COLLECTION AND FORGIVENESS OF DEBT

The Board understands it is required to collect all monies owned to it by patrons, employees, parents and students, including money owed through student lunch accounts and other extracurricular accounts. Every effort should be made by the school administration to collect the monies owed to the school corporation including collection procedures. Such efforts must be documented by school administration before the debt is forgiven, waived, or written off of the school corporation accounts and considered an uncollectable account.

The school corporation may forgive, waive, or write-off all or a portion of the debt if one of the following conditions is met:

1. The school administration determines that the student or the parent or guardian of the student is unable to pay the debt;

2. The payment of the debt could impact the health or safety of the student;

3. The cost to pursue and collect the debt from the student and his/her parents would cost more than the potential total debt collected; or

4. There are mitigating circumstances as determined by the superintendent that preclude the collection of the debt.

Every decision to forgive, waive, or write-off a debt must be documented and include the specific facts for the decision relating to one of the above stated reasons. If the uncollectable debt is a student lunch account, it cannot be an expense to the school food service account and must be covered by non-Federal funds.

The superintendent may develop regulations addressing specific situations relating to the above conditions.

In the cases where a positive balance exists in the accounts, every effort must be made by the school administration to return the positive balance to the account holder when the person is no longer in the school corporation. If attempts made to refund the balance have been unsuccessful, the balance should be transferred to the corresponding school fund or if such transfer is not appropriate, to the school corporation general fund.

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