



# St Chad's College

## Durham

## Student Debt Policy

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### I. Background

1.1 Although St Chad's is an independent College, it deliberately operates a debt policy which is substantially the same as that operated by the University.

1.2 Students form the College's largest group of customers and owe amounts to the College principally for accommodation licence fees (tuition fees are payable to the University, not the College). It is assumed that the College acts in good faith and only raises additional charges to students which are valid and for which the student has received reasonable notification. It is assumed that students act in good faith and will pay all sums arising that are owed to the College.

1.3 It is recognised that accommodation licence fees are of significant value. It is probably the first time that many students have needed to handle such high value transactions.

1.4 On occasion factors beyond a student's control can change their financial circumstances significantly despite the fact that they had a sound financial plan in place when embarking on their studies. In recognition of this the University provides some financial support for students in this position via the University's Student Support Fund. This fund is available to students from St Chad's College who meet the eligibility criteria.

1.5 It is recognised that if a student has significant overdue debt with the University or the College and little prospect of being able to pay, then it is not in the student's best interests to permit them to amass more debt without addressing the problem.

1.6 Students will be held liable for payment personally. If fees are to be paid by a third party (e.g. parents, scholarship, sponsor) then the responsibility for acting as an intermediary and ensuring adequate information is provided to both the University and the third party rests with the student.

1.7 There will be occasions when a refund is due to be made by the College. The refund will be made by the same payment method and to the same account as the original amount was received in order to comply with money laundering guidelines.

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## Scope

1.8 This policy applies to all amounts owed by students to St Chad's College.

## Objectives

1.9 To explain in an open, transparent and accessible way how the College will treat students who have outstanding debt owed to the College.

1.10 To demonstrate what actions students can take to mitigate any steps likely to be taken by the College to recover outstanding debt.

1.11 To apply a student debt policy that is "firm but fair"; that encourages all students to pay in good time, but has the flexibility to recognise and respond appropriately when this is not possible because of a genuine difficulty.

## 2. Student Debt Policy Provisions

### Late payment administration charge

Students will be notified of the payment due date for accommodation fees each term. These are usually around thirty days into the Michaelmas Term and fourteen days into the Epiphany and Easter Terms.

2.1 Students who pay late may be charged an Administration Charge of £75.

2.2 The charge will be applied three weeks after the due date.

2.3 Students who contact the College before the due date and have reasonable grounds for requesting more time to pay will be given an extension according to their circumstances. The due date of the related invoice will be amended accordingly on their account in the finance system.

2.4 The Vice Principal will be informed of any students who are about to incur an administration charge so that they can target support to students accordingly.

2.5 The College will be transparent in operating this policy as follows:

- Information will be sent with the student's invoice explaining that an administration charge will be levied if payment is not made in good time.
- A general email will be sent from the Finance & Operations Director (or Financial Controller) at the start of each term to all students to remind them of the College's approach.
- Personal email reminders will be sent to those students who have not paid by the due date.
- Individual emails will be sent to the students giving them a final deadline by which they should pay, or get in touch to explain why they are unable to pay, otherwise they will incur the administration charge.

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2.6 Students will only be able to appeal against the administration charge if they can demonstrate a deficiency in the communication process or can demonstrate that they began the payment process on or before the deadline date. This is to recognise that some payment methods are quicker than others at providing confirmation of payment to the College.

2.7 Students may also appeal against the charge to the Finance & Operations Director if there are any other mitigating circumstances which could not be explained before the due date.

**Students may be withdrawn by the College or the University for non-payment of fees**

2.8 Under the University's regulations students are not allowed to carry debt over from one term to another without the written agreement of the Principal. In practice this will be applied to students who owe over £1,000.

2.9 Students will be permitted an alternative payment plan at any time provided it is reasonable and realistic. If a student fails to meet this plan the whole of the outstanding debt may become due immediately and the student will be treated in the same way as any other non-paying student.

**Immediate termination of Licence to Occupy College Accommodation by the College for non-payment of Accommodation Licence Fees**

2.10 Students who are to live in College enter into a Licence to Occupy College Accommodation. This Licence can be terminated if payment of Accommodation Licence Fees has not been made twenty working days after the due date.

2.11 The day after the due date a reminder email will be sent by the Finance & Operations Director or Financial Controller.

2.12 Five working days later a further email will be sent by the Finance & Operations Director or Financial Controller to all students who have neither paid their accommodation licence fees nor made alternative arrangements to pay; students will be encouraged to make suitable arrangements to pay

2.13 Five working days later an email will be sent by the Finance & Operations Director or Financial Controller to all students who have neither paid their accommodation licence fees nor made alternative arrangements to pay advising them that the debt is seriously overdue and advising them of the formal action that will now be taken - a late payment fee may be added to their account and their Licence to Occupy College Accommodation may be terminated if the debt is not cleared.

2.14 Five working days later the Late Payment fee is added to the accounts of all students who have neither paid their accommodation licence fees nor made alternative arrangements to pay. The Finance & Operations Director will request to see the students urgently to discuss their situation and they may refer a student to the Vice Principal for pastoral and/or financial advice as appropriate.

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2.15 If a student fails to attend this meeting and/or fails to make suitable arrangements for payment of the debt a formal letter will be sent (twenty working days after the due date) terminating the Licence to Occupy College Accommodation and requiring the student to move out of College accommodation. The matter may be referred to the College Solicitor.

2.16 Students will be permitted an alternative payment plan at any time provided it is reasonable and realistic. If a student fails to meet this plan the licence agreement will be terminated and the student given the appropriate notice to leave as described above.

2.17 Any student required to move out of College accommodation prior to expiry of the Period of Occupancy as is defined in each student's Licence to Occupy College Accommodation will be required to pay the 'Early Termination Fee' as set out in clause 8 of the Licence to Occupy College Accommodation. In all cases this charge may be relaxed according to the discretion of a College Officer if the circumstances of the student suggest that it is appropriate to do so e.g. illness or change in financial circumstances.

### **Debt holds**

2.18 A debt hold can be placed upon a student's account so that they cannot register as a member of College for the following academic year. The hold will be applied in the first instance with respect to any overdue debt as at the start of the Easter Term for which the student has not made alternative payment arrangements and which is still outstanding by the time registration for the coming academic year opens.

2.19 Students in this situation will be invited to attend a meeting with the Finance & Operations Director (or delegate) to discuss the debt and agree how it is to be paid. Any dispute about the debt should be raised at this meeting. The debt hold will usually be released after the meeting.

### **Voluntary withdrawal, suspension or concession or voluntarily moving out of College accommodation**

2.20 It is recognised that under certain circumstances students may need or be required to move out of College accommodation prior to expiry of the Period of Occupancy as is defined in each student's Licence to Occupy College Accommodation or that they may voluntarily withdraw from College accommodation.

2.21 Under such circumstances, students leaving College Accommodation will be required to pay the 'Early Termination Fee' as set out in section 8 of the Licence to Occupy College Accommodation. In all cases this charge may be relaxed according to the discretion of a College Officer if the circumstances of the student suggest that it is appropriate to do so e.g. illness or change in financial circumstances

### **New Students**

2.22 All new students sign a Licence to Occupy College Accommodation prior to taking up residence. They will be bound by the terms of this contract. However, the College operates a seven day "cooling off period".

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2.23 If a student withdraws within seven days of taking up occupancy they are liable to pay for the period they have been resident together with any Advanced Rent payments already made or due.

2.24 If a student withdraws after this period they are liable to pay the Early Termination Charge as detailed in their Licence Agreement.

### **3. Definition of roles and responsibilities**

3.1 The Finance & Operations Director will review this Student Debt policy annually.

3.2 The Finance & Operations Director will take responsibility to ensure that the policy is implemented consistently by all staff in the College.

3.3 College Officers will exercise discretion in connection with the Early Termination Fee if the circumstances of the student suggest it is appropriate to do so.

3.4 College Officers will exercise discretion for fees arising where there is a withdrawal, suspension or concession and the circumstances of the student suggest it is appropriate to do so.

3.5 The Vice Principal will support the policy locally and communicate carefully with students in financial difficulty.

### **4. Authorisation, Charges and other details arising from the policy**

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| Late payment: administration charge                            | £75  |
| Withdrawal during cooling-off period: administration charge    | £250 |
| Students withdrawn by College or University: reinstatement fee | £250 |
| Fee for returned cheque or unsuccessful Direct Debit payment   | £25  |

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| Authorisation levels for the write-off of bad debts: |                               |
| Up to £1500  | Finance & Operations Director |
| Over £1500   | Principal                     |

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