



Revision to the Policy on Payment of Tuition and Fees (Senate Document #19-20-09)

TO Wallace D. Loh | President

FROM Pamela Lanford | Chair, University Senate

I am pleased to forward the accompanying legislation for your consideration and approval. William Reed, Chair of the Academic Procedures & Standards (APAS) Committee, presented the committee's proposal on Revision to the Policy on Payment of Tuition and Fees (Senate Document #19-20-09), which the University Senate approved at its meeting on February 5, 2020. Please inform the Senate of your decision and any administrative action related to your conclusion.

Approved:

Date:

02-07-2020

**Wallace D. Loh
President**

Copies of this approval and the accompanying legislation will be forwarded to:

- Mary Ann Rankin**, Senior Vice President and Provost
- Reka Montfort**, Executive Secretary and Director, University Senate
- Michael Poterala**, Vice President and General Counsel
- Cynthia Hale**, Associate Vice President for Finance and Personnel
- John Bertot**, Associate Provost for Faculty Affairs
- Elizabeth Beise**, Associate Provost for Academic Planning & Programs
- Sylvia B. Andrews**, Academic Affairs
- C. Christina Ho**, University Controller & Interim CFO
- Michael Oakley**, Associate Director, Office of Student Financial Services & Cashiering
- Alisa Abadinsky**, Bursar, Division of Administration & Finance
- Adrian Cornelius**, University Registrar
- Dawit Lemma**, Director, Office of Student Financial Aid
- William Reed**, Chair of the Academic Procedures & Standards (APAS) Committee



Revision to the Policy on Payment of Tuition and Fees

PRESENTED BY William Reed, Chair

REVIEW DATES SEC – January 27, 2020 | SENATE – February 5, 2020

VOTING METHOD In a single vote

RELEVANT POLICY/DOCUMENT [VIII-2.20\(A\)](#) – UMCP Policy Concerning Payment of Tuition and Fees (VIII-2.20[A])

NECESSARY APPROVALS Senate, President

ISSUE

In June 2019, a proposal was submitted to the Senate Executive Committee related to the University’s Policy Concerning Payment of Tuition and Fees (VIII-2.20[A]). The proposal noted that the policy has not been reviewed or revised since 1991, and a recent legislative audit found that the policy was out of alignment with the University System of Maryland Policy on Tuition and Fees (VIII-2.20) and with current practices. In August 2019, the SEC voted to charge the Academic Procedures and Standards (APAS) Committee with review of the proposal.

RECOMMENDATION(S)

The APAS Committee recommends that the proposed revisions to the Policy Concerning Payment of Tuition and Fees (VIII-2.20[A]) as shown immediately following this report be approved.

The APAS Committee recommends that the Office of Student Financial Services & Cashiering include information on past due balance penalty thresholds on its website and in resources provided to parents and students on the payment process.

COMMITTEE WORK

The APAS Committee began its review of the charge at its meeting on September 19, 2019. It reviewed the USM Policy and the current UMD Policy. The committee consulted with the proposer, and with representatives from the Office of Student Financial Services & Cashiering (SFSC), Office of Student Financial Aid, and the Office of the Registrar throughout its review. The committee also reviewed peer institution practices and consulted with the Office of General Counsel (OGC).

The current policy, which was approved in 1991, states that the University does not accept installment plans for the payment of tuition and fees. However, the University currently has two methods of installment plans through the use of a third-party vendor and private non-standard payment arrangements made between the SFSC and students.

Throughout its review of the policy language, APAS worked to align the policy language with current best practices and update outdated information. The committee worked with SFSC and OGC, and

made extensive changes to the policy language to reflect current practices. The committee removed the specific dollar amounts from the policy and developed an administrative recommendation on communicating the thresholds directly to students and parents.

After due consideration, the APAS Committee voted to approve the proposed revisions to the policy and an administrative recommendation in an email vote concluding on January 23, 2020.

ALTERNATIVES

The Senate could decline to approve the revised policy. The current policy would remain in effect and would remain inconsistent with current practice, and the University would be out of compliance with the recommendation of the legislative audit.

RISKS

There are no risks to the University in adopting these recommendations.

FINANCIAL IMPLICATIONS

There are no known financial implications in adopting these recommendations.



REVISION TO THE POLICY ON PAYMENT OF TUITION AND FEES

2019-2020 Committee Members

William Reed (Chair)
William Cohen (Ex-Officio Provost's Rep)
Adrian Cornelius (Ex-Officio Registrar Rep)
Shannon Gundy (Ex-Officio Director of Admissions Rep)
Lisa Kiely (Ex-Officio Undergraduate Studies Rep)
Ryan Long (Ex-Officio Graduate School Rep)
Progyan Basu (Faculty)
Nicole Coomber (Faculty)
Lee Friedman (Faculty)
Patricio Korzeniewicz (Faculty)
Marilee Lindemann (Faculty)
Tianzhou Ma (Faculty)
Kellie Rolstad (Faculty)
Dylan Selterman (Faculty)

David Straney (Faculty)
Monica VanKlompberg (Faculty)
Alice Donlan (Staff)
Paula Nasta (Graduate Student)
Jason Tan (Undergraduate Student)
Kaylee Towey (Undergraduate Student)
Eleanor VanVraken (Undergraduate Student)

Date of Submission

January 2020

BACKGROUND

In June 2019, a proposal was submitted to the Senate Executive Committee related to the University's Policy Concerning Payment of Tuition and Fees (VIII-2.20[A]). The proposal noted that the policy has not been reviewed or revised since 1991, and a recent legislative audit found that the policy was out of alignment with the University System of Maryland Policy on Tuition and Fees (VIII-2.20) and with current practices. In August 2019, the SEC voted to charge the Academic Procedures and Standards (APAS) Committee with review of the proposal (Appendix 1).

COMMITTEE WORK

The APAS Committee began its review of the charge at its meeting on September 19, 2019. It reviewed the USM Policy and the current UMD Policy. The committee consulted with the proposer, and with representatives from the Office of Student Financial Services & Cashiering, Office of Student Financial Aid, and the Office of the Registrar throughout its review. The committee also reviewed peer institution practices and consulted with the Office of General Counsel (OGC).

In meeting with the University Controller, who submitted the proposal, and with representatives from the Office of Student Financial Services & Cashiering (SFSC), APAS learned that the current policy, which was approved in 1991, states that the University does not accept installment plans for the payment of tuition and fees. However, the University currently has two methods of installment plans through the use of a third-party vendor and private non-standard payment arrangements made between the SFSC and students. The misalignment of policy and practice was discovered through a State Legislative Audit, which recommended that the University should institute procedures and any necessary policy revisions to ensure that policy and practice are in alignment with the University System of Maryland policy.

The University has offered a deferred payment plan since 1992. The existing Terp Payment Plan is operated by a third-party vendor, since the regulatory requirements and management of automatic

payment withdrawals is complex and better addressed through third-party solutions. The University offers 10-month, 9-month, and 8-month plans, as well as per-semester plans, and there are roughly the same number of participants in each type of plan. Students pay an installment fee to participate in the plan, but no interest is charged.

The APAS Committee reviewed information on tuition and fees payment plans at Big 10 and other peer institutions. The committee reviewed information available online and reached out directly to relevant offices at peer institutions. The committee found that the University's practices, plans, and fees are in alignment with those at peers, though many peer institutions do not have a policy governing the process. Most peer institutions offer some form of payment plan, and include similar types of charges and fees on a student account balance. Peer institutions have similar procedures for enacting penalties when past due balances go above a specific threshold. Among peers for which information was available, the thresholds at which point penalties are enacted are much higher at the University of Maryland than they are at peers; most peer institutions range from any account balance to \$100 to enact penalties from fines to canceling registration and preventing future registration.

As it reviewed the current policy, the APAS Committee discussed the practice of including specific dollar amounts for the thresholds at which penalties are enacted. The current policy includes specific dollar amounts of \$100 and \$250, and the committee considered whether that level of detail is appropriate for policy or whether it should be included in separate procedures or guidelines instead. The committee noted that including specific dollar amounts in the policy would prevent flexibility if SFSC needs to adjust the thresholds, though it also considered whether including the thresholds in the policy would be more accessible to users. After discussion, the committee found that students and parents are more likely to consult a website and other reference materials rather than the policy, and it would be appropriate for SFSC to have the flexibility to change the threshold over time if needed. The committee removed the specific dollar amounts from the policy and developed an administrative recommendation on communicating the thresholds directly to students and parents.

Throughout its review of the policy language, APAS worked to align the policy language with current best practices and update outdated information. The committee worked with SFSC and OGC, and made extensive changes to the policy language to reflect current practices.

After due consideration, the APAS Committee voted to approve the proposed revisions to the policy and an administrative recommendation in an email vote concluding on January 23, 2020.

RECOMMENDATIONS

The APAS Committee recommends that the proposed revisions to the Policy Concerning Payment of Tuition and Fees (VIII-2.20[A]) as shown immediately following this report be approved.

The APAS Committee recommends that the Office of Student Financial Services & Cashiering include information on past due balance penalty thresholds on its website and in resources provided to parents and students on the payment process.

APPENDICES

Appendix 1 — Charge from the Senate Executive Committee

Appendix 2 — Current Policy Concerning Payment of Tuition and Fees (VIII-2.20[A])

VIII-2.20(A) UNIVERSITY OF MARYLAND POLICY CONCERNING PAYMENT OF TUITION AND FEES

I. Policy

- A. Tuition and fees are due in full on or before the due date established by the Office of Student Financial Services & Cashiering. If the total amount of financial aid, loans, and other assistance is not sufficient to pay the amount due in full, the student must pay the difference by the due date. Balances may also be covered by the due date with the following:
1. Financial aid awarded by the institution that has been fully approved but has not yet been disbursed;
 2. A private student loan approved and certified by the Office of Student Financial Aid;
 3. Third-party student support contracts approved by the Office of Student Financial Services & Cashiering;
 4. Enrollment in the Terp Payment Plan by the student or an authorized party (typically a parent or guardian); and
 5. Chapter 33 Post 9/11 GIBill® or Chapter 31 Vocational Rehabilitation and Employment (VR&E) program benefits for students whose enrollment has been certified to the Veterans Administration by the Office of the Registrar, but whose benefits have not yet been disbursed.
- B. Financial obligations on a student account include but are not limited to tuition, fees, room, board, health insurance, library fines, parking permits, parking citations, penalty fees, and service charges.
- C. Past due balances on a student account may result in late fees, restricting the release of a diploma, degree, certificate, or official transcript, and the potential requirement for transfer of the account to the Central Collection Unit of Maryland. Significant past due balances may result in all of the aforementioned, but may also include term course registration cancellation, account holds preventing future course registration, and the loss of other University services. Thresholds at which penalties, holds, or cancellations come into effect will be determined by the University Controller.
- D. Students who have an outstanding past due balance may request a payment agreement with the Office of Student Financial Services & Cashiering. The Office has the discretion to determine whether a payment agreement should be allowed in each case. The terms of the agreement along with any allowances or punitive actions that may be taken for failure to adhere to an agreement will be documented and communicated to the account holder.

- E. Students whose course registrations are cancelled may lose access to University services and privileges, such as student housing. Students removed from housing because of delinquent indebtedness may be required to reapply for housing after they have satisfied their financial obligation.

- F. The State has established, under legislative mandate, a Central Collections Unit (CCU) within the Department of Budget and Fiscal Planning. The University is required by State law to refer all delinquent accounts to the State CCU. CCU adds a collection fee not to exceed 20% of the outstanding balance of the account at time of transfer, and the debt may be reported to the major United States credit reporting agencies that collect information about creditworthiness, including how you handle your credit and pay your debt.



Charged: September 15, 2019 | Deadline: January 15, 2020

Revision to the Policy on Payment of Tuition and Fees (Senate Document #19-20-09)

Academic Procedures & Standards (APAS) Committee | Chair: William Reed

Senate Chair Lanford and the Senate Executive Committee request that the Academic Procedures & Standards (APAS) Committee review the attached proposal entitled, *Revision to the Policy on Payment of Tuition and Fees*.

The APAS Committee should:

1. Review the University System of Maryland (USM) Policy on Payment of Tuition and Fees ([VIII-2.20](#)).
2. Review the University of Maryland, College Park Policy Concerning Payment of Tuition ([VIII-2.20\[A\]](#)).
3. Review similar policies or procedures on tuition and fees at Big 10 and other peer institutions.
4. Consult with the proposer.
5. Consult with a representative of Student Financial Aid.
6. Consult with a representative of Student Financial Services and Cashiering.
7. Consult with a representative of the Office of the Registrar.
8. Consider whether the current policy aligns with the USM policy and current University practices.
9. Consider whether specific information regarding payment of tuition and fees should be included in the policy or as separate procedures/guidelines.
10. Consult with a representative of the Office of General Counsel on any proposed changes to the University's policy.
11. If appropriate, recommend whether the University of Maryland, College Park Policy Concerning Payment of Tuition (VIII-2.20[A]) should be revised.

We ask that you submit a report to the Senate Office no later than **January 15, 2020**. If you have questions or need assistance, please contact Reka Montfort in the Senate Office, extension 5-5804.

**Revision to Policy on Payment of Tuition and Fees**

NAME/TITLE	C. Christina Ho/ Controller		
EMAIL	cchrisho@umd.edu	PHONE	X52583
UNIT	Office of the Controller	CONSTITUENCY	

DESCRIPTION OF ISSUE

During the recent State Legislative Audit, we identified the UMCP Policy on Payment of Tuition and Fees (VII-2.20) contradicts USM Policy and current UMCP Practices. Specifically, the UMCP Policy states that UMCP does not accept installment plans. UMCP has two methods of installments plans. Through the use of a third party vendor and private non-standard payment arrangements made between the Office of Student Financial Services & Cashiering and students.

The objective of this policy change is to provide an administrative update to an outdated policy.

DESCRIPTION OF CHANGE YOU WOULD LIKE TO SEE

See the attached Draft policy with updated changes.

SUGGESTION FOR HOW YOUR PROPOSAL WOULD BE PUT INTO PRACTICE

Policy change would reflect current practices.

ADDITIONAL INFORMATION

N/A

VIII-2.20(A) University of Maryland POLICY CONCERNING PAYMENT OF TUITION AND FEES

(Proposed changes as of 2/12/19)

Policy

- A. Tuition and fees are due in full on or before the due date stipulated on the generated account billing. If the total amount of Financial Aid, loans, and other assistance is not sufficient to pay the entire amount due, the student must pay the difference by the due date, except for the specified amounts covered under the following exceptions:
 - a. Financial aid awarded by the institution that has been approved but is not yet disbursed;
 - b. An approved and certified by the Office of Financial Aid private student alternative loan;
 - c. Third-party student support contracts that have been officially approved by the Office of Student Financial Services & Cashiering.
 - d. Official enrollment in the Terp Payment Plan by the student or authorized party (typically a parent or guardian).
 - e. Approved and school certified Chapter 33 VA benefits
- B. Outstanding past due balances above \$100 will result in continuing late fees or penalties.
- C. Outstanding past due balances above \$250 will result in account holds preventing future course registration and loss of other university services.
- D. Financial obligations include but are not limited to tuition, fees, room, board, health insurance, parking permits, library fines, parking citations, penalty fees and service charges.
- E. At the discretion of the Office of Student Financial Services & Cashiering students with outstanding prior term past due balances who have not made a satisfactory payment agreement of their accounts may:
 - f. Have current registrations cancelled
 - g. Be prohibited from current term course additions and future term registrations
 - h. Be denied university services including the requests for issuance of degrees, diplomas, certificates, or official transcripts of records to students
 - i. Any payment agreement approved by the Office of Student Financial Services & Cashiering with a past due account debtor will be documented internally with the terms of the agreement along with any account allowances or punitive actions that may be taken.
- F. Students removed from housing because of delinquent indebtedness may be required to reapply for housing after they have satisfied their financial obligation.
- G. The State has established, under legislative mandate, a Central Collections Unit (CCU) within the Department of Budget and Fiscal Planning. The University is required by State law to refer all delinquent accounts to the State Collections Unit. CCU adds a collection fee not to exceed 20% of the outstanding balance of the account at time of transfer, and the debt may be reported to the credit bureaus.

VIII-2.20(A) UMCP POLICY CONCERNING PAYMENT OF TUITION AND FEES

APPROVED BY THE PRESIDENT 1 AUGUST 1991

1. Policy

Tuition and fees at UMCP are due and payable in full on or before the date stipulated on the billing, except under the following circumstances:

1. Financial aid awarded by the institution has not been completely processed;
2. Guaranteed bank loans have not yet been disbursed;
3. Third-party student support contracts have been awarded but not yet received by the institution from the awarding entity;

UMCP does not have a deferred payment plan. Charges incurred during a semester are payable immediately. Returning students shall not be permitted to complete registration until all financial obligations to the University including, but not limited to, library fines, parking violations, and other penalty fees and service charges are paid in full.

Payment for past due balances and current semester fees are due on or before the first day of classes. Students who register in advance must pay their bills in full prior to the general registration period. Students who register after the initial registration period are required to make full payment by the close of business the following working day to avoid cancellation of their enrollment and loss of their classroom seats to other students.

Students shall be severed from University services and incur a late payment fee in the event of failure to pay a balance on their student account by its due date. In the event that severance occurs, the individual may make payment during the semester in which services were severed and services shall be restored. A twenty-five dollar severance fee and a late payment fee of five dollars or five percent, whichever is higher, shall be assessed in addition to payment for the total past due amount.

2. Students removed from housing because of delinquent indebtedness shall be required to reapply for housing after they have satisfied their financial obligation.
3. The State has established, under legislative mandate, a Central Collections Unit (CCU) within the Department of Budget and Fiscal Planning. The University is required by State law to refer all delinquent accounts to the State Collections Unit.
4. No degrees, grades, diplomas, certificates, or transcripts of records shall be issued to students who have not made satisfactory settlement of their accounts.