

Policy VII.01 – Financial Practices & Management: Withdrawal and Settlement Policy and Checklist

The intent of the *NACCAS Withdrawal and Settlement Policy & Checklist* is to see that each applicant/student is assured minimum conditions of refund, and that the institution will be assured of its integrity, if it meets these Standards. When calculating refunds, the school must use the policy mandated by state and/or federal regulatory agencies for each student. In the absence of such mandated policies, the school must apply a fair and equitable policy that contains all the elements of this checklist and is at least as liberal as the NACCAS Minimum Tuition Adjustment Schedule. Schools may have more liberal policies and the Commission encourages such practices.

A copy of this checklist is to accompany each catalog and enrollment agreement sent to the Commission and this form is also a required exhibit for the Institutional Self-Study for [Standard VII](#). For the applicable items below, you will review the relevant section of your refund policy in both your catalog and enrollment agreement to determine if it contains all of the information required. Then list the item number in the refund policy in your catalog or enrollment agreement where the information can be found. If the Commission receives information that an institution is not complying with a mandated policy, it shall take appropriate action pursuant to the *NACCAS Rules of Practice and Procedure*.

All Policy Requirements

The Policy:

- ___ 1. Is stated in clear language that can be easily understood.
- ___ 2. Applies to all terminations for any reason, by either party, including student decision, course or program cancellation, or school closure.
- ___ 3. Complies with the mandated policy.
- ___ 4. Requires that refund calculations are performed and refunds are made timely as outlined in [Standard VII, Criterion 6](#).

NACCAS Refund Policy Requirements (Schools using a mandated state and/or federal regulatory agency or special programs, will not complete the remainder of the checklist).

The Policy requires that:

- ___ 5. The institution must identify whether refund calculations are based on actual hours or scheduled hours.
- ___ 6. Monies due the applicant or student are refunded within forty-five (45) calendar days of official cancellation or withdrawal.

Official cancellation or withdrawal shall occur on the earlier of the dates that:

- ___ 7. An applicant is not accepted by the school and is entitled to a refund of all monies except a non-refundable application fee.
- ___ 8. A student or legal guardian cancels the contract and demands his/her money back in writing, within three business days of signing the enrollment agreement regardless of whether the student has actually started training. All monies collected by school are refunded except a non-refundable application fee.

- ___ 9. A student cancels the contract after three business days of signing, but prior to entering classes. In this case, student is entitled to a refund of all monies paid to the school less an application fee, if applicable, and registration fee of (state the amount for each course of study).
- ___ 10. A student notifies the institution of his/her withdrawal.
- ___ 11. A student on an approved leave of absence notifies the school that he or she will not be returning. The date of withdrawal determination shall be the earlier of the scheduled date of return from the leave of absence or the date the student notifies the institution that the student will not be returning.
- ___ 12. A student is expelled by the school.
- ___ 13. In type 8, 9, 10 or 11 official cancellations or withdrawals, the cancellation date will be determined by the postmark on written notification, or the date said information is delivered to the school in person.

The Policy requires that:

- ___ 14. Unofficial withdrawals for clock hour students are determined by the school through monitoring clock hour attendance at least every thirty (30) calendar days.
- ___ 15. For a school that is required to take attendance, the required date of the refund is determined by counting from the date the withdrawal was determined. However, for clock hour schools, the refund is calculated based on the student's last date of attendance.
- ___ 16. Unofficial withdrawals for non-clock hour students are determined by the school through monitoring of students' completion of class participation in learning activities such as class assignments, examinations, tutorials, computer-assisted instruction, participation in academic advisement, or other academically related activities.
- ___ 17. Any monies due a student who withdraws from the institution shall be refunded within forty-five (45) calendar days of a determination that a student has withdrawn, whether officially or unofficially.
- ___ 18. When situations of mitigating circumstances are in evidence, schools are encouraged to adopt a policy wherein the refund to the student may exceed the Minimum Tuition Adjustment Schedule.
- ___ 19. All extra costs, such as books, equipment, graduation fees, etc., that are not included in the tuition price are stated and any non-refundable items are identified.
- ___ 20. A non-refundable application fee does not exceed \$100.00, if applicable.
- ___ 21. A termination fee not to exceed \$150.00, if applicable.
- ___ 22. The NACCAS Minimum Tuition Adjustment Requirements are followed.

Minimum Tuition Adjustment Schedule

For students who enroll in and begin classes, the following schedule of tuition adjustment will be considered to meet minimum standards for refunds:

PERCENTAGE LENGTH COMPLETED TO TOTAL LENGTH OF COURSE AND/OR PROGRAM, SEMESTER, TERM OR BILLING PERIOD, PER CONTRACT	AMOUNT OF TOTAL TUITION OWED TO THE SCHOOL
0.01% to 4.9%	20%
5% to 9.9%	30%
10% to 14.9%	40%
15% to 24.9%	45%
25% to 49.9%	70%
50% and over	100%

Course and/or Program Cancellation Policy

- ___ **23.** If a course and/or program is canceled subsequent to a student's enrollment, and before instruction in the course and/or program has begun, the school shall at its option:
- ___ **a.** Provide a full refund of all monies paid; or
 - ___ **b.** Provide completion of the course and/or program.
- ___ **24.** If a school cancels a course and/or program and ceases to offer instruction after students have enrolled and instruction has begun, the school shall at its option:
- ___ **a.** Provide a pro rata refund for all students transferring to another school based on the hours accepted by the receiving school; or
 - ___ **b.** Provide completion of the course and/or program; or
 - ___ **c.** Participate in a Teach-Out Agreement; or
 - ___ **d.** Provide a full refund of all monies paid.
- ___ **25.** If a school closes permanently and ceases to offer instruction after students have enrolled, and instruction has begun, the school must make arrangements for students. The school has at its option:
- ___ **a.** Provide a pro rata refund; or
 - ___ **b.** Participate in a Teach-Out Agreement.

Collection Policy requires that:

- ___ **26.** Collection procedures shall reflect ethical business practices.
- ___ **27.** The name of the National Accrediting Commission of Career Arts and Sciences is not used in the institution's refund policy nor in any of its collection efforts.
- ___ **28.** Collection correspondence regarding cancellation and settlement from the institution itself, banks, collection agencies, lawyers, or any other third parties representing the institution clearly acknowledges the existence of the Withdrawal and Settlement Policy.
- ___ **29.** If promissory notes or contracts for tuition are sold or discounted to third parties, the third party must comply with the cancellation and settlement policy of the institution.