Policy area	ESOS Compliance Framework
Standards	ESOS Act 2000, ESOS Regulations 2019, National Code 2018,
Responsibility	CEO, Office Manager, CRICOS Manager, Student Support Officer

1. Purpose and Overview

Purpose of the Policy

This policy explains how Heaton Institute of Technology protects tuition fees paid by international students and ensures compliance with the:

- Education Services for Overseas Students (ESOS) Act 2000
- ESOS Regulations 2019
- National Code 2018
- Tuition Protection Service (TPS) requirements

The policy aims to ensure:

- Student fees are secure.
- Prepaid tuition fees are protected.
- Refunds are processed fairly and on time.
- Financial records are accurate and auditable.
- Compliance with PRISMS and TPS requirements.
- Strong financial governance and accountability.

Key Definitions

Protected Account

A separate bank account used only to hold prepaid tuition fees before students commence their course.

Protected Amount

The part of prepaid tuition fees that must remain protected until:

- the student starts studying, or
- the student becomes entitled to a refund.

Student Default

When a student does not commence or complete their studies because of their own circumstances (e.g., withdrawal, visa refusal).

Provider Default

When the college cannot deliver the course.

Tuition Protection Service (TPS)

An Australian Government scheme that protects international students if their provider cannot deliver their course.

2. Fee Payment Rules

Information Provided to Students

Before enrolment, students receive:

- Total tuition fees.
- Non-tuition fees.
- Payment schedules.
- Refund conditions.
- Written agreements.

Payment Arrangements

Tuition fees are normally paid:

- Term by term.
- In Australian dollars.
- Using approved payment methods.

Invoices clearly show:

- Amount payable.
- Due date.
- Purpose of payment.
- Whether payment comes from the student or an education agent.

Upfront Fee Limits

Before course commencement, the college cannot require more than **50% of total tuition fees**, unless:

1. Course duration is 25 weeks or less

or

2. Student or education agent voluntarily requests to pay more.

If paying more than 50%:

- The request must be in writing.
- The student must understand that additional payment is optional.
- Records are kept on file.

Non-payment of Fees

Failure to pay fees may result in:

- Withdrawal of offer.

- Deferred commencement.
- Suspension from studies.

Any action must comply with the National Code.

3. Protected Account Management

Protection of Prepaid Tuition Fees

All tuition fees received before course commencement are treated as **protected amounts**.

Heaton Institute maintains:

- A dedicated protected bank account.
- Separate from operational accounts.
- With access restricted to authorised officers.

Withdrawals from the Protected Account

Money can only be withdrawn when:

A student:

- Commences the course, or
- Is entitled to a refund.

The balance must always be equal to or greater than the total amount owed to students who have not yet commenced.

Security Controls

- Dual authorisation is required for withdrawals.
- Funds cannot be used for operational expenses.
- Every transaction must be traceable.

Student ID numbers are used across:

- Student Management System (SMS)
- Financial ledger
- Bank records

This creates a complete audit trail.

Fortnightly Reconciliation

Every two weeks the Office Manager or CRICOS Manager:

1. Checks deposits and withdrawals.
2. Compares records with:
    - Financial ledger.
    - Student Management System.
    - PRISMS data.
3. Confirms account balances are correct.

Findings are documented in a:
Protected Fee Audit Record

The CEO reviews the results regularly.

4. Record Keeping and Transactions Traceability

Transaction References

Each transaction uses a unique student reference.

Examples:

Deposits

- **S10234-DEP** – Student deposit.
- **S10234-AGT** – Agent payment.

Withdrawals

- **S10234-CMM** – Release after commencement.
- **S10234-REF** – Refund.
- **S10234-TPR** – TPS-related transaction.

Recording Payments

Within two business days, the Office Manager records:

- Payment date.
- Amount.
- Reference number.
- Payment method.
- Bank confirmation.

Electronic copies are stored in the student's financial file.

Financial Records Maintained

The college keeps:

- Bank statements.
- Receipts and invoices.
- Refund documents.
- Reconciliation records.
- Audit reports.
- Correspondence relating to refunds.

Access is restricted to authorised personnel.

End-of-Term Reporting

The Office Manager prepares reports showing:

- Total fees received.
- Refunds processed.
- Reconciliation outcomes.
- Any discrepancies identified.

These reports are reviewed by the CEO.

5. Refund Arrangements

General Principles

Refunds:

- Must be requested in writing.
- Require supporting evidence.
- Are normally paid within four weeks.
- Are paid to the original payer unless authorised otherwise.

Refunds over **$1,000** require CEO approval.

Withdrawal Before Course Commencement

Student receives:

80% refund

The college may retain up to 20% for administration and preparation costs.

Withdrawal After Commencement

Before 20% of study period completed

Student receives:

50% refund

After 20% of study period completed

No refund

Visa Refusal Before Commencement

Student receives:

100% refund

Less:

- 5% of fees paid, or
- $500

(whichever is lower).

Visa Refusal After Commencement

Refund is based on:

- Undelivered tuition.

Typically, students receive:

70–90% of tuition fees

Non-tuition fees and materials already supplied are not refundable.

Provider Default

If the college cannot deliver the course:

Students receive:

100% refund

for the undelivered portion of tuition fees.

PRISMS and TPS reporting requirements must also be met.

6. Tuition Protection Service (TPS)

What is TPS?

The Tuition Protection Service protects international students if a provider cannot deliver their course.

Students may:

- Be placed in another course, or
- Receive a refund of unused tuition fees.

Provider Default Obligations

If Heaton Institute cannot continue delivering a course, it must:

Within 3 business days:

- Notify TPS and relevant authorities through PRISMS.
- Inform affected students in writing.
- Provide details of tuition fees paid.
- Stop accepting payments for the affected course.

Cooperation with TPS

The college must:

- Assist students to find alternative courses.
- Refund unspent tuition fees if required.
- Cooperate fully with TPS administrators.

CEO Responsibilities

The CEO must ensure:

- Annual TPS levy payments are made.
- Notifications are submitted on time.
- Compliance obligations are met.
- Corrective actions are implemented following any default event.

7. T4 Provider Requirements and Reconciliation Process

T4 Provider Classification

Higher-risk CRICOS providers may be classified as **Tier 4 (T4)**.

Factors include:

- Limited trading history.
- Financial risks.
- Compliance issues.
- Heavy reliance on international students.

Additional Controls for T4 Providers

If classified as T4, Heaton Institute will:

Monthly CEO Reviews

Review Protected Fee Audit Records monthly.

Enhanced Reporting

Provide detailed reports at management meetings.

Quarterly External Reviews

An external accountant or auditor checks:

- Protected account balances.
- Financial controls.
- Student fund protection.

Risk Monitoring

Monitor:

- Enrolment trends.
- Refund patterns.
- Financial capacity.

Protected Fee Reconciliation Process

Step 1

Gather:

- PRISMS reports.
- Bank statements.
- SMS reports.
- Financial ledger data.

Step 2

Match payments across all systems.

Step 3

Review withdrawals and confirm course commencements.

Step 4

Investigate discrepancies and correct errors.

Step 5

Complete the **Protected Fee Audit Record**.

Step 6

Report findings to the CEO.

Step 7

Store records securely for at least **7 years**.