

Office of Fraternity & Sorority Affairs Encumbrance Policy

This procedure is designed to assist chapters in the collection of financial obligations owed by members of the fraternity or sorority. Participation in this procedure is entirely voluntary on the part of the fraternity or sorority. All registered fraternities and sororities that are in good standing with OFSA may avail themselves of the procedure, provided they comply with the provisions of this section.

A. General Provisions:

1. The Encumbrance (HOLD) Procedure can be used for fraternity and sorority initiated members and new members only.
2. A student can be encumbered only for debts incurred during the **CURRENT** academic year.
3. **A student may not be encumbered for less than fifty dollars (\$50.00) or more than one thousand (\$1,500.00) dollars.**
4. Out-of-house members may be encumbered if they have signed a contract including the specific encumbrance clause and if they are being encumbered for a debt, which is described in the encumbrance procedures.
5. Rutgers University shall not be obligated to act upon any request.
6. Rutgers University reserves the right to discontinue the encumbrance procedure at its discretion.
7. Any chapter not following the established guidelines for the encumbrance (hold) procedure may lose its privileges to encumber (hold) students.

B. Encumbrance Procedures:

In order for a chapter to encumber its members for monies owed, a fraternity/sorority **MUST** comply with **ALL** of the following provisions by the specified deadlines:

1. The chapter shall designate an appropriate officer of the alumni board to serve as liaison to OFSA for administration of the hold procedure. The chapter shall provide OFSA with the name, address, cell phone number and email address of the designated alumni. Only the designated alumni shall be authorized to place a chapter member on hold, and only the designated alumni may remove a chapter member from hold.
2. Any chapter wishing to utilize the hold procedure must submit a sample of their written member contract for review and approval by OFSA by the designated date. The purpose of this review shall be solely to verify that the contract contains all the provisions required by section C of this policy. Once a chapter's contract has been approved by OFSA, there shall be no need to resubmit it for approval in subsequent semesters, provided no changes are made to the contract.
3. The chapter must deliver to OFSA executed **copies** of the member contracts for every member of the chapter by the last business day of September. The chapter may NOT

encumber any member for whom OFSA shall not have an executed copy of the contract in that semester.

4. Upon receipt of the signed member contracts from the chapter, OFSA shall send a written notice to each chapter member for whom a contract is on file. This notice shall be sent to the student's Rutgers email address and shall advise the student that the chapter has filed a copy of their member contract with OFSA and that they may be placed on hold for failure to pay the chapter in accordance with the terms of the contract.
5. In the event a chapter wishes to exercise its privilege to place a student on hold for failure to pay in accordance with the terms of the contract, the chapter shall submit a memo or email indicating the name, RUID number, and the past due amount.
 - a. Only the designated alumni may submit the memo on behalf of the chapter.
 - b. The memo/email must be submitted no later than the first day of finals for the semester in which the debt was incurred.
6. When a student who has been encumbered (placed on hold) satisfies their obligations to the chapter, the designated alumni contact person shall promptly notify the Office of Fraternity/Sorority Affairs in writing/email. OFSA will then prepare the appropriate paperwork to remove the encumbrance.
7. Notwithstanding anything to the contrary herein, the Dean of Fraternity / Sorority Affairs may remove a student from hold at any time, at their discretion.

C. Written Contract Required

Each participating chapter must enter into a written contract with its members by the terms of which the fraternity/sorority agrees to provide room, board, and/or other services, and the student, (his parent or guardian, if he is a minor,) agrees to pay the charges which are specified. A copy of the agreement must be filed with and approved by the Office of Fraternity and Sorority Affairs and it MUST contain the following provisions:

1. This exact paragraph in which the student specifically authorizes the University to make the encumbrance (hold):

“(Name of Student) (and his PARENT or GUARDIAN, if he is a minor) expressly agrees that at the request of the (Name of Fraternity or Sorority), Rutgers, the State University of New Jersey, may encumber (hold) the records of (Name of Student) for failure to pay, when due, all room rental, food charges, and dues that apply uniformly to all members of the chapter.

(Name of Student and his PARENT or GUARDIAN if he is a minor) expressly authorizes the University to make such encumbrances with the knowledge that such encumbrances may deny (Name of Student) access to his/her transcript of academic records and preclude him/her from continued enrollment in the University. This Agreement and Authorization shall not apply to any obligations which may be incurred by (Name of Student) after he/she ceases to be a student at Rutgers University.”

2. A specific breakdown of the amount due the chapter under the contract (e.g. \$1000.00 rent / \$300.00 board / \$100.00 building fund, etc.)
3. A schedule indicating when payments are due under the contract.

4. The entire proper name, RUID number, campus/Rutgers address and home address of the student signing the contract.
5. A provision for the signature of the student and in the case of a minor student, the signature of his parent or guardian.
6. The name, address and phone number of the alumni who shall be responsible for enforcing the contract, and who shall execute the contract on behalf of the chapter.

Note: Monies owed to the fraternity/sorority for fines and clothing are all examples of items/costs for which a student may NOT be encumbered [held].

4/23