

MINISTRY OF TRAINING, COLLEGES AND
UNIVERSITIES



Private Career Colleges Act, 2005

FACT SHEET #2

FEE COLLECTION AND REFUNDS

September 13, 2006

Unless otherwise specified, the requirements outlined in this Fact Sheet apply only to students who signed contracts with a private career college on or after September 18, 2006.

Collection Of Fees

Private career colleges are only allowed to charge or collect fees for a program in Canadian dollars. Furthermore, they are not allowed to charge or collect any compulsory fee for a program that is not published on the ServiceOntario web site or that is higher than what is published. They are also not allowed to charge or collect any optional fee for a program that is not approved by the Superintendent of Private Career Colleges. The ServiceOntario web site is located at <www.serviceontario.ca/pcc>.

Before a contract is signed, private career colleges are prohibited from collecting any fees from prospective students, except 20% of the total fees for a program or \$500, whichever is less. These fees must be in relation to processing an application or conducting any admission tests or assessments.

Refund Of Fees

Only the compulsory fees published on the ServiceOntario web site and the optional fees approved by the Superintendent of Private Career Colleges are covered by the refund policy. Students must return any goods they received under a contract in the same state they were in when supplied to them within 10 days of withdrawing in order to get credit for them. All refunds must be in Canadian dollars.

Private career colleges are prohibited from deducting any monies owed by students for other services or non-vocational programs offered by the college from a refund that students are entitled to for a vocational program.

Cooling Off Period

Students can cancel a contract within two days of signing it if they deliver a written notice of cancellation to a private career college at the address shown on the contract. They are entitled to a full refund of fees paid for the program, including any application fee, from the college.

Full Refund

In any of the following circumstances, students have a choice of cancelling a contract and making a written request for a full refund of fees paid for a program or accepting the shortcoming and continuing the training with the private career college:

- the college collects any fees for the program before the college is registered or before the program is approved under the *Private Career Colleges Act, 2005*;
- students are expelled from the college in a manner or for reasons that are not permitted under the college's expulsion policy;

- the college collects more than 20% of the total fees for the program to a maximum of \$500 before signing a contract with students;
- a total of more than 10% of the program is taught by unqualified instructors;
- the contract does not include all the mandatory terms required under the *Private Career Colleges Act, 2005*; or
- the college, while still operating, discontinues the program before students can complete the program.

In addition, you also may seek a full refund if a private career college or its representative makes certain types of untrue statements for the purposes of influencing you to enrol in the program **and** the statements constitute a fundamental breach of the contract. The categories of inappropriate statements include: a false or misleading statement, a statement that guarantees admission to or successful completion of the program, employment after graduation or the right to enter Canada or receive a student visa.

If a private career college charges or collects a compulsory fee that is not published on the ServiceOntario web site or that is higher than what is published, students are entitled to a full refund of the unpublished fees or the difference in amount between what is published and what was collected.

Partial Refund Before a Program Begins

Students are entitled to a refund of fees paid for a program, except that a private career college is allowed to retain 20% of the total fees for the program or \$500, whichever is less if:

- a student withdraws from the program before it begins;
- a student does not meet the program's admission requirements before the program begins; or

- the college cancels the contract for the program within 45 days of the start of the program because a student does not attend the first 14 days of classes.

Partial Refund After a Program Begins

Programs that are shorter than 12 months

When students withdraw from a program after the program begins, they are entitled to a refund of fees paid for the program, except that a private career college is allowed to retain 20% of the total fees for the program or \$500, whichever is less, plus the fees earned by the college for the part of the program that has been delivered.

A private career college is not obligated to issue students any refund of fees for a program if students withdraw from the program after half of the program has passed.

A private career college is required to provide students with the result of at least one evaluation **before** half of the program has been delivered.

**Refund = fees paid for program - (total cost of program x 20%, to a max. of \$500)
- fees earned by college for part of program that has been delivered**

Example

A student has paid in full for a 6-month program that costs \$6,000 but withdraws at the end of the 2nd month.

Refund to student = \$6,000 – \$500 – \$2,000 = \$3,500

A student who withdraws at the beginning of the 4th month is entitled to no refund.

Programs that are 12 months or longer

Programs that are 12 months or longer are broken up into 12-month periods for the purpose of calculating the refund. After the last 12-month period of a program has passed, the calculation is based on the remaining length of the program.

For the current 12-month period in which students are in attendance, they are entitled to a refund of fees paid for that period, except that a private career college is allowed to retain 20% of the total fees for the program or \$500, whichever is less, plus the fees earned by the college for the part of the program that has been delivered. In addition, students are entitled to a full refund of fees paid for any subsequent periods that have not begun at the time of withdrawal.

If a student withdraws mid-week and more than half of the classes in a week have been delivered by a private career college, the entire week is deemed to be delivered.

A private career college is required to provide students with the result of at least one evaluation **before** half a 12-month period has passed.

A private career college is not obligated to issue students any refund of fees paid for a 12-month period of a program if students withdraw after half of that period has passed. However, students are still entitled to a full refund of fees paid for any subsequent periods that have not begun at the time of withdrawal.

Refund = fees paid for current 12-month period - (total cost of program x 20%, to a max. of \$500) - fees earned by college for part of program that has been delivered in current 12-month period + fees paid for any subsequent periods

Examples

(1) A student has paid in full for an 18-month program that costs \$18,000 and withdraws at the end of the 2nd month. The cost for the 1st period is \$12,000 and the cost for the 2nd period is \$6,000.

$$\text{Refund to student} = \$12,000 - \$500 - \$2,000 + \$6,000 = \$15,500$$

(2) A student who withdraws at the beginning of the 7th month is entitled to no refund for the first 12-month period but is entitled to a full refund for the second period.

$$\text{Refund to student} = \$6,000$$

(3) A student who withdraws at the end of the 14th month has his or her refund calculated for the last six months only.

$$\text{Refund to student} = \$6,000 - \$500 - \$2,000 = \$3,500$$

(4) A student who withdraws at the beginning of the 16th month is entitled to no refund.

Refund for Distance Education Programs

Distance education programs are programs that are delivered via mail, Internet or other similar means outside of a classroom. The number of segments of a distance education program is equal to the number of evaluations that students will receive during the course of the program.

When students withdraw from a distance education program, they are entitled to a refund of fees paid for the program, except that a private career college is allowed to retain 20% of the total fees for the program or \$500, whichever is less, plus the fees earned by the

college for the segments of the program for which students have been evaluated.

A private career college is not obligated to provide any refund of fees paid for a distance education program if students withdraw from the program after they have been evaluated on half of the total number of segments of the program.

Refund = fees paid for program - (total cost of program x 20%, to a max. of \$500) - fees earned by college for segments of program that students have been evaluated

Example

A student has paid in full for a distance education program that costs \$6,000 and requires 6 examinations but withdraws after receiving their marks for the 2nd examination.

Refund to student = \$6,000 – \$500 – \$2,000 = \$3,500

A student who withdraws after he or she has received the marks for three examinations is entitled to no refund.

Refund for Non-continuous Programs

Some programs are approved by the Superintendent of Private Career Colleges as non-continuous programs, for which regular class time cannot be scheduled, e.g., trucking.

When students withdraw from a non-continuous program, they are entitled to a refund of fees paid for the program, except that a private career college is allowed to retain 20% of the total fees for the program or \$500, whichever is less, plus the fees earned by the college for the number of hours of instruction that have been delivered by the college.

A private career college is required to provide students with the result of at least one evaluation **before** half of the total number of hours of instruction has been delivered by the college.

A private career college is not obligated to provide any refund of fees if students withdraw from a non-continuous program after half of the total number of hours of instruction have been delivered by the college.

**Refund = fees paid for program - (total cost of program x 20%, to a max. of \$500)
- fees earned by college for number of hours of instruction that have been delivered**

Example

A student has paid in full for a program that costs \$6,000 and has 100 hours of instruction but withdraws after 20 hours of instruction have been delivered.

Refund to student = \$6,000 – \$500 – \$1,200 = \$4,300

A student who withdraws after 50 hours of instruction has been delivered is entitled to no refund.

International Students

Some special rules apply to international students who are attending or planning to attend private career colleges under a student visa.

Fee collection

In general, the same fee collection rules apply to international students as apply to domestic students. There are some special rules that do apply.

Effective October 18, 2006, after international students sign a contract, private career colleges are allowed to collect no more than 25% of the total fees for a program from the students before the program begins. Some private career colleges are required to hold the money in a trust account until international students begin the program. The Superintendent of Private Career Colleges will advise a private career college when this is the case. Private career colleges are encouraged to advise students of any trust account arrangements when they sign a contract.

Fee refund

International students can cancel a contract with a private career college or withdraw from a program for any reason. The same refund policy for domestic students also applies to international students and any written notice of cancellation or withdrawal delivered to a private career college is acceptable.

In addition, a special rule applies to international students if they are unable to obtain a student visa to enter Canada. As long as a student delivers a written notice of this fact to a private career college before half of the portion of a program has passed, they are entitled to a refund of fees paid for the program, except that the

college is allowed to retain 20% of the total fees for the program or \$500, whichever is less.

Closure

Special refund rules apply when a private career college closes. **A private career college must finish delivering a student's training before closing.** If a college closes before students finish their program, efforts will be made by the Superintendent of Private Career Colleges to arrange for students to complete their program elsewhere. Instead of participating in a training completion, students may choose to receive a refund of fees paid for the portion of the program that has not been delivered. For more information, refer to the *Fact Sheet: Training Completion*.

Important Notes

- ⇒ Private career colleges are required to issue students a receipt every time students pay a fee.
- ⇒ Private career colleges are required to issue fee refunds within 30 days of students giving a written notice of cancellation or withdrawal or 30 days of students receiving a written notice of expulsion from the college. If students do not meet the admission requirements at the time the program begins, the college is required to issue students a refund of fees within 30 days of the start of the program. If student do not attend the first 14 days of classes, the college can cancel the contract and must issue a refund within 45 days of the start of the program.
- ⇒ Except in the cases where students do not meet the admission requirements or a private career college cancels a contract, students must deliver a written notice of cancellation or withdrawal to a private career college. Notices should be delivered personally to the college, sent by courier or registered mail, or faxed or emailed to the appropriate official at the college. Notices are considered to be received by the college on the third day after the day of mailing. In the case of international students who are unable to obtain a student visa to enter Canada, delivery of a notice to a private career college that they have not received a student visa constitutes delivery of a notice of withdrawal or cancellation.
- ⇒ The same refund policy applies when students withdraw from a program or are expelled from a private career college in accordance with the college's expulsion policy.

This document is provided for your information and convenience only. It is not a legal document. For further information and the exact wording please refer to the *Private Career Colleges Act, 2005* and regulations.

Need More Information?

A refund calculator for determining the approximate amount of a refund is available on the Ministry of Training, Colleges and Universities web site at www.edu.gov.on.ca/eng/general/private.html.

If you have questions about the *Private Career Colleges Act, 2005* and regulations, contact the Private Institutions Branch at:

Private Institutions Branch
Ministry of Training, Colleges and Universities
10th Floor Mowat Block
900 Bay Street
Toronto, ON M7A1L2

Telephone: (416) 314-0500 or 1-866-330-3395
Fax: (416) 314-0499

OR

Visit our website at: www.edu.gov.on.ca/eng/general/private.html

The full text of the act and regulations can also be downloaded from the Ontario government E-Laws website at:
www.e-laws.gov.on.ca