

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BUSINESS PROCEDURES MANUAL

Business Procedure 9.1
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Effective Date: May 1, 2010
Supersedes: December 1, 2009
Applies To: System Office and Colleges
Procedure Responsibility: Office of Business Services

Bookstore Charge Procedures

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Section 9.1.1 – General

The Kentucky Community and Technical College System (KCTCS) in its desire to further facilitate student access (as outlined in its 2006-10 Strategic Plan goals - Increase Student Access and Success) has contracted the operation of KCTCS' bookstores with Barnes and Noble College Bookstores (BNCB). This partnership includes services for charge privileges for students to receive instructional books, supplies, college apparel, and other sundries sold in KCTCS' college bookstores. In order to extend charge privileges to its students, KCTCS financially guarantees the charges made with BNCB by its students pending student financial aid eligibility and award. The charge process is only for those students who are approved to receive student financial aid. The normal charge process is an automated process of electronic file transfer. Charges for third party payers are exclusively between BNCB and the third party.

To receive student financial aid, a student must establish eligibility. Specific criteria on eligibility is listed at

www.kctcs.edu/student/financialaidscholarships/faq.htm

Section 9.1.2 – Required Communication

To reduce process and data transmission error, the charge process requires extensive coordination and cooperation of the KCTCS System Office, each college, and BNCB. The automated charge process starts prior to the beginning of the academic term (fall, spring, and summer). To address courses starting during the traditional fall and/or spring term, colleges may elect to participate in

the automated charge process for bi-terms (fall and spring). The bi-term automated process requires set dates for all colleges that wish to participate. Colleges may work with their local bookstore manager to facilitate bookstore charge privileges for other sub-terms unique to the college. Please refer to section 9.8 for details. Charge privileges and amounts are contingent on a student's anticipated aid award. For a returning student, making satisfactory academic progress is a requirement to have charge privileges. See section 9.4 for additional details.

Section 9.1.3 – Automated Process Charge Period

The U.S. Department of Education regulations allow for a college to permit students to charge instructional books and supplies contingent on aid being awarded and used as the source of payment up to 10 calendar days prior to the 1st day of scheduled classes. KCTCS college's charge period follows U.S. Department of Education regulations using a college's 1st day of class as the benchmark for calculating the dates for charge privileges. Once the charge period has ended, colleges shall release residual student aid to the student. Residual aid is defined as the student's aid award less tuition, local charges, and bookstore charges. Currently, residual student aid is released to a student's selected Higher One account.

For purposes of this procedure, KCTCS' automated charge period is defined as: beginning 10 days prior to the start of classes and ending on a pre-defined date established by each college. The predefined end date shall not be less than the Friday of the second full week following a college's scheduled start of classes. All end dates established by a college must be pre-confirmed with the KCTCS Offices' of Student Financial Aid and Student Financials for purposes of establishing and communicating a refund calendar. For purposes of processing, during the time frame noted above, the automated charge process shall be used. End dates outside of the pre-confirmed end date require use of the non-automated charge process described in section 9.1.8 - Non-Automated Local Charge Process. Exceptions to this process and timeline must be approved in advance by the KCTCS Office of Student Financial Aid.

Section 9.1.4 – Bookstore Charge Eligibility

KCTCS has established payment priority for which student aid is applied to a student's assessed charges. The payment priority order is as follows:

1. Tuition
2. Local Charges
3. Bookstore Charges

In order for a student to be granted bookstore charge privileges a student must be approved to receive student financial aid in an amount excess of their tuition and local charges as these items will be deducted from the amount of aid with the remaining balance available as a bookstore charge privilege. Student balances remaining after bookstore charges are posted are remitted to the student as a residual check. **Note:** Charges for third party payers are exclusively between BNCB and the third party.

For returning students to sustain satisfactory academic progress and to continue Federal student financial aid eligibility, grades from the prior academic term must be posted. Satisfactory Academic Progress is measured with the following standards: Qualitative (cumulative Grade Point Average of 2.0 per semester); Quantitative (Maximum Time Frame of 150% of the credits for completion of their program); and Quantitative Percentage (Earned hours/Attempted must equal at least 67%). Please consult with the local college office of student financial aid for further details.

In general, to receive student financial aid, a student must have a demonstrated need as supported by an application, a high school diploma or a General Education Development (GED) Certificate, and/or passed an approved test by the U.S. Department of Education as a demonstration of ability to benefit. If the student is admitted "conditionally" he/she may receive student aid for one semester only before an admission file must be completed. Students can apply for student aid electronically by using the U.S. Department of Education's Web site, www.fafsa.ed.gov or by using the paper form (FAFSA). Paper forms are available at the local college. Applying for student financial aid is free.

Section 9.1.5 – Sequence of the Charge Approval Process

In order for the automated charge process to work as designed, certain processes must occur in sequence.

The listing of processes that must occur is as follows:

- 1) Student submits required documentation for a complete aid file
- 2) Student signs release of their aid award information for charge privileges
- 3) Faculty turns in grade reports per college schedule to enable grade postings (and satisfactory academic progress, as applicable)
- 4) College submits scheduled charge period to KCTCS Office of Student Financial Aid
- 5) Student aid posted and loaded into KCTCS' Student Financials Module with available aid file (after tuition and local charges are deducted) forwarded to BNCB

- 6) BNCB corporate office loads transmitted student aid file into its point-of-sale system by college and by student
- 7) Student is able to charge based on amount of residual charge credit
- 8) Charge privileges ended per college's charge schedule with file submitted by BNCB to KCTCS Student Financials
- 9) Student charges settled with residual aid check processed to student's address as listed with KCTCS' PeopleSoft Student Administration Module.

Section 9.1.6 – Changes that Affect the Charge Process

A student's charge eligibility is subject to his or her financial aid award and will vary according to the number of credit hours the student is taking at a given point in time. For example, there could be instances where on the first day of the week a student could have a residual balance of aid of \$300 based on his or her course schedule. The student then drops a course. Based on a reduced course load, the student's aid may be subject to revision and thereby reduced. Hence, the day following the student dropping the course, a new charge file is submitted to BNCB for a lesser amount of residual aid resulting in reduced charge privileges. The opposite could also be true, where a student increases from part-time to full-time and his/her financial aid award is increased resulting in increased bookstore charge privileges. Unused credit after the charge period is converted into a residual check to the student. Charges made in excess of a student's financial aid charge privileges shall be posted to the student's account as a receivable.

Section 9.1.7 – Automated Charge and Payment Process

Once the charge period has ended, BNCB corporate office sends KCTCS' Office of Student Financials a file listing each student's bookstore charges. KCTCS Student Financials' group posts the file with each student's individual charges to the student's account -- the item type is 50XXXXX99003. This item type debits the student's account receivable (A/R) account 12100 and then credits the BNCB payable account (21005). After each college's charge period has ended, KCTCS is forwarded an invoice from BNCB for each student's bookstore charges. A group posting of student charges is performed resulting in a check issued to BNCB for each student's charges in total for all KCTCS' colleges as a whole – system-wide. The check is written debiting the payable account (21005) and crediting cash (account 10000). At this time the payable account due to BNCB is zeroed out or balanced.

Section 9.1.8 – Non-Automated Local Charge Process

On occasion there may be the need by a college to make an exception to the regular charge process outlined above, i.e. student not yet approved for student aid, but college deems it in its best interest to extend bookstore charge privileges to the student or college offers a number of bi-terms within the regular term. In such an instance, 51500 must be used (*not* 21005) in extending bookstore charge privileges to the student(s).

In an instance where a college allows the student to charge books after the college published charge period end date submitted to KCTCS' Office of Student Financial Aid and furnished to BNCB, college business office personnel must manually post the charges to the student's account using the item type 50XXXXX99002. ***No group post files will be accepted by the System Office for charges outside the two defined automated charge processes, e.g. beginning of the term and the middle of the term (bi-term).*** This item type debits the student's account receivable (A/R) account (12100) and credits a scholarship account 51500. The local college bookstore will directly bill the college for this charge exception. Note: the charge will not be processed using the system-wide automated process highlighted in this procedure. The college can submit a check request to pay the bookstore using the scholarship account 51500. This will zero out or balance the college's financial records clearing the credit to the scholarship account 51500. If the college so chooses, a KCTCS ProCard can be used to pay the bookstore. In this instance, the college must edit the Pro-Card journal to reflect the charge to the scholarship account 51500. The student account receivable (A/R) account 12100 will be zeroed out once payment is applied to the student's account.

If a college receives a bookstore student charge payment from a third party as part of the college's billing for tuition and local charges, the college must enter a direct journal using the Billing and Accounts Receivable Module for the bookstore portion of the charge/payment using the scholarship account 51500. A check request must be processed to BNCB for the offsetting amount using the scholarship account 51500.

Section 9.1.9 – Students Taking Classes at More Than One College

In some instances students may take courses at more than one college. When taking courses at multiple colleges, a student may also have charge privileges at more than one bookstore location. In those situations, extreme cooperation and communication among colleges must occur. This is especially true where charge period closing dates are not congruent.

End of Procedure