

Report from the DETC Accrediting Commission

December 17, 2014

The Accrediting Commission Adopts Final Changes to Section III of the Business Standards

The DETC Accrediting Commission has completed an extensive review of its requirements set forth under Section III of the Business Standards. The process to review these standards began at the June 2014 Commission Meeting and concluded during a conference call on December 11, 2014. The Accrediting Commission issued Calls for Comment on July 17, 2014 and November 1, 2014 to propose changes to Section III of the Business Standards and solicited feedback from DETC-accredited institutions and other interested stakeholders. After reviewing all of the comments and documents associated with the revision process, the Accrediting Commission voted to replace Section III of the Business Standards in the DETC Accreditation Handbook: *Tuition, Cancellations, Refunds and Collections* with the revised language set forth below entitled Standard III: *Required Disclosures for Cancellations, Refunds and Discounts*.

Institutions accredited by DETC must be in compliance with the changes by **January 1, 2015**. Institutions must update the information pertaining to disclosures, cancellations, refunds and discounts that they provide on websites by **January 31, 2015**. For institutions using printed materials to disclose this information, the changes should be made as soon as practical. However in all cases, all printed materials must be updated and reflect the required information no later than **June 30, 2015**.

Standard III: Required Disclosures for Cancellations, Refunds and Discounts

A. Required Disclosures

1. All costs relative to the education provided by the institution are disclosed to the prospective student [on an enrollment agreement or similar contractual document] before enrollment. Costs must include tuition, educational services, textbooks, and instructional materials and any specific fees associated with enrollment such as application and registration fees, and fees for required services such as student authentication, proctoring, technology access, and library services.
2. The costs for optional services, such as expedited shipment of materials, experiential portfolio assessment, or other special services such as dissertation binding are clearly disclosed to prospective students as not subject to refund after the five (5) calendar day student-right-to-cancel enrollment.
3. A scholarship is disclosed as a bona fide financial grant to a qualified student and is awarded for a recognized purpose that includes specific criteria that must be met in order for a student to receive the scholarship.
4. The institution's disclosure of its refund policy must include a sample refund calculation that describes the calculation methodology using clear and conspicuous language. Student acknowledgement of the refund policy is obtained and documented on the enrollment agreement or similar contractual document prior to enrollment.

B. Cancellations

1. Student notification of cancellation may be conveyed to the institution in any manner.
2. A student has five (5) calendar days after signing an enrollment agreement or similar contractual document to cancel enrollment and receive a full refund of all monies paid to the institution.
3. A student requesting cancellation more than five (5) calendar days after signing an enrollment agreement but prior to beginning a course or program is entitled to a refund of all monies paid minus:
 - a. an application/transfer credit evaluation fee of up to \$75 and
 - b. a one-time registration fee per program of no more than 20% of the total costs and not to exceed more than \$200.
4. Upon cancellation, a student whose costs for education are paid in full but not eligible for a refund is entitled to receive all materials, including kits and equipment.
5. If promissory notes or enrollment agreements are sold to third parties, the institution ensures that it and any third parties comply with DETC cancellation policies.

C. Refunds

1. Each institution must have and implement a fair and equitable refund policy in compliance with state requirements, or in the absence of such requirements, in accordance with DETC's refund policy standards under Section III.C.3. or Section III.C.4. below and disclosed on the enrollment agreement or similar contractual document.
2. Any money due a student must be refunded within 30 days of a cancellation request, regardless if materials have been returned.
3. Flexible Time Schedule Refund Policy:
 - a. Institutions that implement the Flexible Time Schedule Refund Policy must clearly disclose the curriculum benchmarks in terms of assignments submitted for grading that indicate completion at 10%, 25% and 50% intervals.
 - b. When a student cancels after completing at least one graded assignment but less than 50% of the graded assignments, the institution may retain the application fee and one-time registration fee plus a percentage of all costs paid by the student in accordance with the following schedule:

Percentage completed by the student	Percentage of the refundable tuition returned to the student minus the application and/or registration fee	Percentage of the refundable tuition retained by the institution
Up to 10%	90%	10%
>10% – 25%	75%	25%
>25% – 50%	50%	50%
>50% – 100%	0%	100%

4. Time-Based Term Refund Policy:

- a. A Time-Based Term has beginning and ending dates for no more than 16 weeks in length.
- b. A Time-Based Term refund policy may be applied to any course, program or degree.
- c. Institutions that utilize the Time-Based Term Refund Policy must refund 100% of the tuition for any courses never started.
- d. Institutions that implement the Time-Based Term Refund Policy must clearly disclose the time-based refund schedule on the enrollment agreement.
- e. When enrolling students in an academic program of study comprised of two or more courses that award semester credit hours as defined in DETC C.9. *Policy on Degree Programs*, institutions must treat each course separately for the purposes of calculating the appropriate amount of tuition refund owed to the student.
- f. When a student cancels enrollment the institution may retain the application fee and the one-time registration fee not to exceed \$200 plus a percentage of all costs paid by the student in accordance with the following refund schedule:

Length of Term	Percentage of the refundable tuition returned to the student minus the application and/or registration fee
1–6 weeks	1 st week - 70% 2 nd week - 40% 3 rd week - 20% 4 th week - 0%
7–10 weeks	1 st week - 80% 2 nd week - 60% 3 rd week - 40% 4 th week - 20% 5 th week - 0%

11–16 weeks	1 st week - 80% 2 nd week - 70% 3 rd week - 60% 4 th week - 50% 5 th week - 40% 6 th week - 30% 7 th week - 20% 8 th week - 10% 9 th week - 0%
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5. Refund Policy for Resident Courses/Programs: For a course/program that includes mandatory resident training, the costs for the distance study portion and the costs for the resident portion must be separately stated on the enrollment agreement.
- a. The distance study portion of the combination course/program must use the refund policy stated in III.C.3. or III.C.4. above. If the mandatory resident portion of the course/program is more than six (6) weeks, the institution may use the time-based refund policy in III.C.4. If the resident portion is less than six (6) weeks, the institution may use the flexible time schedule refund policy in III.C.3.
 - b. If a student requests cancellation after attending the first resident class session the institution may retain the application fee and one-time registration fee plus a percentage of all costs paid by the student in accordance with the following refund schedule:

Percentage completed by the student	Percentage of the refundable tuition returned to the student minus the application and/or registration fee	Percentage of the refundable tuition retained by the institution
Up to 10%	90%	10%
>10% – 25%	75%	25%
>25% – 50%	50%	50%
>50% – 100%	0%	100%

- c. Courses with optional resident training, seminars, and other training sessions are subject to the refund policy above.

D. Discounts

1. Discounted costs are permitted for well-defined groups for specific and bona fide purposes.
2. Discounted costs must indicate the actual reduction in the costs that would otherwise be charged by the institution.

3. Institutions that offer discounts must demonstrate that students are enrolled in non-discounted courses or programs for a reasonably substantial period of time during each calendar year.
4. Institutions that offer discounts must demonstrate that:
 - a. All discounts or special offers identify the specific costs for a course or program.
 - b. The presentation of discounts and special offers complies with DETC's advertising and promotion standards.
 - c. All discounts (excluding well-defined groups) or special offers designate a specific expiration date and do not extend beyond the expiration date.
5. Institutions offering discounts must calculate refunds based on discounted costs.

E. Collections

Collection procedures used by the institution or third parties must reflect ethical business practices.