknowledgement in Workday. Students must have acknowledged financial responsibility in the last twelve months to complete the registration process for an academic period. To receive any refunds of excess aid, students must acknowledge financial responsibility each academic period.

**B. Monthly Reconciliation:** Student receivables are reconciled monthly and any discrepancies are investigated.

**C. Due Dates and the Collection of Receivables:** Student charges are due based on due date rules for the academic period. Students must either pay or enroll in a payment plan to be registered for the academic period. Some student charges (i.e. parking citations, financial aid chargebacks, etc.) are due immediately. Balances from prior academic periods must be paid in full and are not permitted to be carried forward.

Outstanding balances do not prevent a student from receiving a copy of their transcript. However, they can prevent a student from receiving their diploma or access to other services.

All supervisors within Bursar Operations have authority to approve payment arrangements on outstanding debt for inactive students using professional judgment on a case-by-case basis due to special or unusual circumstances. Directors within Bursar Operations have authority to approve payment arrangements on outstanding debt for active students attempting to re-enroll using

professional judgment on a case-by-case basis due to special or unusual circumstances. When reviewing accounts for potential payment arrangements, supervisors evaluate several factors to determine approval eligibility, including but not limited to payment history, academic history, prior payment agreements and whether they were fulfilled, as well as the circumstances that led to the outstanding balance.

- D. Collections Procedures:** Active students receive monthly electronic bills via email to their institutional email address. Bills are mailed monthly to inactive students based on their home address. It is the responsibility of the students to ensure their contact information is current.
- E. Record Retention:** Supporting documentation related to accounts receivable is maintained in the event of an internal or external review. Documents are to be maintained in accordance with the University's **record retention policy** or other applicable regulations, whichever is longer.

## **NON-STUDENT ACCOUNTS RECEIVABLE:**

### **A. Types of Non-Student Receivables:**

- i. **Employee/Terminated Employee** – A current or former employee that incurred a debt either while employed or after termination. Employees are required to acknowledge an Employee Debt Collection Disclosure which states that any debt incurred must be paid or payroll deducted. Any amounts still outstanding can be turned over to collections.
- ii. **Sales and Services – Control Account** – LSU departments with their own receivable/billing systems (i.e. Vet Teaching Hospital). The receivable must be recorded in LSU's financial system for reporting purposes. However, the detail receivable and customer information is housed within the department's system. Departments with control accounts are responsible for collections and submission of accounts for write-off.
- iii. **Sales and Services – Other** – External entities that use LSU services for which they are charged and billed.
- iv. **Other** – Individuals that incur debt but are not affiliated with LSU as a student or employee.

**B. Non-Student Receivables:** Non-student receivables are established and recognized when LSU departments add charges to the Workday Customer account. Charges are either added via the Customer Accounts Receivable and Deposit application (**CARD**), an integration, or added manually in Workday Customer. Manual charges and CARD entries are approved by the initiator's supervisor.

**C. Monthly Reconciliation:** Non-student receivables are reconciled monthly and any discrepancies are investigated.

- D. Due Dates and the Collection of Receivables:** Non-student balances are due within 30 days from the bill date.
- E. Internal Collections Procedures:** Bills are either e-mailed or mailed to the address on file on the 1<sup>st</sup> day of the month and are due within 30 days. Current and former employees are responsible for updating their contact information to ensure bills are mailed to the correct address.

Supervisors within Bursar Operations have the authority to approve payment arrangements on outstanding debt using professional judgment on a case-by-case basis due to special or unusual circumstances.

- F. Record Retention:** Supporting documentation is maintained related to accounts receivable in the event of an internal or external review. Documents are to be maintained in accordance with the University's **record retention policy** or other applicable regulations, whichever is longer.

### **THIRD-PARTY COLLECTION AGENCY:**

- A. Criteria to be Eligible for Collections:** The criteria for accounts to be sent to an external collection agency for both student and non-student are as follows (in accordance with [Louisiana RS 47:1676](#)):
  - i. Account holder (student only) is not enrolled in a current term; and
  - ii. Account holder has not attempted to make payment on the balance in 60 days; and
  - iii. Account holder has not had any new charges added in 60 days; and
  - iv. Balance is greater than \$10; and
  - v. Account holder has not been approved by Bursar Operations for special considerations or payment plans.
- B. Collection Agencies:** LSU uses the Louisiana State Office of Attorney General's Office (AG) and the Office of Debt Recovery (ODR) as their third-party collection agencies.
- C. Collection Warning Period:** Accounts that become 30 days past due are mailed a notice outlining the outstanding balance. If the account reaches 60 days delinquent, the account holder may be referred to a collection agency. At that stage, a second notice is mailed, providing an additional 30-day window to submit payment before the account is transferred.

During this time, account holders are advised to contact Bursar Operations to pay the balance in full or arrange a payment plan to avoid referral to collections.

- D. Submission to Agency:** Once all efforts to internally collect have been exhausted, the account is transferred to either the AG or ODR. For students, once an account is submitted, a hold is placed on the account preventing them from attending a future academic period without making payment to the

agency in full.

- E. **Payments and Monitoring of Accounts:** Monthly payments from collection agencies are received and posted to the specific debtor's accounts. Once paid in full, any respective holds are removed.

#### **SPONSORED PROGRAMS ACCOUNTS RECEIVABLE:**

- A. **Sponsored Program Receivables:** Payments due from federal, state, or private entities for effort performed in support of sponsored project activity. Receivables include billings for expenditures on a reimbursement basis, for a prepaid contract, or a fixed price contract.

Receivables are established and recognized on cost reimbursable awards when charges are tagged on a Workday grant account. Receivables are established and recognized on fixed price awards when invoices are prepared.

The frequency and timing of invoices is dependent on the terms and conditions stipulated in the fully executed agreement. All invoices are signed and approved by the Sponsored Program Accounting Director or her designee.

- B. **Monthly Reconciliation:** Sponsored program receivables are reconciled monthly and any discrepancies are investigated.
- C. **Due Dates and the Collection of Receivables:** Sponsored program balances are due 30 days from submission of the invoice to the external sponsor.
- D. **Internal Collections Procedures:** Invoices are either emailed or mailed to the address on file and are due within 30 days. When invoices are approximately 60 days past due, they are placed in collection status in Workday and assigned to a Sponsored Program Accounting Budgeting analyst who will begin collection efforts by contacting the sponsors directly.
- E. **External Collection Procedures:** The criteria for accounts to be sent to an external collection agency for sponsored program receivables is determined on a case-by-case basis. Collection efforts are generally administered by Sponsored Program Accounting and, in rare instances, LSU General Counsel.
- F. **Record Retention:** Supporting documentation is maintained related to accounts receivable in the event of an internal or external review. Documents are to be maintained in accordance with the University's **record retention policy** or other applicable regulations, whichever is longer.

#### **WRITE-OFF OF UNCOLLECTIBLE FUNDS:**

**A. Criteria for Write-Off:** The criteria for an account to be requested for write-off are:

- i. Account holder (student only) is not enrolled in a current term; and
- ii. Account holder has not attempted to make payment on the balance in 3 years; and
- iii. Account holder has not had any new charges added in 3 years; or
- iv. Accounts have been deemed uncollectible by Bursar Operations, AG, or ODR.

Criteria to request a write-off of sponsored program receivables is determined on a discretionary basis supported by collection efforts and communications with the sponsor and LSU departmental personnel.

**B. Write-Off Process:** Write-off information is requested by the System CFO once a year prior to June 30. Approximately 3 months prior to fiscal yearend, accounts eligible for write-off are identified. The formal write-off request is reviewed by the Associate Vice Chancellor of Accounting Services and LSU Flagship Chief Financial Officer prior to submission to the System CFO. The System CFO consolidates the write-off requests for all campuses for approval by the President. Once approved, the receivable is removed, bad debt expense is recorded, and a write-off hold is placed on the account. Due to system limitations, the write-off entry cannot be backdated. Therefore, to ensure the write-off is recorded in the appropriate fiscal year, the entry may be recorded prior to receiving formal approval from the President.

If a payment is received after an account has been written off, the write-off is reversed and the payment is applied to the receivable.

**C. Special Circumstances:** Upon notification of court-approved bankruptcies, identity theft, or account-holder deaths, accounts are written off immediately and not included as part of the annual write-off process.