How do I Write Off A Student Loan?

Options to Write Off Loans.

Using Student Maintenance:

  1. If Payments were made, can go into Student Maintenance and zero out the paid to date amounts

  2. If payments are due, Posting/Adjustments, Loan History Adjustments, zero out balances

  3. Pull up Loan in Loan Adjustment Posting

      Check 'Delete Loan' Box

      Post - will Debit due to Operating acct and Credit Notes Receivable

  4. May have to do a manual Journal Entry to hit GL Write-off account

Optional approach using Cash Receipts:

1. In Maintenance, Administrative Maintenance, uncheck 'post to GL' selection.

2. In Student Loans, Cash Receipts, create a dummy cash receipt for the amount of the loan(s) paid to date, pre-paid interest.

3. Post (should not hit GL if deselected)

4. May still have to do a manual JE to hit GL Write-off account

To prevent interest from calculating on statements, change the due date further out in future. Just a reminder - if you uncheck the "post to GL" box in Maintenance - Administration while processing the loan write-offs, go back and recheck it before you do any of your other normal processes.