**Section 451.530 Student Obligations, Cancellation and Refund Policies**

a) The following definitions, in addition to those found in Section 1 of the Act, shall apply to the school's policies for the assessment of student fees and for obligations and refunds:

1) "Academic (school) year" is an instructional period extending no longer than 52 weeks from the date of its initiation to its conclusion.

2) "Class day" is any day on which instruction is provided by the school and on which the student is scheduled to attend; not included are holidays, scheduled vacation periods, other days on which instruction is not provided, and periods for which a student is granted a leave of absence.

3) "Clock or class hour" is one period of instruction given to one student; the periods may range from 45 to 60 minutes in duration. "Clock hours or class hours" are not the same as "credit hours." Credit hours are normally identified as "semester hours" or "quarter hours."

4) "Enrollment fee" is a one-time student fee, assessed at the time of the student's initial enrollment at the school.

5) "Distance education lesson" is a term used to describe a single unit or a defined set of instructional activities in a uniform series of units or activities of distance education instruction, as defined by the school pursuant to Section 451.285(d)(2) of this Part.

6) "Home study/in-residence instruction" is a course of instruction that consists of both home study lessons and in-residence classes at the school's site.

7) "Home study lesson" is the term used by home study schools to describe a single unit in a uniform series of units of correspondence instruction.

8) "Pro rata refund policy" is a policy computed on the number of clock or class hours completed or home study or distance education lessons serviced in the total course completed by the student.

9) "Terms" are regularly established equal divisions of the academic (school) year from ten to 19 weeks only, each with an established starting and ending date; they are normally called quarters, trimesters, or semesters.

10) "Total cost of the course of instruction" is, for purpose of refund calculations, the sum found on the enrollment agreement of all required charges made for direct instruction and obligatory items of extra expense to the student, such as instructional supplies, tools, student activities fees, laboratory and studio fees, service charges, rentals and other miscellaneous charges; it does not include the enrollment fee, charges for room and board, or any required accident or health insurance premiums paid by the student directly to an insurance carrier.

11) "Total cost of the term" is, for purpose of refund calculations, the sum of the same required and obligatory charges itemized in the definition of "total cost of the course of instruction" but that are assessed for a specific term only; not included are the enrollment fee and charges for room and board in the term.

b) A school and its sales representatives enrolling prospective students shall collect no more than the amount of the application-registration fee that may not exceed $150 or 50 percent of the cost of tuition, whichever is less, until the student has been formally accepted following the admissions screening process and the school's approval and signing of the enrollment agreement at the school's principal location.

c) A school shall publish and adhere to refund policies as required by Section 15.1a of the Act [105 ILCS 425/15.1a].

1) The school shall not receive, demand, or retain any amount in excess of proportions and dollar amounts disclosed in the enrollment agreement and catalog/bulletin for the term in which the student is enrolled.

2) The student's total financial obligation for instruction shall not be more than the total contract price for the academic (school) year in which the student is enrolled.

3) The school shall return that portion of any refunds due to sponsors furnishing grants, loans, scholarships or other financial aids in conformity with federal and state laws, and regulations and requirements of financial aid sponsors. After any disbursement to financial aid sponsors, the student shall receive the balance, if any, of the amount due under the school's refund policy.

4) The school shall refund all monies paid to it if *the school fails to conduct classes on days or times scheduled, detrimentally affecting the student* (Section 15.1a(11)(c) of the Act [105 ILCS 425/15.1a(11)(c)]).

5) A school that offers distance education lessons and is unable to provide them because of a failure on the part of the school shall be responsible for refunding all monies paid to it.

d) Student refunds shall be processed promptly and in accordance with the following requirements as may be applicable.

1) If a letter of withdrawal is submitted, it shall be delivered to the school management. The date of withdrawal initiated by a student shall be the date the letter of withdrawal is postmarked or, when the notice is hand-carried, it shall occur on the date the notice is delivered. The school shall provide a receipt for each letter of withdrawal received.

2) An in-residence school shall inform the student as to his/her contractual obligation if the student fails to attend class or utilize instructional facilities for a period of ten consecutive class days without providing, prior to or during that period, an explanation regarding the absences.

3) A home study or distance education school shall inform the student as to his/her contractual home study or distance education obligation if at any point during the course of instruction it has not received lessons for 60 consecutive calendar days; the date of withdrawal shall be the date of the last lesson received.

4) A school may give an in-residence, home study, or distance education student who has withdrawn the opportunity to apply for reinstatement in writing and keep his/her enrollment active without prejudice to the student's refund rights.

5) A school shall notify any agency known to the school to be providing financial aid to the student of any withdrawal within 30 days after the date of withdrawal.

6) A school shall maintain accurate current records that make possible prompt return of funds in the correct amount.

7) In the event a student gives notice of withdrawal, the school is obligated to refund the cost of only those books and materials purchased for the current or future terms if the books and materials have been returned to the school unmarked.

A) A school charging for books and materials, including software, shall maintain in the student's file a receipt with the book title or name of item, amount charged and date purchased.

B) A school charging for books and materials, including software, shall maintain for three years a list of these items used for each subject area and the exact charge for each. The record shall be updated as changes occur.

e) In the event a student withdrawing from a course of instruction is less than 18 years of age on date of withdrawal, notice of cancellation shall be made by the purchaser of the enrollment agreement.

f) A school shall refund all monies paid to it if the school did not screen the student, including physical examinations required for occupational licensure, to determine that the student meets its admission standards prior to the date of the student's acceptance.

g) For home study or distance education instruction, all references to class attendance or days in class in Section 15.1a of the Act shall refer to lessons completed by the student and serviced by the school.

h) Refunds for the home study/in-residence portions of a combination home study/in-residence school, or for a distance education course of instruction if a portion is provided in-residence, must be computed and stated separately.

(Source: Amended at 24 Ill. Reg. 7229, effective May 1, 2000)