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 <p>UNIVERSITY of the WESTERN CAPE</p>	<p><b>Student Debt Management Policy</b></p>	Council Approval Reference Number	C2021/03 (29 June 2021)
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# UNIVERSITY OF THE WESTERN CAPE (UWC)

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## STUDENT DEBT MANAGEMENT POLICY

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**Prepared by the Department of Finance**  
**Approved by Council: C2021/03 (29 June 2021)**

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## **PART A:**

### **DEFINITIONS AND ABBREVIATIONS**

In this policy, unless otherwise indicated by the context, the following terms shall have the meaning ascribed to them:

1. **"Academic Programme"** means a combination of modules and/or requirements leading to a degree, diploma or qualification;
2. **"Academic Transcript"** means a copy of a student's academic record;
3. **"African Refugee / Asylum Seeker Students"** students from within the African continent who left their countries of origin for political reasons;
4. **"Agents"** means a person who acts on behalf of the University;
5. **"Ancillary Costs"** means any cost or other expense involved in a transaction but not directly related to it;
6. **"Council"** means the Council of the University as appointed in terms of section 27(1) of the Higher Education Act to govern the University, subject to the provisions of the Higher Education Act and the statute, as may be amended from time to time;
7. **"De-Registration"** means the cancellation by the University of a student's registration for a degree, diploma or certificate, the result of which is that a student is not allowed to attend classes;
8. **"Debt"** means a sum of money that is owed;
9. **"Default(s)"** means a failure or neglect to pay fees, or to abide by or honour any payment arrangement between a student and the University;
10. **"Degree"** means a degree of the University conferred upon a student at a congregation on completion to the University's satisfaction of the work prescribed for the degree by the Senate;
11. **"Department"** means a division within the University;
12. **"Diploma"** means a diploma of the University conferred upon a student at a congregation on completion to the University's satisfaction of the work prescribed for the diploma by the Senate;
13. **"Fees"** means all fees payable by students including application fees, acceptance fees, upfront fees, tuition fees, course fees, and if applicable, in the context of a clause/s in this policy, residence fees and any interest thereon;
14. **"Higher Education Act"** means the Higher Education Act No. 101 of 1997, as amended;

15. "**Laws**" means all constitutions; statutes; regulations; by-laws; codes; ordinances; decrees; rules; judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, or awards; policies; voluntary restraints; guidelines; directives; compliance notices; abatement notices; agreements with, requirements of, or instructions by any governmental body; and the common law, and "**Law**" shall have a similar meaning;
16. "**Minimum Registration Fee**" refers to a sum of money required to be paid upfront before a student can register and maybe a split between registration fee and the upfront payment of the tuition fees or only the registration fee component;
17. "**Non-SADC**" refers to the Southern African states not affiliated to the Southern African Development Community;
18. "**Overseas International Refugee / Asylum Seeker Students**" are not from the African continent with refugee or asylum seeker status;
19. "**Overseas International Students**" are not from the African continent;
20. "**Policy**" means the Student Debt Management Policy as set out herein which sets out the guidelines, principles and rules developed by the University to govern its actions and define the limits within which decisions must be made;
21. "**Persal**" means a payment mandate for personnel aligning salaries management system used by the national and provincial government as a payment mechanism;
22. "**Refund**" an amount of money that is given back to you, resulting from overpayments made;
23. "**Revenue Collection**" means income/money collected from debt;
24. "**SADC**" Southern African Development Community is an inter-governmental organisation. Its goal is to further socio-economic cooperation and integration as well as political and security cooperation among 16 southern African states;
25. "**Schedule of Fees Book**" means the annual publication of the terms of payment, cost of tuition, accommodation, rebates and all other student-related fee information and includes the University payment and enquiry details;
26. "**Staff**" means all persons employed by the University from time to time;
27. "**Statute**" means the University of the Western Cape Statute as may be amended from time to time, framed and in force as contemplated in section 32 (titled '*Institutional statutes and institutional rules*') of the Higher Education Act and as set out herein;
28. "**Student**" means a person currently registered at the University for a programme of study leading to a degree, diploma or certificate, or as an occasional student, or as a postdoctoral fellow;

29. **"Student Credit Management"** is the department responsible for student debt management and student financial clearance for academic registration;
30. **"Tuition Fee"** means the fees charged by the University for tuition services in respect of undergraduate and post-graduate studies including but not limited to teaching, clinical teaching, clinical training, other training, research, community service, and in-service training related thereto;
31. **"University"** shall mean The University of the Western Cape, established in terms of the Higher Education Act and for purposes of this policy shall include its subsidiaries, staff, authorised representatives and or agents;
32. **"Unpaid Interest"** means a portion of the amount that is not paid;
33. **"Upfront Payment"** or **"Upfront Fees"** means a portion of or the full total fee that the student must pay before registration;

**PART B: 1      PREAMBLE**

- 1.1      The University is a higher education institution established and constituted in terms of the Higher Education Act, as amended.
- 1.2      The schedule of fees book is updated annually and details the cost of the services offered by the University and the due dates by which payment must be made in respect of the services offered by the University.
- 1.3      The University may enter into a fee-paying agreement with a registered student and a debt arrangement with a non-registered student. Non-registered student debt lodged with a credit bureau will be required to settle debt prior to any further registrations.
- 1.4      This policy is designed to ensure that the debt, the debt risk and debtors book of the University are controlled and managed.
- 1.5      The policy facilitates the treatment of students fairly and equitably by applying its provisions consistently.
- 1.6      The Council of the University reserves the right to revise all fees without prior notice.

**2      POLICY STATEMENT AND OBJECTIVES**

- 2.1      The purpose of this policy document is to create and engender:
  - 2.1.1      accountability and sound management of revenue collection, debt control, minimizing risk and the reduction of bad debt;
  - 2.1.2      payment of the debt by its due date and followed up within specified time frames;
  - 2.1.3      a strategic, equitable, accountable and transparent approach to debt management and the collection processes; and
  - 2.1.4      advice to students in accordance with this policy.
- 2.2      This policy governs and regulates all fees, interest on fees, payment of fees, rebates on fees, settlement discounts, debt management and collection, payment mechanisms and related matters.
- 2.3      This policy is to be read in consultation with other cognate policies, e.g. NSFAS policy, Financial Aid policy and Work-Study policy.

### **3 GENERAL PRINCIPLES**

- 3.1 The University will actively and sensitively collect all debts due and payable in accordance with the applicable payment terms.
- 3.2 The Student Credit Management team will collect all debts owed to the University using recovery options available to it in accordance with current and acceptable practice. In the event of non-payment of fees, the University reserves the right to consult and appoint attorneys, debt collection agents or any other persons to undertake and implement action to recover any debt.
- 3.3 Where debts remain outstanding and overdue on the student fee account, the University reserves the right to immediately withdraw or suspend any of its services and support to the student in arrears, apply restrictions to accounts and facilities, de-register the relevant student, and/or suspend such student's registration and/or otherwise prevent registration.
- 3.4 The University reserves the right to institute legal proceedings against any student or his/her legal guardian or surety who defaults on a payment obligation(s). Where such proceedings are necessary, the University shall seek reimbursement of any reasonable costs it has incurred in pursuing a defaulted student, his/her legal guardian or surety.

### **4 PRINCIPLES APPLICABLE TO STUDENT DEBT MANAGEMENT (SDM)**

- 4.1 On registration at the University, where applicable a legally binding contract is entered into between the student or his/her legal guardian and the University. In terms thereof, the student or his/her legal guardian is/are legally bound to timeously pay all fees including upfront fees, tuition fees, accommodation fees and any ancillary costs for the year of registration, as determined by the University.
- 4.2 The legal guardian or surety shall irrevocably and unconditionally guarantee, in favour of the University, the payment of all fees due by a student. The legal guardian or surety shall enter into a guarantee undertaking or surety agreement at registration, as a condition to register.
- 4.3 Personal liability will be attached to a student and/or his/her legal guardian and/or the surety for all fees, notwithstanding any award of a bursary that is receivable.
- 4.4 As a student's fee account is linked to the academic programme and accommodation choice, it shall be his/her responsibility to ensure and verify the accuracy and correctness of his/her module selection.
- 4.5 Students will be charged for all academic modules which they select in the academic programme.
- 4.6 It shall be the student's responsibility to ensure that the University's records reflect the correct addresses, email address and mobile contact details.

## **5 TERMS OF PAYMENT**

5.1 The University reserves the right to charge interest at the prime lending rate charged by its bank/s calculated monthly on overdue Fees.

5.2 A service levy may be charged on all payments in respect of which a student defaults.

5.3 Payments that were dishonoured or payments that were fraudulently made may result in the University de-registering and/or instituting disciplinary proceedings or other measures being taken against the student.

5.4 Dishonoured or fraudulent bursary representation may result in the University de-registering and/or instituting disciplinary proceedings or other measures being taken against the student.

### **5.5 Payment Mechanisms**

5.5.1 All payees are encouraged to use the latest electronic means of payment to minimise the amount of cash collected on campus.

5.5.2 Various payment options exist at the University:

5.5.2.1 direct deposits;

5.5.2.2 electronic funds transfer ("**EFT**");

5.5.2.3 cashiers (debit/credit card facilities and cash);

5.5.2.4 debit orders; and

5.5.2.5 persal.

5.5.3 Payments from/to external parties shall be made by a cheque or EFT.

## **6 REFUNDS**

6.1.1 A refund may be requested when the student account is overpaid and reflects a credit balance derived by cash, credit/debit card, debit order, persal or by a non-University managed bursary.

6.1.2 When refunds are processed the following documentation and information is required:

6.1.2.1 the payee must formally request the refund in writing;

6.1.2.2 the refund request must clearly state who the recipient of the refund is going to be;

6.1.2.3 proof of payment and or sponsor letter authorising such a refund must be included;

6.1.2.4 copy of student card/identity document;



6.1.2.5 bank verified bank details must also be supplied.

## **7 SETTLEMENT DISCOUNTS**

7.1 Accounts settled in full by a self-funded individual/guardian or surety before due dates will be eligible for a settlement discount calculated on current tuition fees and accommodation fees outstanding after all rebates have been credited.

### Payment date discount

On or before 29 February 5%

On or before 31 March 3%

On or before 30 April 2%

7.2 Accounts settled by a bursar do not qualify for a discount.

## **8 FAMILY REBATE ON TUITION FEES**

8.1 Families who have two or more children registered in the same year will be eligible for a family rebate on tuition fees as set out in the schedule of fees published annually and in terms of University rules.

8.2 The rebate is only applicable to South African citizens.

8.3 Applications for family rebates on tuition fees must be submitted on an annual basis on the prescribed forms and must reach the University before the last working day in June of each year.

8.4 The family tuition rebate is applicable for first degrees only.

## **9 STAFF REBATES**

9.1 Applicable to qualifying staff currently employed at the University of the Western Cape and all other institutions aligned to a reciprocal staff study rebate policy.

9.2 A qualifying staff member, his/her spouse and child(ren) who is a student qualifies for a rebate on tuition fees in accordance with the Staff Rebate Policy.

9.3 A pre-requisite upfront registration fee payment will be payable by the student.

9.4 A staff member his/her spouse and a child(ren) qualifying for a rebate will be required to complete a rebate form issued to him/her by the human resource consultant and must be approved and signed by the head of the department, the staff member and/or student(s) and approved and signed by an authorised person in the Human Resources Department.

9.5 Completed approved rebate forms together with the receipt of the minimum registration fee

must be delivered or sent via email to Student Credit Management Department for processing.

- 9.6 Student Credit Management Department, after verifying that the form has been authorised by the appropriate personnel, will be responsible for processing the financial clearance of the student.
- 9.7 For outstanding debt, staff will be required to sign a monthly arrangement by debit order and or salary deduction for settlement of the debt.
- 9.8 If the contract of employment is terminated, the rebate will be pro-rated for the remaining period of the year.

## 10 FEE PAYMENT AGREEMENTS

- 10.1 Student Credit Management will ensure that decisions to approve fee payment agreements are carried out in accordance with this policy.
- 10.2 Fee payment agreements may be made at any time during the collection cycle of each year.
- 10.3 Student Credit Management will take into account relevant factors in determining and approving the fee payment agreement including, but not limited to:
- 10.3.1 the employment status of the person signing the fee payment agreement;
- 10.3.2 the creditworthiness of the student;
- 10.3.3 the University has the right to refuse a fee payment arrangement if satisfactory conditions are not met.

## 11 FEES – INTERNATIONAL STUDENTS

- 11.1 All international students are required to pay the full tuition and residence fees upfront, on registration. The fees are based on international citizen (citizen of a country other than South Africa) rates unless the study programmes for which they are enrolling are marketed at a specific price.
- 11.2 All **SADC Students** are required to pay the full tuition and full residence fees upfront, on every year of registration. The fees are based on the South African citizen rates unless the study programmes for which they are enrolling are marketed at a specific price.
- 11.3 All **African Non-SADC Students** are required to pay the full tuition and full residence fees upfront, on every year of registration. The fees are based on the South African citizen rates unless the study programmes for which they are enrolling are marketed at a specific price.

11.4 All **Overseas International Refugee/Asylum Seeker Students** are required to pay the full tuition and full residence fees upfront, on every year of registration. The fees are based on international citizen rates unless the study programmes for which they are enrolling are marketed at a specific price.

11.5 All **African Refugee/Asylum Seeker Students** are required to pay the full tuition and full residence fees upfront, on every year of registration. The fees are based on the South African citizen rates unless the study programmes for which they are enrolling are marketed at a specific price.

11.6 All **Overseas International Students** are required to pay the full tuition and full residence fees upfront, on every year of registration. The fees are based on international citizen rates unless the study programmes for which they are enrolling are marketed at a specific price.

## **12 FEES – EXCHANGE STUDENTS**

Exchange students are required to pay the minimum registration Fee, which is updated and confirmed in accordance with the University's schedule of fees book. Unless otherwise agreed in writing between the University and the exchange partners, the minimum registration fee, all tuition and residence fees must be paid in full upon registration.

## **13 FEES – AFFILIATED RESEARCH STUDENTS**

Students are required to pay the minimum registration fee, which is updated and confirmed in accordance with the University's schedule of fees book.

## **14 FEES – SOUTH AFRICAN STUDENTS**

14.1 Where applicable students will be required to pay an upfront payment prior to registration at the start of each year of study.

14.2 Students will be required to pay a registration fee as part of the upfront payment.

14.3 Students registering for modules that cost less than the upfront payment will be required to pay the modules in full plus a registration fee.

14.4 50% of the total outstanding fees will be due by the 30<sup>th</sup> of April. 14.5

14.5 100% of the total outstanding fees will be due by the 31<sup>st</sup> of July.

14.6 Where a student has registered for the first time in the second semester, the full fees shall be payable on registration or by 31 July, whichever date occurs last.

## **15 FEES - OUTSTANDING**

Should a student have outstanding fees, the University reserves the right to:

- 15.1 withhold a student's examination results; or
- 15.2 withhold a student's academic transcripts; or
- 15.3 withhold future registration; or
- 15.4 not allow the student to graduate; or
- 15.5 cancel any offer of accommodation in a University residence if outstanding fees for the previous year(s) are not paid prior to registration;
- 15.6 Where fees have not been paid by the due date, and where a student has not furnished proof that a bursary/loan has been granted or furnished a fraudulent document, such a student may be excluded from attending classes, have their access and privileges suspended or be excluded from University and or residence unless fee payment arrangements have been made through Student Credit Management;
- 15.7 The University reserves the right to charge interest on overdue outstanding balances.

## **16 FEES - RESIDENCE**

- 16.1 South African students who have been allocated residence must pay the upfront residence fee as updated and in accordance with the University's schedule of fees book.
- 16.2 All international students must pay full tuition and accommodation fees (where applicable) on registration.

## **17 PAYMENTS RECEIVED**

- 17.1 Any payment received will first be applied to settle any outstanding amount owing from unpaid interest, followed by the oldest debt. Thereafter, payments received will be applied against the current outstanding amounts as follows:
  - 17.1.1 tuition;
  - 17.1.2 residence and meal costs; and
  - 17.1.3 finance and administration costs in respect of the debt.
- 17.2 In certain instances, bank charges will be levied on student accounts, i.e. disputed and or unpaid debit orders and or unpaid cheque payments.

## **18 BURSARY HOLDERS**

- 18.1 Students whose studies are financed through a bursary not administered by the University, must prior to or at registration submit written proof of the bursary and its value as well as the expected date of payment, must be submitted to the Student Credit Management office.
- 18.2 If acceptable written proof of the bursary granted is submitted and the bursary covers full tuition and or accommodation fees, the student will be required to only pay the registration fee which is updated and confirmed in accordance with the University and schedule of fees.

## **19 DE-REGISTERING OR TERMINATION OF STUDIES**

- 19.1 The registration fee is not refundable.
- 19.2 Students should notify the University in writing of their intention to discontinue their studies or subjects.
- 19.3 If written notice of withdrawal is received by the University, or a student is excluded from the university for a certain period or expelled from University ("cancellation of studies"), tuition fees will be assessed and be due and payable as follows:
- 19.3.1 within 21 days after the commencement of the academic year, no tuition fees will be payable (in other words, 100% rebate);
- 19.3.2 within 7 days after the commencement of the second quarter (in other words, from the 22nd day of the academic year to the 7th day after the commencement of the second term) a rebate of 75% of tuition fees will be allowed; and
- 19.3.3 within 7 days after the commencement of the second semester (in other words, between the 8<sup>th</sup> day of the second term to the 7<sup>th</sup> day of the second semester) a rebate of 50% of tuition fees will be allowed.
- 19.4 If notification of cancellation is received after the 8<sup>th</sup> day of the second semester no rebate on the tuition fees will be allowed.
- 19.5 Students notifying the University about their cancellation by post should register the correspondence.
- 19.6 The date of receipt of the notification of cancellation by the university is the date used when assessing fee rebates.

## **20 RESOURCES**

The following administrative procedures and resources shall be required to successfully implement this policy:

- 20.1 The University's annual schedule of fees booklet.