

## Chapter SPS 408

### REFUND STANDARDS

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**Note:** Chapter EAB 7 was renumbered Chapter EAB 8, [Register, June, 1990, No. 414](#), eff. July 1, 1990. Chapter EAB 8 was renumbered Chapter SPS 408 under s. 13.92 (4) (b) 1., Stats., [Register November 2017 No. 743](#).

**Note:** The statutory authority for ch. SPS 408 is provided by s. 440.52 (7) (e), Stats.

**SPS 408.01 Philosophy and principles.** (1) The department shall approve only those schools which publish and adhere to refund provisions consistent with the standards below.

(2) The refund standards required by this rule are based upon these principles:

(a) Students make numerous “false starts” in their education. It is important to preserve for the student the right to a change of mind (recognition of a false start) without too serious a penalty, since this action itself may be important in the student’s growth, maturation and learning.

(b) It is the responsibility of the school, through pre-enrollment counseling, to make reasonably certain before enrollment is completed that the student has the ability to profit from the program under consideration.

(c) Since it is the responsibility of the school to select its students carefully, charges to the student upon cancellation or withdrawal before the program begins should be a smaller portion of the total cost of the course of instruction than upon withdrawal after partial completion.

**History:** Cr. [Register, December, 1972, No. 204](#), eff. 1-1-73; am. [Register, December, 1980, No. 300](#), eff. 1-1-81; am. (1), (2) (a), to (c), r. (2) (d), [Register, October, 1997, No. 502](#), eff. 12-1-97; correction in (1) made under s. 13.92 (4) (b) 6., Stats., [Register November 2017 No. 743](#).

**SPS 408.02 Definition.** “Unit” means credits, hours, class days, correspondence lessons, or other approved instructional time periods.

**History:** Cr. [Register, December, 1980, No. 300](#), eff. 1-1-81; am. [Register, June, 1990, No. 414](#), eff. 7-1-90; r. and recr. [Register, October, 1997, No. 502](#), eff. 12-1-97.

**SPS 408.03 Full refund.** A school’s refund policy shall provide for a full refund of all money paid by the student if:

(1) The student cancels enrollment within 3 business days under s. [SPS 406.04](#);

(2) The student accepted was unqualified, and the school did not secure a disclaimer under s. [SPS 409.04](#);

(3) The school procured the student’s enrollment as the result of any false representations in the written materials used by the school or in oral representations made by or on behalf of the school.

**History:** Cr. [Register, December, 1972, No. 204](#), eff. 1-1-73; renum. from EAB 7.02 and am., [Register, December, 1980, No. 300](#), eff. 1-1-81; am. (1) and (2), [Register, June, 1990, No. 414](#), eff. 7-1-90; am. (1) and (3), [Register, October, 1997, No. 502](#), eff. 12-1-97; correction in (1), (2) made under s. 13.92 (4) (b) 7., Stats., [Register November 2017 No. 743](#).

**SPS 408.04 No refund in programs which have fixed class schedules, are shorter than 6 class days and cost less than \$150.** If for any reason a student with-

draws or is dismissed by the school from a program which has a fixed class schedule, is shorter than 6 class days, is less than \$150 in total cost and is not one of a sequence of programs, the student is not entitled to any refund, except that the student is entitled to a full refund in the following instances:

(1) The student accepted was unqualified, and the school did not secure a disclaimer under s. [SPS 408.04](#);

(2) The student’s enrollment was procured as the result of false representations.

**History:** Cr. [Register, December, 1980, No. 300](#), eff. 1-1-81; am. (1), [Register, June, 1990, No. 414](#), eff. 7-1-90; am. (intro.), (1) and (2), [Register, October, 1997, No. 502](#), eff. 12-1-97; correction in (1) made under s. 13.92 (4) (b) 7., Stats., [Register November 2017 No. 743](#).

**SPS 408.05 Partial refunds.** A student who withdraws or is dismissed after the period of time identified under s. [SPS 408.03 \(1\)](#) has passed, but before completing 60% of the potential units of instruction in the current enrollment period, shall be entitled to a pro rata refund, as calculated below, less any amounts owed by the student for the current enrollment period, less a one-time application fee of \$100.

(1) Pro rata refund shall be determined as the number of units remaining after the last unit completed by the student, divided by the total number of units in the enrollment period, rounded downward to the nearest ten percent. Pro rata refund is the resulting per cent applied to the total tuition and other required costs paid by the student for the current enrollment period.

(2) All efforts will be made to refund prepaid amounts for books, supplies and other charges unless the student has consumed or used those items and they can no longer be used or sold to new students, or returned by the school to the supplier.

(3) Refunds shall be paid within 40 days after the effective date of termination.

(4) After the student’s first period of enrollment, if a student withdraws or is dismissed in a subsequent enrollment period, the school may also retain an administrative fee of 15% of the total cost of a resident program, or \$400, whichever is less.

(5) No refund is required for any student who withdraws or is dismissed after completing 60% of the potential units of instruction in the current enrollment period unless a student withdraws due to mitigating circumstances, which are those that directly prohibit pursuit of a program and which are beyond the student’s control.

**History:** Cr. [Register, October, 1997, No. 502](#), eff. 12-1-97; [CR 02-135](#); am. (intro.) [Register April 2003 No. 568](#), eff. 5-1-03; correction in (1) made under s. 13.92 (4) (b) 7., Stats., [Register November 2017 No. 743](#).

**SPS 408.06 Good faith effort.** A school is considered to have made a good faith effort to make a refund, if the student’s file contains evidence of the following attempts:

- (1) Certified mail to student’s last known address;
- (2) Certified mail to the student’s permanent address;

(3) Certified mail to the address of the student's parent or listed next of kin, if different from the permanent address.

**History:** Cr. Register, October, 1997, No. 502, eff. 12-1-97.

**SPS 408.07 Notice of withdrawal.** (1) A school may not require that notice of withdrawal be in writing, on or in any particular form, or delivered in a specific manner.

(2) The school shall honor any valid notice of withdrawal given after the 3-business-day cancellation period and, within 30 calendar days after dismissal of the student or receipt of notice of withdrawal, shall refund to the student any amounts due and arrange for a termination of the student's obligation to pay any sum in excess of that permitted under the refund standards.

(2m) All schools shall have a constructive notice of an intention to withdraw policy.

(3) For students receiving funds under Title IV, schools shall comply with applicable federal guidelines for providing constructive notice of an intention to withdraw.

**History:** Cr. (1), (3) and (4) and renum. EAB 7.03 (7) to be (2) and am., Register,

December, 1980, No. 300, eff. 1-1-81; renum. from EAB 8.12, , r. and recr. (3) and (4), Register, October, 1997, No. 502, eff. 12-1-97; CR 02-135: cr. (2m), am. (3) Register April 2003 No. 568, eff. 5-1-03.

**SPS 408.08 Refund not conditional on compliance with school regulations.** A school may not make its refund policy conditional upon compliance with the school's rules of conduct or other regulations.

**History:** Cr. Register, December, 1972, No. 204, eff. 1-1-73; renum. from EAB 7.04 and am., Register, December, 1980, No. 300, eff. 1-1-81; renum. from EAB 8.13, Register, October, 1997, No. 502, eff. 12-1-97.

**SPS 408.09 Distribution of refunds to financial aid sponsors.** All or a portion of any refunds due may be paid to sponsors furnishing grants, loans, scholarships or other financial aids to students, in conformity with federal and state laws, regulations and rules and requirements of financial aid sponsors. After any disbursements to financial aid sponsors have been made, the student shall receive the balance, if any, of the amount due under the school's refund policy.

**History:** Cr. Register, December, 1980, No. 300, eff. 1-1-81; renum. from EAB 8.14, Register, October, 1997, No. 502, eff. 12-1-97.