The director of admissions and records may withhold diplomas and registration privileges from any student or former student who fails to pay a proper financial obligation to the district. The students shall be given written notification and the opportunity to explain if the financial obligation is in error.

The definition of proper financial obligation shall include but is not limited to: student fees; obligations incurred through the use of facilities, equipment, or materials; library fines; unreturned library books; materials remaining improperly in the possession of the student; and/or any other unpaid obligation a student or former student owes to the district. A proper financial obligation does not include any unpaid obligation to a student organization.