

LETTER OF UNDERSTANDING

Global Campus Partner Program, (Credit Bearing)
Academic Year 2021-22

Program Name: _____
Sponsoring Unit: _____
Term: _____ Program Dates: _____

I. Administrative Understanding

- A. **Learning Abroad Center (LAC)** agrees to perform the duties and manage the responsibilities enumerated for the LAC in the *Responsibility Matrix - GCP Programs* section of the Leader Portal website.
- B. The **sponsoring college or department (sponsoring unit)** agrees to perform the duties and manage the responsibilities enumerated for the 'Program Sponsor' in the *Responsibility Matrix - GCP Programs* section of the Leader Portal website.

II. Financial Understanding

A. *Program Fee/Billing*

The program leader(s), in consultation with the sponsoring unit (college or department), will establish an appropriate program fee for student participants that covers onsite costs for the program as well as the APAAC and CISI international health insurance. All revenue from the billing process flows directly to the departmental account string provided to the LAC. All charges due to the LAC by the sponsoring unit are deducted from the same departmental account string.

B. *Cost Recovery Model*

The Learning Abroad Center is a 'cost recovery unit'. It does not receive general tuition dollars from the University. Instead, there is an APAAC (advising, placement, academic and administrative costs) included within every program fee which covers the cost of LAC operations as listed in the responsibility matrix. For Global Campus Partner programs, program ownership is with the sponsoring unit (College or Department). In these instances, the LAC charges the APAAC to the sponsoring unit along with the cost of mandatory CISI insurance. The sponsoring unit is responsible for including these costs in the overall program budget and including them in the program fee that is charged to the student participants.

C. *Base and Cap Model*

The financial risk and reward for running international programs is with the unit sponsoring the program. For this reason the APAAC, while charged on a per participant basis, has both a base and a cap. The base APAAC recognizes that whether or not the program runs, the LAC devotes significant staff time and incurs costs associated with program setup and

application management. The cap recognizes that after a certain number of participants have enrolled, LAC expenses are adequately covered - any additional funds collected then go to the sponsoring unit.

D. APAAC Amounts

1. The APAAC Base is \$2,850 - this is the minimum (prorated per the schedule below) the sponsoring unit will be charged.
2. The APAAC Cap is \$9,500 - this is the maximum the sponsoring unit will be charged.
3. Between 6 and 20 confirmed students the APAAC is charged on a per student basis at a rate of \$475.
 - *Examples;*
 - APAAC for program with 4 students = \$2,850 [Base = \$2,850]
 - APAAC for program with 8 students = \$3,800 [8 x \$475]
 - APAAC for program with 12 students = \$5,700 [12 x \$475]
 - APAAC for program with 30 students = \$9,500 [Cap = \$9,500]

E. APAAC Pro-Rating Schedule

1. The sponsoring unit is responsible for 25% of the APAAC Base (\$715) once the program is set up and activated in PeopleSoft and made live on the web application portal for students to apply.
2. The sponsoring unit is responsible for 50% of the APAAC Base (\$1,425) once the first student applies to the program.
3. The sponsoring unit is responsible for 75% of the APAAC Base (\$2,140) once two or more students have applied to the program.
4. The sponsoring unit is responsible for 100% of the APAAC Base (\$2,850) once the first student has confirmed a spot on the program.

F. Mandatory University of Minnesota CISI International Health Insurance

All program participants who will be in-country for some or all of the program duration (including students, leaders/coordinators/instructors and their dependents) are required by University policy to be covered by CISI International Health Insurance when traveling abroad for University Purposes. The LAC will enroll all student participants for CISI (faculty/staff will enroll themselves). The LAC includes the cost of this insurance when billing the departmental account string (currently \$50 per participant/month but subject to change). Once insurance has been purchased for a participant, the costs are not refundable, regardless of the reason for the cancellation and costs will be billed to the sponsoring unit. The LAC will inform units when CISI insurance costs change - it often increases *after* these LOU agreements have been signed. The LAC does not determine the cost of CISI insurance.

G. Embedded Programs

1. The LAC does not charge a differential APAAC to students for programs where there are required on campus course components either before or after the program abroad. Sponsoring units that arrange these types of 'embedded' programs should be aware that because tuition is being charged as a part of the program, and all learning abroad program courses must attach to Fall, Spring or Summer terms on

campus registration, some student participants may have financial implications associated with embedded program course registration.

2. *For example; a student who is paying per credit for 10 UMN credits for spring semester who then registers for a 3-credit embedded Winter Break program course will be appropriately charged for the 13 credit banded tuition by the University.*
3. The LAC does not assume responsibility for situations where a student's tuition costs change as a result of registration for embedded program courses.

H. *Student Account Billing Procedures*

1. LAC will bill each student applicant a \$50 application fee at the time of application.
2. LAC will bill each student for the program deposit within three weeks of receiving the confirmation and payment agreement form.
3. The remainder of the program fee will be billed to the confirmed student's University of Minnesota account according to the normal billing schedule for that term.

I. *Application Fee*

The \$50 application fee covers the cost of processing the students' application to the program and represents a financial commitment on the part of the student to the program. It is non-refundable across all programs regardless of sponsorship and will be paid either by the student or by the sponsoring unit in the case of program cancellation. Sponsoring units can choose to pay the application fee on behalf of the student in extenuating circumstances.

J. *Student Cancellations*

The sponsoring unit must notify the LAC of any student cancellations as soon as possible. In the event of a student cancellation for any reason;

1. A sponsoring unit must establish a cancellation and refund process prior to any student applications and publish these policies in a prominent and accessible place for students. A sponsoring unit may elect to copy or take wholesale the [cancellation policy and procedures](#) found on the LAC website. However, in all cases the program sponsoring unit is responsible for processing any student refund appeals.
2. The LAC will bill the student account according to the refund policy established by the sponsoring unit, but in all cases the LAC will retain (for any student canceling after confirming); \$50 application fee, APAAC of \$475, and CISI insurance costs when it has been purchased for the student prior to cancellation. In the case of a cancellation prior to confirmation, only the \$50 application fee will be retained.
3. Should the sponsoring unit wish to cover these costs for the student canceling, or any other costs pertaining to the program, they may do so - in which case the costs will be billed to the sponsoring unit rather than to the student.
4. It is the student's responsibility to notify the Office of Student Finance of any changes in their program status and adjust their registration, if applicable.

K. *Program Cancellations*

The sponsoring unit must notify the LAC of any program cancellations as soon as possible. In the event of a program cancellation for any reason;

1. The \$50 application fee will be refunded to all students who have applied and will be charged instead to the sponsoring unit. The LAC will charge the sponsoring unit the

\$475 APAAC for the students who were in confirmed status or will charge the APAAC Base based on the pro-rating schedule if the program has fewer than 6 confirmed student participants.

2. The LAC will charge the sponsoring unit for CISI insurance costs when it has been purchased for some or all individuals within the group.
3. The LAC does not assume any liability in any cases, for any reasons for expenses charged by external vendors or due by contracts signed on behalf of the program by the sponsoring unit.

L. *General Considerations*

1. The sponsoring unit is responsible for complying with all university policy and procedures including, but not limited to, those established by the Offices of Purchasing, General Counsel, Disbursement Services, and Payroll for bids and contracts, as well as processing all program related payments and handling all overseas budget matters. This includes, but is not limited to, onsite instructional costs, onsite contracts and program expenses, all payroll documents for program leaders and any other persons receiving compensation from the program, travel documents, University of Minnesota fees, and the Learning Abroad Center APAAC.
2. The LAC does not assume responsibility for any debt or university policy violations on behalf of the program.
3. The LAC does not assume any liability for any aspect of the program activities.
4. Students participating on study abroad programs are granted a waiver from student service fees.
5. The sponsoring college or department is responsible for establishing a refund policy. The LAC is happy to provide consultation.

III. University Requirements

A. Both parties agree to perform the duties and abide by the terms as laid out in the University's "Student Travel and Education Abroad: Health & Safety policy" found within the policy library. These policy requirements will be met by following the steps and responsibilities found in the *Responsibility Matrix - [GCP Programs](#)* section of the Leader Portal website as well as linked within the [Global Campus Partners: Concourse form in CommunityForce](#).

1. The sponsoring unit will complete the "Unit pre-travel and program planning requirements."
2. The Learning Abroad Center will complete the "Education abroad Office" requirements.
3. Additionally, the Learning Abroad Center will take the lead on ensuring all student participants complete the "Student Pre-Travel Requirements".

B. It is imperative that all parties have ample time to adequately complete the actions detailed in the University's Health and Safety policy and complete the actions detailed in the *Responsibility Matrix - [GCP Programs](#)* section of the Leader Portal website as well as linked within the [Global Campus Partners: Concourse form in CommunityForce](#).

For these reasons;

1. The Learning Abroad Center requires the LOU to be signed no later than 6 months prior to the program start date and all student application/confirmation paperwork to be turned into the LAC no later than 30 days before the program start date.
2. **Should the sponsoring unit or the LAC not complete the requirements on this schedule, this LOU will be void. The LAC will not bill the unit for any APAAC (insurance and application fees may still be billed) but will instead refer the sponsoring unit to the International, Health, Safety and Compliance (IHSC) team and the Office of General Counsel (OGC) to discuss any possible policy exemptions for the program. Rarely are exemptions granted, most often the program will not be able to be run.**

Please sign and date one copy of this Letter of Understanding and return to the address below.

Program Name: _____

Sponsoring Unit: _____

| Sponsoring Unit | Learning Abroad Center |
|---|--|
| Program Leader/Contact Signature Date: Print Name: | Lindsey Lahr, Assistant Director Date: |
| Department or College Chair/Head Signature Date: Print Name: | Martha Johnson Assistant Dean of Learning Abroad Date: |
| Fiscal Officer for Sponsoring Unit Signature Date: Print Name: Account String Information (debits for insurance/APAAC): _____ | |