

TEXAS SOUTHERN UNIVERSITY  
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Fiscal Affairs

NUMBER: 03.08.04

AREA: Billing and Collections

SUBJECT: Reporting Indebtedness to the State Comptroller

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I. PURPOSE AND SCOPE

This document establishes standards to be followed by Texas Southern University (TSU) departments that extend credit and are required to report delinquent debtors to the Texas Comptroller of Public Accounts (comptroller), in accordance with Texas Gov't Code Ann. 403.055 (Vernon Supp. 2000). To ensure compliance with Texas Gov't Code Ann. 403.55 (Vernon Supp. 2000) and similar statutes (known collectively as "warrant hold statutes") the university, as a state agency, is required to report to the comptroller the names of persons who have an indebtedness or tax delinquency to the state.

II. POLICY STATEMENT

In those cases where credit has been extended by TSU departments and the debtor remains delinquent to the university over an extended period of time, the university shall report this indebtedness to the comptroller, thereby placing the debtor "on hold" with all State of Texas agencies and universities. Departments that extend credit are responsible for ensuring that the university's records are updated throughout the year as payments are made to reduce the debt and, when the original debt has been completely cleared, they must notify the comptroller to release the hold on the debtor.

III. DEFINITIONS

- A. Application to Report Indebtedness (Form 74-188): A form filed by the university with the comptroller which makes application to report indebtedness qualifying for treatment under Texas Gov't Code Ann. 403.055 (Vernon Supp. 2000).
- B. On Hold: Designation given to debtors whom a state agency or university (creditor) has reported to the comptroller as delinquent, in accordance with Texas Gov't Code Ann. 403.055.

IV. APPLICATION TO REPORT INDEBTEDNESS

The Chief Financial Officer (CFO), or designee, is responsible for completing and submitting an Application to Report Indebtedness form to the comptroller to identify each different type of indebtedness owed to the university. A separate application must be submitted for each type of indebtedness or delinquency. Departments extending credit must report the various types of indebtedness to the CFO, or designee, to ensure the timely preparation and filing of the

application with the comptroller. A listing of the types of indebtedness that have been reported to, and approved by, the comptroller is included in Addendum A.

#### V. CRITERIA FOR PLACING A DEBTOR ON HOLD

To ensure consistency with the university's policy for determining when an account receivable is uncollectible and should be removed (i.e., written-off) from the university's financial reporting system, the criteria for placing a debtor on hold will be the same as that used in identifying those accounts receivable qualifying for write-off. A listing of the types of indebtedness that have been reported to, and approved by, the comptroller along with the criteria for placing the debtor on hold (i.e., the criteria for removing an account receivable from the financial reporting records) is included in Addendum A.

#### VI. CONSEQUENCES OF BEING PLACED ON HOLD

Individuals placed on hold will not be eligible to receive or engage in the following activities at TSU, as long as the person remains on hold:

- Reimbursement of out-of-pocket expenses
- Travel or operational advances
- Enrollment in classes at TSU
- Receipt of transcripts
- Contracting or conducting business with any TSU department or representative

#### VII. ESTABLISHING PAYEE HOLD RECORDS

Upon receiving and approving the university's applications for indebtedness, the comptroller assigns a three-digit hold reason code for use by the university to report the indebtedness to the Texas Identification Number System (TINS). Each approved application is assigned a separate hold reason code by the comptroller, which identifies the type of indebtedness to be reported. The TSU department extending credit and creating the debtor relationship is responsible for establishing payee hold records in TINS for delinquent debtors. These records may be set up via electronic file transfer (EFT) to the comptroller's office or by online entry. The use of online entry requires special training by the comptroller's office. It is the responsibility of the TSU department extending credit and creating the debtor relationship to ensure that employees receive proper training in the use of TINS.

The following information must be transferred to or entered in TINS for each debtor placed on hold:

- T-Code (setup = 640, change = 641, release = 642)
- Texas Identification Number (11 digits)
- Agency Number (TSU = 00717)
- Reason Code (three digits)
- Name of debtor
- Date placed on hold
- Liability amount

A listing of the types of indebtedness that have been reported to the comptroller along with the departments assigned responsibility for establishing and maintaining the payee hold records is included in Addendum A.

VIII. MAINTAINING PAYEE HOLD RECORDS

The responsible TSU department will maintain payee hold records by monitoring the balance owed by each debtor placed on hold. The debtor will not be released from hold until the entire original debt has been paid in full. When the amount owed at the time the delinquent debtor was placed on hold has been paid to the university in full, the responsible TSU department (creditor) will release the hold from TINS as soon as possible (no later than five business days). The responsible TSU department will contact the comptroller's office for additional information on required fields and format.

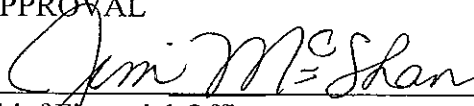
A listing of the departments assigned responsibility for establishing and maintaining the payee hold records along with the prescribed schedule for maintaining these records is included in Addendum A.

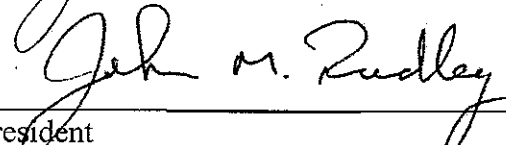
IX. REVIEW AND RESPONSIBILITY

Responsible Party: Chief Financial Officer

Review: Every two years on or before June 1

X. APPROVAL

  
\_\_\_\_\_  
Chief Financial Officer

  
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President

Effective Date: 06/24/09

## Addendum A

***Texas Southern University***  
**Reporting Indebtedness to the State**  
**Types of Indebtedness**

<b>Type of Indebtedness</b>	<b>Criteria for Placing a Debtor on Hold</b>	<b>Department Responsible for Establishing</b>	<b>Department Responsible for Maintaining</b>	<b>Schedule for Establishing New Records</b>	<b>Schedule for Maintaining Existing Records</b>
Student Receivables - Tuition & Fees	2 Complete Fiscal Years	Business Affairs	Student Receivables	Annually	As payments as Received
Student Receivables - Institutional Student Loans	2 Complete Fiscal Years	Business Affairs	Student Receivables	Annually	As payments as Received