

720 Recovery of Moneys Owed Policy

I. PURPOSE

The purpose of this policy is to provide school administration direction and a means to apply consistent application of process for debt settlement. The policy may be applied to any debt amounting to \$1.00 or more.

II. GENERAL STATEMENT OF POLICY

It is the expectation that those doing business with Yinghua Academy (hereafter “Yinghua”) will pay their legally incurred debts in a timely and businesslike fashion. This policy shall apply to situations when this does not occur.

III. DEFINITIONS

- A. “Debt” specifically includes fees owed as a result of checks returned due to insufficient funds or other causes, any money owed for products or services rendered, and any expenses incurred in the collections process as a result of this policy.
- B. “Debtor,” as used herein, shall be understood to mean an individual, family unit, corporate entity, or government agency that owes money to Yinghua which is past due. “Family Unit” shall include each individual member of the family. This policy makes no distinction between current, former, prospective or non-Yinghua families.

IV. RESPONSIBILITY

In cases where money is owed to Yinghua and has not been received beyond a reasonable due date, the steps shall be taken in response:

- A. Office staff shall attempt to contact the debtor to explain the situation and either collect payment or more details regarding the status of the debt. “Contact” may be by way of telephone call, e-mail, postal mail, sealed note sent home with child, or face to face contact on school premises. Staff shall keep a record of all such attempts, and outcome if any.
- B. If the above step yields no useful result within 10 business days, staff will consult with the Executive Director for the purpose of establishing that the debtor is in default for money owed. Once such a determination has been made, the following consequences shall be enforced until the debt has been settled:

1. The debtor shall be prohibited from using checks to obtain any goods or services through Yinghua, including but not limited to purchase of yearbooks, hot lunch, sports tickets, field trips, etc., until the debt has been settled. Only cash or cash equivalents will be accepted for such transactions. Debtor's names will be made available to all persons collecting money on behalf of Yinghua.
 2. No reimbursements for items purchased on behalf of the school shall be issued until the debt has been settled.
 3. This policy and a letter stating Yinghua's expectations shall be sent by certified mail to the debtor, with the cost of such mailing added to the total of the debt, and informing the debtor of the specific additional costs involved in debt collection.
- C. If step B yields no useful result within 60 calendar days, the matter will, at the discretion of the Executive Director, be turned over to small claims court ("Conciliation court" in Hennepin County) or to a collection agency. The restrictions listed in B shall continue to be in effect until the debt has been settled. The cost of such filings, and any other expenses related to this action, shall be added to the total of the debt.

The Executive Director shall have discretion to determine which combination of consequences is most appropriate for a particular situation. Debtors with hardship situations are encouraged to discuss their circumstances with the Executive Director at any point in this process.