# BOARD OF REGENTS

## BRIEFING PAPER

### Handbook Revision: Deferred Payment Policy

## BACKGROUND & POLICY CONTEXT OF ISSUE:

As a result of the iNtegrate implementation, institutions are conducting an in-depth analysis of all business practices with regard to the student information system. The Student Financials workgroup is proposing a modification to make deferred payment plans more student-friendly. Concurrently, the Non-Traditional No More Grant working groups raised issues on how deferred payment plans could be implemented at all institutions to help working adults. Current Board policy allows institutions to offer deferred payment plans to students; however this is limited to students enrolled in at least six credits at the community colleges and seven credits at the universities and state college.

## SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Revise Board policy (Title 4, Chapter 17, Section 15) to remove the minimum credit limitation and allow institutions to determine student requirements for deferred payment, as well as the minimum balance threshold according to their institutional mission and student population.

## IMPETUS (WHY NOW?):

Over the course of the iNtegrate implementation, various policy issues will be brought forward for the Board to review. Refining policy at this time will facilitate set-up and testing in iNtegrate and prevent having to make significant changes once processes are working correctly in the new system. Additionally, in these difficult economic times, deferred payment plans for all students are more important than ever. Every NSHE institution is working to have these plans in place for Fall 2009.

## BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- It is imperative that institutions provide student-friendly deferred payment plans, especially in light of the current economic climate that makes it more difficult for students to have the total payment ready when the semester begins.
- Allowing institutions to establish student requirements, minimum balance thresholds, and payment deadlines provides the ability to implement deferred payment plans that best align with their institutional mission and meet the needs of their students.

## POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- The current minimum enrollment requirement limits the number of deferred payment plans and thus the staff workload in terms of processing payments and subsequent collection procedures, if necessary.
- Depending upon the plan established by the institution, such flexibility could increase the institution's delinquent payment rate, as well as negatively impacting revenue collection.

## ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Leave the deferred payment plan policy unchanged.

## COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title #_____ Chapter #_____ Section #______
- Amends Current Board Policy: Title 4, Chapter 17, Section 15
- Amends Current Procedures & Guidelines Manual: Chapter #_____ Section #______
- Other:__________________________________________
- Fiscal Impact: Yes_____ No_____ 
  Explain:__________________________________________
Section 15. **Deferred Payment Policy**

1. Contracts for deferred payment of registration, tuition and other fees may be approved as follows:

   a. [For registration and tuition fees for more than 7 (seven) credit hours at the universities and state college and 6 (six) or more credit hours at the community colleges for the Fall and Spring semesters only.] *Deferred payment contracts are applicable for registration fees, tuition and discounted fees.* Each institution shall determine the student requirements and the minimum balance threshold for deferred payment and whether other fees may be deferred. *Institutions may charge fees to students for participation in a payment plan and may set a rate of interest for past due amounts on these plans.*

   b. [Each institution shall determine the fees that shall be payable at registration and those that may be deferred.]

   [c] b. Each institution shall determine the payment schedule and number of deferred fee payments allowed, but all payments are due no later than Friday of the 10th week of instruction or the end of the semester, whichever is shorter.

   [d] c. Any unpaid balance on a deferred fee payment schedule becomes a student accounts receivable on the due date and is treated as an official fee hold for future registration, transcript privileges and final grade reports. Disenrollment/eviction procedures may be instituted, if necessary.

   [e] d. A penalty fee of 10 percent with a minimum of $10 shall be charged on the deferred payment not paid by the due date.

   [f] e. Contracts for a veteran’s deferment of fees are available for those students receiving educational benefits from the Department of Veterans’ Affairs. Eligibility is determined by the veteran’s coordinator or designee on campus. [The institution shall determine the payment schedule and number of payments allowed but all other requirements within this policy shall apply.]

   [g] f. The Controller or designee may allow a payment plan on an individual basis.

   [h] g. Upon the recommendation of the Financial Aid Office, the Controller or designee may allow student fees to be deferred pending the receipt of financial aid. The Controller or designee may waive the imposition of any penalty due to the unavailability of financial aid.