

Notification Process of Withholding Diplomas
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Notification Process for Withholding Diplomas

In Spring of 2002, the decision was made to withhold diplomas for graduating students who owe a past due amount of \$250.00 or more. A need to make students aware of this decision prompted the development of a multi-step process including mailings, e-mail notifications and finally phone call attempts.

Immediately following the deadline to apply for graduation, we began the process by notifying all students who had filed an application to graduate. This notification included placing an ad in the university's newspaper, mailing out letters and sending e-mails to those students. We then targeted students with outstanding financial obligations. After the final installment was due for student accounts and after the due date for Emergency Tuition and Fee loans, we sent letters and e-mails to all students who had filed an application to graduate and had past due balances of \$250.00 or more. After giving the students ample time to respond, we then sent a certified letter and an e-mail giving them the final deadline to settle their financial obligations in order to prevent their diploma from being withheld at graduation.

This process improved our debt recovery efforts in several ways. The students were informed of their financial obligations prior to leaving the university while it was easier to communicate with them. In cases where students were unable to pay the amount due in full, we were able to work out a repayment agreement with them and get some important demographic information. This signed repayment agreement also provides leverage in future debt recovery efforts.

Introduction of the Organization

Texas A&M University, which was founded in 1876 and has the distinction of being the state's first public institution of higher education, is a land, sea, and space grant institution located in the city of College Station, Texas. President Robert M. Gates guides the University, which includes ten academic colleges and a student population of over 44,000.

Among the many administrative divisions serving the University community is the Division of Finance. This organization, headed by Vice President Bill Krumm, is made up a number of diverse areas, each with its own specific missions and goals relating to financial issues. While each area may provide different services, all work to fulfill the Division's Mission of "providing leadership, innovation, and excellence in financial services and a safe work/study environment for the Texas A&M University community."

Statement of the Problem/Initiative

Concern of the institutions large sum of outstanding receivables prompted us to review our current collection processes for ways to reduce the amounts left owing by former students. One of the recommendations was to begin withholding diplomas for graduating students owing a past due amount. A university rule was already in place providing the necessary authorization to withhold diplomas. The task was to develop a process of notifying the students of the enforcement of the rule.

Design

Representatives from Student Financial Services met with representatives from the Registrar's Office to develop the notification process. With something as important as

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the culmination of four or more years of work, the goal was that diplomas would not be withheld for any students who had not been properly informed. Student Financial Services would be fully responsible for notifying the students and submitting the final list of diplomas to be withheld to the Registrar's Office by the agreed upon date.

Notifications that all financial obligations with the University must be paid by the end of the semester include e-mails, advertisements in the school newspaper, certified letters, and involving college deans. Budget considerations included the cost of running an ad in the Battalion (school newspaper) and the postage for mailings.

Implementation

Once the processes and procedures were established, a schedule was developed to insure notifications were sent out in line with other financial and academic deadlines. For instance, the first e-mail and letter notification is sent shortly after the deadline to apply for graduation for the current semester. The ad in the Battalion is run on a day most likely to be seen by students (which happens to be coupon day). Subsequent mailings are scheduled around installment due dates as well as Emergency Tuition and Fee loan due dates.

Benefits

The major benefit is, of course, the reduction in outstanding receivables. There are, however, additional benefits. When students are unable to repay the amount owed in full, our Debt Recovery Specialists work with them to arrange a repayment plan. The Debt Recovery Specialist will also obtain contact information, which may not have previously

been available. This information is used to locate the student in the event that he or she does not make the agreed upon payments. Also, all students notified in the process are fully aware of their financial obligation and are informed of registration and transcript blocks placed on their accounts.

Retrospect

To date there have not been any changes to the process itself, however, Student Financial Services would like to reduce the threshold for withholding diplomas from \$250.00 to \$100.00 to be more in line with our other debt recovery efforts.