

## UNC Charlotte Training Grants Repayable to Grantor (where UNC Charlotte must Collect)

### Collections Guidance

**Summary:** The procedures outlined in this document should be performed, as applicable, by the Bursar's Office upon the default of a student training grant award. The award is considered a loan in accordance with the terms outlined in the *Grant Agreement* executed between the student and the University of North Carolina at Charlotte upon acceptance of the grant and the guidance outlined below should be followed to initiate repayment, perform collections attempts in the event of non-payment, and refer the grant to Grants & Contracts Administration (GCA) for referral to the Grantor in the event of unsuccessful collection attempts, if necessary.

#### **Background:**

This process should be followed where: 1) the grant funds are to be repaid to the Grantor upon collection from the student, 2) UNC Charlotte is required to attempt to collect the funds, and 3) the Grantor is ultimately responsible for the bad debt for non-payment. These grant funds will be referred to as "Stude (where UNC Charlotte must Collect)" or TGRtG. GCA will maintain a list of all TGRtG grants. The only currently identified TGRtG grants at UNC Charlotte are:

- NSF NOYCE
- NSF Cybercore
- NSF Cybersecurity

Upon entering any new grant in InfoEd marked as a training award grant, GCA will help facilitate determination of whether or not the grant is a TGRtG grant. If it is, they will ensure that:

- All PIs understand the risks related to these grants and that students will be required to pay back amounts received if they later fail to meet the stated requirements of the training grant, and
- All students who receive such training grants sign a "Student Agreement for Educational Expenses Paid by Training Awards," the signed version of which will be maintained in InfoEd.

Note that this process is not applicable if UNC Charlotte is responsible for the bad debt and/ or the funds are to be repaid to the Grantor immediately upon the student's default of the grant award.

#### **Collections Procedure:**

- 1) **College Research Office notifies GCA and Bursar's Office of Default:** It is the responsibility of the College Research Office to identify if all of the following apply: 1) a student defaulted on the terms of a training grant ; 2) a student is required to pay back any amount of funds; and 3) UNC Charlotte is required to attempt to collect the funds. The Research Officer will inform GCA and the Bursar's Office of the default, including the student's name, ID #, training grant, default date and amount that needs to be repaid by adding this information to a shared [TGRtG Tracking Spreadsheet](#).
- 2) **Initiate Grant Repayment Upon Default and Collect Payments: The Bursar's Office will** contact the student to request that the full grant be repaid immediately or turned into a loan, not to exceed two years from the date of default, which will bear interest at the current interest rate as declared by the North Carolina Department of Revenue. **If not repaid in full upon default, complete a repayment schedule based on the student's preferred term and send it to the student to sign a cover page containing their current address and a copy of the repayment schedule**<sup>1</sup>. Payments should be made on a monthly basis. Simple interest will be calculated. The interest rate will be locked for the term of the agreement at the approved NC DOR rate at the start of the

**1** If the student does not repay the full loan upon default, agree to the payment plan, or respond to any requests from the Bursar's Office within 90 days of the first attempt to contact them, the account will be referred to the College Research Office to be referred to the grantor.

agreement. Students can make payments online through the Bursar's Office "Grant Repayment" marketplace website for students to make ACH payments only.

Please refer to the "*Student\_Repayment\_Schedule\_Cover\_Page\_Template.docx*" and "*Repayment\_Schedule\_Template.xlsx*" aids for assistance. Update the repayment schedule on a monthly basis within the "*For Internal Tracking Only*" section to reflect the payment/ non-payment. Use the Repayment Schedule Tracker on the first tab of the "*Repayment\_Schedule\_Template.xlsx*" to summarize all repayment agreements. Use a separate tab to track grants referred to the College Research Office..

- 3) Perform Collections Attempts for Non-Payment:** If a payment is not received within 5 business days after the due date, mail and email the student a collections notice in accordance with the following guidance to inform them that payment is overdue:

A collections notice should be mailed for each instance of non-payment of a full monthly payment (e.g. If student makes 50% of their monthly payments for two consecutive months, a collections notice should only be mailed after the second month at which point the default status equals one full monthly payment). Students may receive a maximum of two collections notices if payment is not made on two monthly payments. The student should not be mailed a third notice if three monthly payments are missed as the student's account should be referred to GCA for referral to the grantor for further repayment upon 90 days default.
- 4) Remit Collections to Grant Fund:** All repayments of grant funds must be made on the [Grant Repayment marketplace](#) website in TouchNet. This site will be managed by the Bursar's Office and all payments received will be transferred to a GCA clearing fund on a monthly basis. Information such as the student's name, and grant will be provided along with each transfer to the GCA clearing fund. The Bursar's Office will track collections and remittances for each student on the TGRtG Tracking Spreadsheet. It will be the responsibility of GCA to remit these payments to each grantor.
- 5) Refer Grant to GCA for Referral to Grantor if Collections Attempts are Unsuccessful:** The student should be referred to the Grantor only when their grant repayment reaches default in the amount of three monthly payments, or in accordance with the terms of the grant if otherwise noted. Inform the student when their account is referred to the Grantor.