

## **Office of Student Financial Services Frequently Asked Questions – Third Party Billing**

### **1. What is third party billing?**

When an organization makes a commitment to pay your educational expenses, they are considered a third party sponsor. The sponsor is then billed by the University after the student is validated and after the University's add/drop period.

### **2. What does it mean to be validated?**

Validation means that you are registered for a course(s) AND have satisfied your financial obligation to the University, either by paying the balance in full, making the first deferred payment, or on the University payment plan. If a student has a third party sponsor, the sponsor may pay the student account balance in full upon receipt of an invoice from the University. If the sponsor will pay only a portion of the semester charges, the student is responsible for paying the difference by the due date in order to be validated.

### **3. What do I need to know about third party sponsorships?**

You will need to find out what your sponsor's requirements are to receive your funds and what charges the sponsor commits to pay on your behalf. The University bills the sponsor for sponsored expenses on your behalf. You are responsible for paying your portion of the bill by the due date; otherwise, validation may be impacted by late and/or deferred payment fees may be assessed.

### **4. How does a sponsorship work?**

The sponsor provides a billing authorization to the Office of Student Accounts. Your University student account is then set up on a third party contract for the amount the sponsor will pay on your behalf.

After **validation and the add/drop period**, we bill your sponsor on your behalf. ANY restrictions or contingencies on the authorization are unacceptable. For instance, if the agency requires grade or transcript review before paying, the University will not authorize third party billing. In such cases, the student must pay the original bill and be reimbursed by the sponsoring agency.

If the sponsor does not pay your bill, you will be responsible for your account balance, including any late and/or deferred payment fees. An unpaid bill may result in your inability to obtain transcripts or register for future terms, cancellation from classes, or similar issues.

### **5. What is a billing authorization?**

A billing authorization may be a letter (on company letterhead), purchase order, or voucher in which a sponsor commits to pay designated educational expenses for you. The authorization from the sponsor should include the following:

- Student's Name
- Howard University ID #
- What and how much they will pay, i.e. tuition, fees, books, room and board, etc.
- Period of coverage, i.e. fall semester, entire academic year
- Contact/authorizing person's name, phone number, fax number, email address, and billing address

Sponsors usually send the authorization to us directly, but some sponsors send the authorization to the student. It is the student's responsibility to ensure the proper billing authorization has been provided to the University. The University does not notify the student or sponsor when an authorization expires at the end of the term or effective date.

The sponsor and student are responsible to ensure that an authorization is received before the end of the add/drop period to avoid late and/or deferred payment fees.

#### **6. What is the deadline to submit the billing authorization?**

Billing authorizations must be submitted by the end of the add/drop period. If it is submitted after this time, you may be subject to a late and/or deferred payment fee. Billing authorizations WILL NOT be accepted for previous academic years. The student will need to work with the agency to receive any funds.

#### **7. Why are the sponsors billed after validation and the add/drop period?**

A student must be validated to be an official student at the University. As well, many students add or drop classes during the add/drop period. Since changes in registration often correlate with changes in tuition charges, Howard waits until after this period ends in order to ensure that all invoices are accurate. This delay is taken into account when considering late fees on the sponsored portion of a student's tuition.

Please note: Students must pay the portion of their tuition for which they are responsible by the due date; otherwise, validation may be impacted and/or late and/or deferred payment fees may be assessed.

#### **8. Can I get a refund if my account shows a credit balance?**

Amounts received from third party payments are non-refundable to the student. Only loans, scholarships, and grants paid in excess of the semester charges may be refunded.

#### **9. What happens if my sponsor does not pay?**

You are legally responsible to pay the full cost of your educational expenses if your sponsor does not pay. A hold will also be placed on your record that prevents transcript release and registration.

#### **10. Do you send grades or transcripts to my sponsor?**

The relationship between the sponsors and the University involves billing and payment matters only. You are responsible for providing all other information required by your sponsor.