BUSINESS AND FINANCE DEPARTMENT
Bursar

Effective Date: 9/1/2026

THIRD-PARTY BILLING POLICY

Policy Number	544-01
Approval Authority	President?
Responsible Administrator	Chief Financial Officer
Responsible Office	Business and Finance - Bursar
Policy Contact	Bursar

1.0 POLICY STATEMENT

Tennessee State University will invoice approved third-party sponsors for eligible educational charges upon receipt and approval of a valid authorization agreement by the Bursar's Office prior to the applicable payment deadline.

2.0 IMPORTANCE AND REASON FOR THE POLICY

A third-party billing policy is crucial because it establishes clear guidelines for when and under what conditions an external organization pays tuition directly to the university. The policy helps safeguard the university's revenue stability by ensuring timely payments from sponsors, while also mitigating the risk of students incurring unexpected financial burdens due to unpaid sponsorship funds. Having a sponsor, however, does not relieve any student of their financial obligations to the University. If the sponsor fails to pay any amount for any reason, the student will remain responsible for paying their financial obligations to the University

3.0 DEFINITIONS

Third-Party Billing: An arrangement where an external organization (e.g., corporations, federal, state, or local government agencies) requires an invoice directly from Tennessee State University and agrees to pay all or part of a student's tuition and fees to the University. This arrangement requires specific documentation and adherence to university policies.

Financial Aid: Any funding provided to students to help cover higher education expenses like tuition, fees, housing, books, and living costs.

4.0 PROCEDURES

A. General

Third-party billing is used to permit outside agencies to reimburse Tennessee State University for agreed-upon student charges. The University will bill all third-party organizations, institutions, and agencies responsible for the payment of tuition, fees, and other charges for matriculating students based on the terms of their contracts or agreements.

B. Third-Party Agency Qualifications

Third-party billings will be limited to agencies of federal, state, and local governments authorized to provide financial aid (e.g., JTPA or EDWAA), established financial institutions within the state, established in-state or out-of-state corporations that employ the students, foreign embassies, or corporations and organizations within the state that have previously demonstrated the ability to pay this type of commitment. Specifically,

Outside organizations can qualify for third-party billing if:

- They will cover all or most of the student's tuition and fees
- They will send payments directly to Tennessee State University
- They require an itemized invoice to be addressed in their name

Outside organizations can't qualify for third-party billing if:

- Payments will be sent directly to the student
- Only proof of registration or a copy of the student's bill is required

No commitment from an individual will be accepted. Groups that meet the above criteria must submit letters of intent to "The Bursar".

5.0 AUTHORITY AND REFERENCES

- TSU Payment of Student Fees and Enrollment Policy
- TSU Collection of Accounts Receivable Policy

6.0 HISTORY

5.06.10.1	Third Party Billings	2020