

## NC-SARA May 2024 Board Meeting Materials for Finance Committee Update

### Recommendation for Reducing SARA-Participating Institution Late Fee and Extension Fee

It is recommended that the current SARA-Participating Institution Late Fee and Extension Fee be reduced from 25% to 5% to be more in line with what a non-profit should be charging and to not violate any state laws. The reduction of the late fee will have a minimal impact on NC-SARA's annual operating budget.

Below is the current SARA Policy language regarding late fees and extension fees:

- Per the *SARA Policy Manual* Section 3.7.b.5. in Section 3.7 “Renewals” in Section 3 “Institutions and Participation”:  
  
“... If payment has not been received by NC-SARA within 30 calendar days of the participation end date, a **late fee of 25%** of the institution's renewal fee is applied if payment is received within five business days. ...” (emphasis added)
- Per the *SARA Policy Manual* Section 3.7.c.:  
  
“Grace Period. On the institution participation renewal date, if the institution has not yet paid, but has been approved by their SARA State Portal Entity, there is a 30-calendar day grace period. ... intended to enable completion of the payment process. If payment is received after the 30 calendar days, but within five days of the extension period, a **25% late fee** is required. ... ” (emphasis added)
- Per the *SARA Policy Manual* Section 3.7.d.:  
  
“Institution Participation Deadline Extension. ... There is a **25% late fee** assessed for Extensions. The Participation Deadline Extension Form (AF2) (See Appendix C) must be completed and submitted to NC-SARA staff.” (emphasis added)
- Per the *SARA Policy Manual* Section 3.7.e.:  
  
“New institutions applying for first-time participation have 60 calendar days after approval to complete registration and payment. If the deadline is missed, the New Institution Participation Deadline Extension Form (AF1) (See Appendix C) is required and **25% late fee** is assessed.” (emphasis added)

The following administrative forms include references to late fees:

- [New Institution Participation Deadline Extension Form \(AF1\)](#)
- [Renewing SARA Institution Participation Extension Form \(AF2\)](#)