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# STUDENT DEBT POLICY

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## **1. Purpose**

- 1.1. This policy sets out the guidelines and requirements for effective management and collection of all debt of the University.

## **2. Objectives**

- 2.1. The University recognizes that there will be circumstances where debts will fall into arrears; when it does, it is the policy of the University to collect such debts promptly when due.
- 2.2. The University shall use all means available at its disposal to collect these debt. This may include instituting legal proceedings against defaulters.

## **3. Policy**

- 3.1. Any default in payment as per the agreed payment schedule shall attract a penalty as periodically established by the University.
- 3.2. The defaulter shall be sent a reminder notice.
- 3.3. If the default continues after the required period, the defaulter shall be sent a final reminder notice seeking payment for the defaulted sum.
- 3.4. If payments are still not made in full, the defaulter shall be sent a demand notice for the full settlement of the debt.
- 3.5. Once the demand notice is sent, all University services shall be suspended until full settlement.
- 3.6. After all recovery actions have been exhausted, legal proceedings shall be instituted.

## **4. Provisioning**

- 4.1. The provision for doubtful debts should be provided for in the following manner;
  - 4.1.1. Debts which are less than an academic term (semester/block/trimester) should only be provided for, in part or on full, where there is any doubt as to their recoverability;
  - 4.1.2. Debts which are 3 months over the end of academic term should be provided for at 50% except for specific debts where a doubt exists regarding the University's ability to recover the debt; such debts should be provided for in full;
  - 4.1.3. Debts which are 6 months over the end of academic term should be provided for at 100%;
- 4.2. Sovereign debts should not be provided for on the assertion that such debts would eventually be paid despite their age.