

COMPTROLLER POLICY MANUAL

	<b>POLICY: CMP 104</b>
	Section: 100
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	Responsible office: Comptroller
	Origination date: 07/01/2016
<b>Subject: Collection of Debts Owed to the University by Employees</b>	Effective date: 07/01/2016
	Revision date: 1/5/2017

**PURPOSE**

To establish a debt collection policy for money owed to the university by its employees for charges incurred while an employee (ex: copay at Campus Health Services, unpaid parking fines).

- Collecting outstanding debts is a sound financial practice for managing the public and other funds entrusted to the university. [A.R.S. 23-352](#) authorizes employers to deduct amounts owed from employee pay.
- To communicate expectations of employee obligations to resolve outstanding debts and to establish standards by which employee debts should be managed and collected.

Unpaid student related charges (tuition, meals, housing, etc.) owed by an employee may be sent to a collection agency for resolution.

**DEFINITIONS**

**Account Review** – A process through which an account charge, any pertinent details and context may be reviewed by people independent of the Issuing Department.

**Account Review Group** – A group which reviews charges through the Account Review process. This group consists of a representative of the Comptroller’s Office, Human Resources and the Office of the Provost.

**Debt** – Any amount of money or value owed to the University for a service rendered or fine charged to the university employee. Debts may include, but are not limited to, unpaid parking fines, library fines, campus health fees, etc.

**Debt Set Off** – A method that the university may use to collect unpaid debts of employees and students. The university may intercept Arizona state tax refunds to collect defaulted debt per statute [A.R.S. 42-1122](#).

**Delinquent / Past Due** – An account or amount owed to the university that is not paid by the due date of the charge.

**Departmental Charge Schedule** – The schedule that departments must follow to ensure timely posting of amounts due to the university.

**Due Date** – Generally the 15<sup>th</sup> of the month following the statement date.

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**Employee** – Any regular or temporary, full time or part time employee of Northern Arizona University.

**Financial Hold** – A restriction on an account that prevents registration for classes, issuance of refunds, issuance of transcripts, diplomas or other certificates of degrees which may impact an employee if they are also a student. Financial holds are placed in accordance with [Arizona Board of Regents Policy 4-103\(B\)](#).

**Issuing Department** – The department from which charges originate. The most common departments are Campus Health Services and Parking Services.

**Late Fee** – Late payment fees are applied on the last Saturday of the month to accounts that are thirty (30) or more calendar days past due. The [late payment fee amount](#) is based upon the total amount past due.

**Statement** – A document which outlines the current unpaid balance plus any new charges are added to the account. Statements are generally created on the 16<sup>th</sup> of the month. An email notification is sent when the statement has been generated and posted to the associated LOUIE account.

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**POLICY**

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**Employee Responsibilities**

1. Employees who access university services for which there is a fee or who incur a fine are required to pay the full amount at the time services are rendered or by the due date of the charge as listed on the account in LOUIE. A charge remains current for 30 calendar days.
2. Employees are encouraged to pay charges when they incur the fee.
3. Employees who have a past due account must resolve it by taking one of the following actions:
  - a. Paying the debt and associated late fees;
  - b. Authorizing the university to withhold the past due amount and associated late fees from the employee’s paychecks until the debt is paid in full; or
  - c. Following the Charge Review procedure for the purpose of contesting the debt.

**University Responsibilities**

1. Student and Departmental Account Services will send a notice via university email when charges are added to an account.
2. Student and Departmental Account Services will send a notice via university email on approximately the 16<sup>th</sup> of each month to inform employees that a statement of the charges is available on the LOUIE account.
3. The university will apply late fees in accordance with the Late Payment Fee structure.

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4. The university will place a financial hold on all accounts where the balance is seven calendar days or more past due which will impact an employee if they are also a student.
5. The University Comptroller will establish and communicate the Account Review procedure (see below).
6. The university may withhold a delinquent amount and associated late fees from the employee’s paycheck in accordance with state statute [A.R.S. 23-352](#) if the employee does not resolve the debt as outlined in the Employee Responsibilities section above. As such, Payroll is authorized to withhold the greatest amount allowable by law, in accordance with garnishment restrictions. In addition, a \$5 service fee will be assessed for each paycheck from which funds must be withheld to cover debts to the university.
7. The university may use the debt set off procedure to withhold delinquent amounts from an employee’s Arizona state tax refund in accordance with statute [A.R.S. 42-1122](#).
8. The university will comply with applicable federal, state and ABOR regulations regarding collections of a debt owed by employees.

**Department Responsibilities**

1. The department is responsible for posting all amounts due to the university within 3 business days of the transaction and in accordance with the Departmental Charges schedule.
2. The department must report any changes to departmental charges to Student and Departmental Account Services within three business days.
3. The department will review any charge or account questions within three business days of receipt.

**Employee Disciplinary Actions**

If the debt constitutes an obligation created by a violation of university policy or misuse of university property, disciplinary action may also be taken against the employee who incurred the debt, up to and including termination of employment.

**Debts of Terminating Employees**

Upon separation from employment with the university all outstanding debts owed to the university are payable. If the account is not paid in full, the university is authorized to withhold any amounts owed from the employee’s final paycheck. If the amount of the final paycheck is insufficient to collect the entire amount owed and the separating employee does not pay the remaining balance in full within 15 calendar days of separation from employment, the entire amount will be sent to an outside collections agency.

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### QUESTIONS REGARDING SPECIFIC CHARGES

1. To see charge details, the employee must log into LOUIE to review their account, outstanding charges or their invoice.
2. If the employee has questions regarding a specific charge, they must contact the Issuing Department (see **Contacts and Resources** below).
3. The Issuing Department will:
  - a. Review the charge within three business days,
  - b. Answer the question.
  - c. If appropriate, reverse or modify the charge.
  - d. If applicable, review the employee account for late fees. If the account has late fees that should be updated due to the modification of the charge, the Issuing Department will:
    - i. Contact [Student and Departmental Account Services](#) who will modify the late fees as appropriate.
    - ii. Contact the employee to alert them to changes in the account balance.
4. If no changes are made to the account, the employee must, within 15 calendar days of concluding discussions with the Issuing Department:
  - a. Pay the balance,
  - b. Authorize the university to withhold the balance from the employee's paycheck(s) until the debt is paid in full; or
  - c. Request an Account Review via email with all appropriate history, context and details (see below).

### REQUEST for ACCOUNT REVIEW

1. The employee has 15 calendar days from the date of concluding discussions with the Issuing Department to request an Account Review.
  - a. The employee must email all details, history, context and documentation as to why they believe that the charge is not valid to [AccountReviewRequest@nau.edu](mailto:AccountReviewRequest@nau.edu).
    - i. The employee must copy the Issuing Department (see **Contacts and Resources** below).
    - ii. The employee must copy [Student and Departmental Account Services](#) so that late fees will not accrue during this process.
2. The **Account Review Group** will:
  - a. Review all documentation submitted and confer to derive a final determination on the status of the charge in question.
  - b. Notify the employee by email of the final decision within 30 calendar days.

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3. If the charge is determined to be valid, the employee must pay the charge (as stated in point 4 above) within 15 calendar days.
4. If the charge remains unpaid:
  - a. The balance will be deducted from the employee paycheck(s) and a \$5 service fee per check will be also be assessed.
  - b. The employee's Arizona state tax refund may be intercepted to settle the debt.
5. If the charge is overturned, the Account Review Group will notify the Issuing Department and Student and Departmental Account Services.

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### CONTACTS AND RESOURCES

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Campus Health Services [campushealthservices@nau.edu](mailto:campushealthservices@nau.edu) 928-523-6313  
Parking Services [ask.parking@nau.edu](mailto:ask.parking@nau.edu) 928-523-6623  
Student and Departmental Account Services [sdas@nau.edu](mailto:sdas@nau.edu) 928-523-1503

[Arizona Revised Statutes 23-352](#)  
[Arizona Revised Statutes 42-1122](#)  
[Arizona Board of Regents Policy 4-103\(B\)](#)  
[Payroll Deduction Authorization form](#)  
[Student and Departmental Account Services – Past Due Accounts](#)  
[Purchasing Policy 801-03](#)