

Office of Student Life
Ball State University
Encumbrance Policy
Updated February 21, 2007

Purpose

To provide student leaders, alumni and housing corporations with a tool to hold members accountable for their financial obligations to the fraternity or sorority;

To provide an alternative to commercial bill collection agencies that may damage an individual student's credit report;

To bolster the financial stability of all Ball State University fraternities and sororities so they may focus on more developmental endeavors;

To increase the likelihood of chapters' long-term existence on campus to maintain alumni connections to Ball State University and

To decrease the chance Ball State University will be forced to assume mortgage payments on facilities not viable for University use;

Eligibility

Organizations that are eligible:

- All fraternities with loans guaranteed by Ball State University are required to participate in this program.
- All other fraternities and sororities may choose to participate, but participation is not mandatory.
- A chapter must have submitted a Greek Excellence Report for the previous year and be in good standing with Ball State University (if the chapter does not have a loan agreement with the University).

- Payments eligible to be submitted for encumbrance: Total amount to be encumbered must be equal to, or greater, than \$25.00
- Rent Payments paid to a housing corporation
- Parlor Fees paid to a housing corporation by members not residing in the chapter house
- Fees assessed by chapters for payment of residence hall suite costs
- Rent, parlor fees and suite fees from the current semester

Payments not eligible to be submitted for encumbrance:

- Social dues
- Chapter fines
- Other fees assessed by the national or international organization (annual dues, initiation fees, pledge fees, insurance)
- Rent, parlor fees and suite fees from previous semesters.

The following must be in order for a hold to be placed on a student's record:

- The following statement in the lease, promissory note, or financial agreement made between the student and the chapter or house corporation:

"The student (and his/her parent or guardian if he/she is a minor) expressly agrees that, at the request of the fraternity/sorority chapter or house corporation, Ball State University may place a hold on the records of the student for failure to pay, when due, all room rental, parlor/out-of-house fees, and board charges.

The student (and his/her parent or guardian if he/she is a minor) expressly authorizes Ball State University to make the encumbrance with full knowledge that the encumbrance includes, but is not limited to:

Denial of the student's ability to obtain a copy of his/her transcript of academic records
Denial of the student's ability to register for future classes
Denial of the student's ability to make changes to his/her schedule (i.e. drops/adds)
Denial of the student's ability to receive a diploma

The encumbrance does not impair or limit the fraternity/sorority chapter or house corporation from taking legal action with respect to the unpaid obligations for which the encumbrance was made.

The encumbrance procedure may not apply to any obligations that may be incurred by the student after he/she ceases to be a student at Ball State University."

- Contracts and leases must be properly signed and dated.
- Contracts and leases must specifically state the exact amount due.
- Contracts and leases must specifically state the date payment is/was due.
- Encumbrance requests may only be made after payment is 30 days past due.
- Chapter president, treasurer, or house corporation officer must personally notify the student, in writing, that an encumbrance on their record will be sought.
- Written notification must allow the student 15 days to make payment before an encumbrance will be enforced.
- The chapter president, treasurer, or a house corporation officer must submit a copy of each signed contract, a copy of written notification given to the student, and an Encumbrance Submittal Form to the Director or Assistant Director of Student Life.
- Paperwork is reviewed and, if everything is in order, a hold is placed on the student's record by the Director or Assistant Director of Student Life.
- After payment is received, the chapter president, treasurer, or house corporation officer must notify the Assistant Director of Student Life and request to have the hold removed. Once completed, the encumbrance will be lifted.
- After payment is made to the housing corporation, the student will submit an Encumbrance Release Form to the Director or Assistant Director of Student Life. The form should be signed by the chapter president, treasurer, or house corporation officer, and returned to Office of Student Life by the student. Once completed, the encumbrance will be lifted.

Appeals

Appeals by individuals having holds placed on their record are heard by the Director or Assistant Director of Student Life at anytime throughout the process, and directors have the discretion to grant or deny the appeal