



Student Fee & Debt Recovery Policy

[REV001]

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Acronyms

CFO	Chief Financial Officer
HOD	Head of Department
IAPO	International Academic Programmes Office
MOU	Memorandum of Understanding
NCA	National Credit Act
NCR	National Credit Regulator
NSFAS	National Student Funding Aid Scheme
SADC	Southern African Development Community
UCT	The University of Cape Town
UFC	University Finance Committee

Preamble

The University of Cape Town is not a profit-making institution.

UCT is expressly enabled by legislation to charge students fees for the supply of higher education programmes, accommodation, and other services provided (section 40(1)(f) and (h) of the Higher Education Act, 101 of 1997). In setting these fees, UCT seeks to recover the costs incurred in the provision of services to students.

The UCT Council annually determines the fees to be paid by students. This power and function may not be delegated (clause 12(5)(d) of the UCT Institutional Statute and Institutional Rules).

The fiduciary duties borne by UCT Council members require that, among other considerations, the financial implications for UCT of any aspect of Student Fees must be considered in the course of decision-making. These fiduciary duties apply in equal measure to any decision-making concerning non-payment of fees and student debt. They further mean that steps must be taken to recover any debt owed to UCT as well as against the debtors concerned.

The UCT Council is enabled by legislation to differentiate, in a fair manner, between fees charged to students who are not citizens or permanent residents of South Africa, and fees charged to those who are (section 40(1)(g) of the Higher Education Act, 101 of 1997).

1. Objective

1.1 The objective of this policy is to:

- 1.1.1 provide a framework for the management of Student Fees at UCT,
- 1.1.2 provide guidance to governance and decision-making bodies involved in Student Fee setting, collection, and debt management,
- 1.1.3 ensure proper revenue recognition,
- 1.1.4 optimize cash flow management to ensure UCT's financial sustainability,
- 1.1.5 ensure consistency and fairness of debt management at UCT,
- 1.1.6 minimize risk and proactively manage outstanding debt,
- 1.1.7 communicate the fee and debt management processes clearly and concisely,
- 1.1.8 adhere to NCA and Consumer Protection Act requirements, and
- 1.1.9 clarify roles and responsibilities in managing Student Fees and debt.

2. Scope

This policy covers all charges and management of the Student Fee accounts, excluding Short Courses.



This policy outlines the timing of the charges to the Student Fee account, and who authorises such charges.

3. Applicable to

Past students, current students, and applicants, including SADC and international students, as well as fee payers and/or external sponsors.

4. Definitions

Term	Description
Charge to a Student Fee account	All amounts owing by the student, including Academic Fees, Student Housing, Student Clubs and Societies, and any other charges authorised to the Student Fee account.
Credit balance	Refers to amounts due back to the payee, based on amounts received in excess of amounts charged.
Collection agency	The University attorneys who have been appointed to collect outstanding student debt.
Concession	Preferential treatment agreed as a temporary measure, given for a specific set of circumstances – either individually or as a group.
Debtor	The Debtor is the student not the fee payer.
Debt thresholds	Outstanding debt of up to R10,000 for re-registration purposes, and up to R1,000 for graduation purposes.
Delegation of Authorities	UCT Council approved policy where authorities are delegated to individuals and committees within the University.

Term	Description
Faculty handbook	Contains faculty specific information related to which courses can be taken together, and further faculty-specific information.
Maximum Fee Debt indicator	An indicator on Peoplesoft that prevents a student from re-registration, graduation and access to academic records, based on the debt thresholds.
Fee payer	The student, and/or the person or entity who pays amounts into the Student Fee account, on behalf of the student.
Fee Statement	A record setting all the transactions that took place between the student and the University for a defined period, indicating the amount that has been paid and the amount outstanding.
First Payment	The First Payment of fees is due by the student per the date annually advised in the Student Fees Handbook, which is usually when the academic year commences in February. The amount of the First Payment is determined by Council. The First and Final Payments of fees are based on a contract for the provision of a higher education programme, accommodation, and/or other specified services concluded by a student with UCT at the registration date.
Final Payment	The Final Payment of fees is due by the student per the date annually advised in the Student Fees Handbook, which is the end of July. The First and Final Payments are based on a contract for the provision of a higher education programme, accommodation, and/or other specified services concluded by a student with UCT at the registration date.
Interest on arrear payments	Interest will be added to any Student Fee account that is an arrears. The rate of interest is 1% per month, compounded.

Term	Description
Non-registered students	Students who do not have an active academic term.
Payment priorities	Determines the order in which payments received are applied to the amounts owing on the Student Fee account. The current priority is Tuition first, then Student Housing and meal charges, then allowances and additional charges, with any payments being set-off first against the oldest debt in each category.
Late payment surcharge	A charge is added to the Student Fee account when the First Payment date is breached. The charge is 8% of the amount of fees that is due and payable for the First Payments, respectively as specified in the Student Fees handbook.
PeopleSoft	UCT Student Administration system, which includes the Student Fee account.
Prescribed debt	Old debt that has not been acknowledged for a period of 3 (three) years. Where debt is handed over, prescription extends to a period of 30 (thirty) years, when summons is issued.
Registered students	Students who have an active academic term.
SADC students	Students from designated SADC countries, where economic development is supported through regional integration.
Student Fee account	The UCT PeopleSoft Fee account which accumulates all charges (e.g. Academic Fees, Student Housing Fees, UCT Clubs and Societies) as well as payments and fee adjustments.

Term	Description
Student Fee account holder/s	A student who in terms of a service contract is registered to receive higher education services, the provision of accommodation, and/or other services provided by UCT is the account holder.
Student Fees handbook	The Student Fees handbook is approved annually and contains a listing of all course-based fees and payment dates as agreed by Council. This is referred to as Handbook 12 in the series of Handbooks. The Registrar is the custodian of all UCT student handbooks.
Sponsor	External parties who have paid monies into the UCT Student Fee account on behalf of the student.

5. Policy

5.1 Related to the Chief Financial Officer

- 5.1.1 The CFO is accountable for the execution of all aspects of the Student Fee policy, including any appeals process mechanisms.
- 5.1.2 The CFO, based on inputs from various units, recommend:
- 5.1.2.1 all Fees as part of the annual budget cycle,
 - 5.1.2.2 the annual payment dates for and the amounts of the First and Final payments,
 - 5.1.2.3 the annual rate of interest for all accounts in arrears,
 - 5.1.2.4 the late payment surcharge percentage on overdue accounts,
 - 5.1.2.5 debt thresholds for re-registrations, and
 - 5.1.2.6 the payment priorities.
- 5.1.3 Any concessions or variations in the agreed charges and payment terms proposed by the CFO must include a rationale and consequence (financial estimations, operational impact, all the risks involved as well as any other relevant aspect) of the proposed changes.

5.2 Related to the UCT Council

5.2.1 The UCT Council is responsible for approving:

5.2.1.1 all Fee-related charges to the Student Fee account,

5.2.1.2 the annual payment dates for and the amounts of the First and Final payments,

5.2.1.3 the annual rate of interest for all accounts in arrears,

5.2.1.4 the late payment surcharge percentage on overdue accounts,

5.2.1.5 debt thresholds for re-registrations, and

5.2.1.6 the payment priorities.

5.1.1 Fees, as recommended by the UFC, are approved by Council and are subject to revision without notice.

5.1.2 Changes to the Student Fees handbook are presented to Council, at least annually, for review and approval.

5.1.3 The approved Student Fees Handbook is uploaded to the UCT website annually, and any amendments approved during the year.

5.1.4 Council must approve concessions or variations in the agreed charges and payment terms, as proposed by the CFO and recommended by the UFC, together with the rationale and consequence of the proposed changes by considering financial estimations, operational impact, all the risks involved, as well as any other relevant aspect.

5.1.5 Council has the discretion to deviate from the current policy, as proposed by various governance structures, taking into account all the risks involved.

5.2 Related to students

5.2.1 The student is responsible for ensuring that all registration fees and charges are correctly reflected on their Student Fee account.

5.2.2 It is the responsibility of the student, to ensure that all Student Fee debt with the University is settled timeously.

5.2.3 It is the responsibility of the student to follow up with the fee payer regarding outstanding payments should the student-debtor and fee payer be different.



This includes students funded by external Bursars like NSFAS.

- 5.2.4 All active students have access to the Peoplesoft Fee account.
- 5.2.5 The University operates on a course-based fee structure inclusive of all “add-ons” with respect to the academic offering.

5.3 Related to fee collection

- 5.3.1 When students do not settle the fees that are due and payable, a Maximum Fee Debt indicator is loaded for debt greater than the debt threshold and the student is not eligible for re-registration, graduation, and access to academic records.
- 5.3.2 UCT will not provide an academic record to any other higher education institution in respect of any student with a Maximum Fee Debt indicator.
- 5.3.3 Students with external sponsors whose accounts fall in arrears will incur interest on arrears and late or non-payment charges.



To avoid being personally liable for late or non-payment charges students should inform external sponsor and communicate the consequences of late or non-payment to sponsors, as well as encourage sponsors to conclude a memorandum of understanding with UCT.

- 5.3.4 Where students do not settle Fees as per the agreed timelines:
- 5.4.4.1. Monthly statements are sent to account holders from the date the debt arises, until the earlier of settlement or handover.
- 5.4.4.2. A reminder letter is sent to account holders in the year of study, to encourage payment, and to avoid the debt being handed over, or the student not being eligible for re-registration.
- 5.4.4.3. Where the debt is still not settled, a final letter of demand is issued in the following year, giving account holders 21 (twenty one) days to settle, or make a payment arrangement with UCT.
- 5.3.5 Students are encouraged to make an arrangement with UCT, prior to being handed over to the attorneys.



When summons is issued, the prescription period increases from 3 (three) years to 30 (thirty) years.

5.4 Related to debt handed over

- 5.4.1 Where no payment arrangement is made with UCT, the account is handed over to the university attorneys for further collection according to their policies and best practice.
- 5.4.2 As per the NCA, any additional charges (i.e. collection charges and interest on arrears) cannot exceed the value of the original capital amount owing.
- 5.4.3 The student is liable for collection costs.
- 5.4.4 The University arrangement can be made for a period of less than 24 (twenty-four) months to a maximum monthly repayment of R10 000.
- 5.4.5 Arrangements greater than R10 000 per month in the 24 (twenty-four) month period require the student to demonstrate affordability that needs to be approved by the Manager: Student Fees.
- 5.4.6 Unpaid arrangements for 2 (two) consecutive months are handed over without communication.

5.5 Related to debt written off

- 5.5.1 Recommendations for write-offs are received from the attorneys and are approved by UCT as per the Delegation of Authorities.
- 5.5.2 Prescribed debt is written off and the student can re-register.
- 5.5.3 On the death of a student, any outstanding fee debt is written off immediately upon receiving the death notice, and any credit is refunded to the fee payer.

6. Roles and Responsibilities

6.1 The Chief Financial Officer


- 6.1.1. To ensure that all fees recommended to Council are fair and reasonable, taking into account applicable laws, the sector guidance, and constraints.
- 6.1.2. Any concessions or deviations proposed include the financial consequences, operational impact, and assessment of all risks.
- 6.1.3. Adequate Financial Aid resources and mechanisms are in place, and communicated, for students meeting the requirements.

- 6.1.4. To address Fee-related issues pro-actively and establish mechanisms and timelines for monitoring and report back, including regular review of this policy.
- 6.1.5. Engage external funders to provide resources specifically for students in need.

6.2 The UCT Council

- 6.2.1. To review and approve all Fees, as recommended by the CFO and UFC.
- 6.2.2. To review and approve all Fee-related information contained in the Student Fees Handbook.
- 6.2.3. All concessions and variations should take into account financial estimations, operational impact, assessment of all risks, as well as any other relevant aspect in decision-making.

6.3 Students

- 6.3.1. It is the student's responsibility to ensure that all information on PeopleSoft is updated, including personal and banking details.
- 6.3.2. The student is responsible for the Student Fee debt and not the fee payer.
 *In the event of outstanding student debt, the student will be handed over and not the fee payer, as per policy.*
- 6.3.3. Students must review and confirm all charges on the Fee statement, and ensure all payments made are reflected.
- 6.3.4. The student must communicate with the fee payer regarding payments due and charges incurred or cancelled on the Student Fee account.

6.4 External sponsors

- 6.4.1. To ensure regular communication with the student regarding Student Fee debt liability and payments due.
- 6.4.2. To ensure fee payments are made timeously, as per the agreed payment terms.
- 6.4.3. Any additional services or requirements can be stipulated in a MOU between the University and the external sponsor.

6.5 The University Management



'The University Management' includes, but not limited the Fees office, Financial Aid office, Postgrad Funding office, IAPO and Debtors.

- 6.5.1. Reviews the Student Fee account for eligibility and validity of transactions.
- 6.5.2. Ensures that the student initiated and authorised the transactions on the Student Fee account.
- 6.5.3. Ensures that the timing of the additional charges is managed so as to ensure timeous collection.
- 6.5.4. Responds to all fee and funding related enquiries.
- 6.5.5. Requests additional supporting documentation, if required.
- 6.5.6. Obtains approvals from the relevant offices e.g. IAPO for international students.

7. Procedure

7.1 Collection

- 7.1.1. Statements are issued monthly to all account holders who owe more than R100.
- 7.1.2. Statements in credit are issued to non-registered students twice a year once all processes are concluded.
- 7.1.3. The first letter of demand is issued after the fee payment deadline to remind account holders of the debt, as required by the NCR.
- 7.1.4. Settlement discounts are negotiated and agreed by the Fees office:
 - 7.1.4.1. up to 20% for debt older than 4 (four) years, and
 - 7.1.4.2. up to 10% can be negotiated for debt less than 4 (four) years but older than 2 (two) years.

7.2 Debt write-off

- 7.2.1. The Fees office has the authority to write off small balances less than R100, where collection is not cost-effective.
- 7.2.2. An indicator is placed on PeopleSoft for all debt written off, which will prevent re-registration, graduation, and access to academic records (including for other higher education institutions).
- 7.2.3. Students returning to UCT with debt previously written off will be required to settle the debt first, inclusive of interest.

7.3 Collection agency

- 7.3.1 Only student fee debt greater than R1 000 is handed over.
- 7.3.2 An indicator is placed on PeopleSoft for all debt handed over, which will prevent re-registration, graduation, and access to academic records.
- 7.3.3 The attorneys issue a letter of demand, and if no response is received from the student and guarantor after 3 (three) weeks, the attorneys will proceed with issuing summons.
- 7.3.4 If the student and guarantor do not respond with an intention to defend the summons within the stipulated period, a request for default judgement is issued.
- 7.3.5 If there is still no response from the student, the default judgement is set down in court, and if granted, a judgement letter is issued to the student, as well as listing with the credit bureau.

7.4 Refunds

Refer Student Fee Refund policy [[REV002](#)]

8. Related legislation, policies, guidelines, and practices

This includes but is not limited to:

- Delegation of Authorities [[GEN002](#)]
- Student Fee Refund Policy [[REV002](#)]
- Student Fee Waiver Policy [[REV003](#)]
- [Fees Handbook](#)
- [Fees FAQ](#)
- [National Credit Act](#)
- [Guidelines: Consumer Protection Act](#)

9. Implementation responsibility

The Fees office is responsible for the implementation of student fee and debt management in terms of this policy.

10. Contact

UCT Fees office

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