

## Ethical Recruitment of Students Policy

### Description/Purpose

Cape Fear Community College strives to be an institution of high integrity and is committed to ensuring that recruitment and enrollment activities conducted at the college promote such an environment. The purpose of this policy is to ensure compliance with federal laws and regulation in order to prevent and eliminate fraudulent and aggressive recruitment of students (including but not limited to students using Veterans Affairs (VA) and Department of Defense (DoD) education benefits) to the college.

### Details

#### Scope

All departments, employees, and agents of Cape Fear Community College must comply with this policy.

#### Policy Statement

Cape Fear Community College ensures compliance with Program Integrity Rules consistent with federal regulations (34 C.F.R. 668.71-668.75 and 668.14) and the Department of Defense (DoD) Voluntary Education Partnership Memorandum of Understanding (MOU) regarding restrictions on misrepresentation, recruitment, and payment of incentive compensation.

The college and its agents, including third party lead generators and marketing firms, will:

1. Ban inducements, including any gratuity, favor, discount, entertainment, hospitality, loan, transportation, lodging, meals, or other item having a monetary value of more than a de minimis amount, to any individual or entity, or its agents including third party lead generators or marketing firms other than salaries paid to employees or fees paid to contractors in conformity with all applicable laws for the purpose of securing enrollments of Service members or obtaining access to tuition assistance funds. Educational institution sponsored scholarships or grants and tuition reductions available to military students are permissible.

2. Refrain from providing any commission, bonus, or other incentive payment based directly or indirectly on securing enrollments or federal financial aid (including tuition assistance funds) to any persons or entities engaged in any student recruiting, admission activities, or making decisions regarding the award of student financial assistance. These restrictions do not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.

Tuition Sharing: The U.S. Department of Education generally views the payment based on the amount of tuition generated as an indirect payment of compensation based on success in recruitment and therefore a prohibited basis upon which to measure the value of the services provided. This is true regardless of the manner in which the entity compensates its employees.

However, the Department does not consider payment based on the amount of tuition generated by an institution to violate the incentive compensation ban if that payment compensates an unaffiliated third party that provides a set of services that may include recruitment services. The independence of the third party (both as a corporate matter and as a decision maker) from the institution that provides the actual teaching and educational services is a significant safeguard against the abuses the Department has seen heretofore. When the institution determines the number of enrollments and hires an unaffiliated third party to provide bundled services that include recruitment, payment based on the amount of tuition generated does not incentivize the recruiting as it does when the recruiter is determining the enrollment numbers and there is essentially no limitation on enrollment.

As a Title IV institution, the college remains responsible for the actions of any entity that performs functions and tasks on its behalf. These responsibilities include ensuring that employees are not paid for services that would convert these payments into prohibited incentive compensation because of the activity the employees engage in.

3. Refrain from high pressure recruitment tactics such as making multiple unsolicited contacts (3 or more), including contacts by phone, email, or in person, and engaging in same-day recruitment and registration for the purpose of securing Service member enrollments.

#### Guidance

The U.S. Department of Education (DOE) has issued guidance on the prohibition on incentive compensation that includes FAQs and examples, including examples of activities that are subject to the prohibition and those that are exempt, and the types of payments that are considered forms of incentive compensation and those that are not. This guidance is available on the DOE's website at

<https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/compensation.html>

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#### Sources

34 C.F.R. 668.71-668.75 and 668.14; Department of Defense Memorandum of Understanding; Federal Student Aid Program Participation Agreement; NACAC's Code of Ethics and Professional Practices

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