

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance
Consent

AGENDA ITEM: 8 – N
DATE: June 22-23, 2022

SUBJECT

BOR Policy 5:7 Revisions – Refunds (Second Reading)

CONTROLLING STATUTE, RULE, OR POLICY

[BOR Policy 5:7](#) – Refunds

BACKGROUND / DISCUSSION

At the May 2022 Board of Regents (BOR) meeting, the Regents reviewed the initial changes to Board Policy 5:7. This is the second and final reading of the policy.

In the past, Regental institutions utilized First Day Access (FDA) to allow students to receive digital course materials direct from the textbook vendor on the first day of class for a reduced cost and assessed a “First Day Access Fee” on the student’s bill. Updated guidance from the Code of Federal Regulations (CFR) Section 668.22 indicates that FDA should now be a “charge” vs. a “fee.” As a result, Board of Regents Policy 5:7 – Refunds has been updated to remove the classification of FDA as a fee.

Classifying FDA as a charge for federal financial aid purposes means that a student will either receive a 100% refund if they drop prior to census day or 0% if they drop after. When FDA was classified as a fee, students were receiving a prorated refund after census.

This change to a charge is consistent with federal guidance under CFR.

IMPACT AND RECOMMENDATIONS

This is the second reading of the policy. There have been no additional edits since the first reading at the May Board meeting. The recommended revisions were approved by the Business Affairs Council and are supported by the Board office staff.

Board staff recommends approval.

ATTACHMENTS

Attachment I – Proposed Revisions to BOR Policy 5:7 – Refunds

DRAFT MOTION 20220622_8-N:

I move to approve the second and final reading of the proposed revisions to BOR Policy 5:7 – Refunds as outlined in Attachment I.

SOUTH DAKOTA BOARD OF REGENTS

Policy Manual

SUBJECT: Refunds

NUMBER: 5:7

A. PURPOSE

To establish the governance in determining if a student is entitled to a financial refund based on the status of their registration cancellation or reason for the withdrawal.

B. DEFINITIONS

1. **Dropped Course:** An on-campus or off-campus course for which a student terminated enrollment while remaining actively enrolled in at least one additional course at a Regental university.
2. **Drop/Add Period:** The beginning of the term through the first ten percent of the term ends or the day following the first class meeting, whichever is later.
3. **Federal Title IV Financial Aid:** The federal student aid programs authorized under Title IV of the Higher Education Act (HEA) of 1965, as amended. The programs include federal grants, loans and work-study programs.
- ~~4. **First Day Access:** A course content solution where students are given access to digital course material on day one of classes through their institutions Learning Management Solution.~~
- ~~5.4.~~ **Home University:** The institution where the student plans to receive services or is pursuing a degree or program of study.
- ~~6.5.~~ **Non-Standard Term or Semester:** The summer term and all other academic calendar types with begin and/or end dates that are different from the officially adopted Fall and Spring academic terms.
- ~~7.6.~~ **Standard Term or Semester:** The officially adopted fall and spring academic terms.
- ~~8.7.~~ **Transcript:** A copy of the student's permanent academic record.

C. POLICY

1. Refunds of Tuition and Fees

1.1. Refunds for Dropped Course

- 1.1.1 A student receives a 100 percent refund of tuition and per credit hour fees for dropped courses within the drop/add period. No refund shall be provided for courses dropped after that time other than by administrative action.

1.1.2 When calculating ten percent of the term, all days of the term are to be counted with the exception of breaks of five or more consecutive days.

1.1.3 Any course meeting during a standard semester which meets for less time than the standard semester shall be treated as a non-standard semester course for refund purposes.

1.2. Withdrawal from the Regental System

Students who withdraw or are administratively withdrawn, suspended or expelled from the Regental system within the drop/add period receive a 100 percent refund of tuition and per credit hour fees. Students who withdraw or are administratively withdrawn, suspended, or expelled from the Regental system after the date the first 10 percent of the term ends for the period of enrollment for which they are assessed may be entitled to a refund as set forth herein.

2. Calculating Refunds

2.1. Students Receiving Federal Title IV Financial Aid

Students who received Federal Title IV student financial aid may receive a refund of tuition and fees and institutional charges if they withdraw from the Regental system during the first 60 percent of the term. The university offering the section would retain that portion of the tuition, fees, and institutional charges presumed to cover costs it incurred during the time that the student remained enrolled in the Regental system. Thus, for example, a student who withdrew from the Regental system after completing 45 percent of a semester would be entitled to a refund equal to 55 percent of the tuition, fees and institutional charges.

Students who withdraw after 60 percent of the term has been completed receive no refunds.

The intent of Section 2.1, Students Receiving Federal Title IV Financial Aid, is for implementing the Higher Education Act of 1965, as amended.

2.2. Date of Withdrawal

The date of withdrawal is determined to be the date on which:

- a student provides notification of his or her intent to withdraw to the Home University's designated office for processing withdrawals.
- the designated office for processing withdrawals becomes aware that the student ceased attendance;
- the designated office for processing withdrawals becomes aware that the student ceased attendance without providing written notification to the Home University because of illness, grievous personal loss, other such circumstances beyond the student's control, the date on which the Home University determines is related to that circumstance;
- the earlier date on which the student does not return from an approved leave of absence or the date the student notifies the Home University that he or she will not be returning to the institution;

- the date the student fails to meet the terms of a repayment agreement while maintaining his or her eligibility for Title IV funds;
- the date on which a student begins an academic leave of absence; or
- the date for a student who withdraws from the Regental system after rescinding an intent to withdraw is the date that the student first provided notification to the Home University's designated office for processing withdrawals or began the withdrawal process, unless the Home University chooses to document a last date of attendance at an academically related activity.

2.3. Students Who Receive a Refund

Students who receive a refund may be required to repay the appropriate Title IV aid program from which they received assistance for any sums that have not been retained by the Home University for services rendered or that will no longer be required to support other on-going expenses for attending the Regental system. Specific information about possible repayment obligations may be obtained through the financial aid offices at each Regental university. Payment options are available through the business office.

2.4. Students Who Do Not Receive Federal Title IV Financial Aid

Students who do not receive federal Title IV student financial aid and who withdraw from the Regental system may be entitled to a refund of tuition and fees and institutional charges calculated through 60 percent of an enrollment period. The refund shall be determined by computing the percentage of an enrollment period remaining after the date of withdrawal times the tuition and fees and institutional fees originally assessed the student. Dates of withdrawal will be determined in the same manner as is done for students receiving Title IV federal financial aid. At no time will refunds be awarded after the 60 percent point of the enrollment period.

2.5. Cancelled Registration

If a student's registration is cancelled, no tuition and fee payment is due. If payments have been made, a student is eligible for a full refund.

2.6. Extensions and Waivers

The president of the Home University, or a designee, may extend the time periods in sections 2.1 through 2.4 inclusive above, or waive sections 2.1 through 2.4 inclusive above, in the following circumstances:

- the death of the student;
- the student's disabling condition or severe illness;
- the death, disability, or severe illness of an immediate family member causing severe financial hardship to the student; or,
- other extenuating circumstances beyond the student's control.

3. Refunds of Residence Hall, Food Service Fees, ~~First Day Access Charges,~~ and Parking Permit

3.1. Residence Hall Fees

Students with a room contract who withdraw from the Regental system will receive a proportional refund at the time of withdrawal up to the 60 percent point after which no refund is available.

3.2. Food Service Fees

Students with a food service contract who withdraw from the Regental system will receive a proportional refund of their food service plan and 100 percent of the unused flex dollars at the time of withdrawal up to the 60 percent point. After the 60 percent point no refund is available.

~~3.3 First Day Access Charges~~

~~Refunds for First Day Access charges arising from a dropped course or withdrawal from the Regental system will be treated the same as refunds of tuition and fees in Section 1. Refunds of Tuition and Fees. Access to the First Day content will be removed upon a student's drop date or date of withdrawal.~~

3.4~~3~~ Parking Permit

A student holding a valid parking permit for fall and spring semesters may receive a refund after the completion of the fall semester provided the student withdraws from the university and returns the actual permit or terminates the virtual permit prior to the beginning of the second semester.

4. Military Service - Withdrawal Without Penalty

4.1. Refund of Tuition and Fees

Students required to withdraw from the Regental system before completing a semester may receive credit or refund privileges if:

- they are regularly enrolled and belong to a military unit called for duty, or
- they are drafted and not eligible for deferment, and
- the discontinuance of class attendance is on the last practicable day before reporting for duty as determined by the student's Home University.

4.1.1 Eligible students who receive credit, or an incomplete, in progress, or normal progress grade for any course for which they are enrolled shall not be entitled to any refund of tuition or fees paid.

4.1.2 Eligible students who do not receive an incomplete, in progress, or normal progress grade or credit for a course in which they are enrolled shall be entitled to a full refund of tuition and academic fees.

4.1.3 The following table determines the eligibility for a grade or refund.

Options for Final Grades and Refunds

Course Grade	WEEKS REMAINING IN STANDARD SEMESTER	
	More than 4 Weeks	Less than 4 Weeks
A	Refund	Student Options
B	Refund	A or Refund
C	Refund	B or Refund
D	Refund	C or Refund
F	Refund	Refund
S	Refund	Refund
U	Refund	S or Refund
I, IP, NP	Refund	Refund
		I, IP, NP or Refund

NOTE: Course Grade is as determined by the instructor, either the grade to date or the final grade earned to date.

4.2. Refunds for Room and Board

Refunds for room and board shall be pro-rata refunds for the entire semester. Board flex plans will be refunded at 100% of the unused value.

4.3. Refunds for Books

Refunds for books for military personnel called up for active duty is as follows:

- New books with no markings or writing – 100% of purchase price
- New books with highlighting or writing – 75% of purchase price
- Books purchased used – 100% of used price

Books must be returned within the semester. Normal campus refund policies apply to books that are not returned prior to the end of the semester.

FORMS / APPENDICES

None

SOURCE:

RR 10:03, 1977, (Revised BOR, June 1991); RR 10:14, 1977; BOR April 1992, December 1992; October 1993; 64 Fed. Reg. 59016 (1999); BOR June 2000; December 2000; October 2001; January 2002; December 2002; March 2003; October 2004; December 2011; April 2019.