

## Office of Student Financial Services Third-Party Billing FAQs:

### **1. What is Third-Party billing?**

When a sponsor outside of Howard University makes a commitment to pay your educational expenses, they are classified as Third-Party payor. This commitment acts as Promise of Payment from the sponsor.

### **2. What is required for a student to be classified as a Third-Party student?**

For a student to be classified as a Third-Party student the student must submit the Third-Party Billing documents. These documents include the Third-Party billing contract along with the Award/Authorization letter provided by the Payor.

### **3. When are the Third-Party Billing documents due and how is it submitted?**

The Third-Party Billing documents are accepted only during the time period listed on the student Financial Services site available [here](#). Only one contract is required for the academic year. The Third-Party Billing Contract is only accepted online & Authorizations/Award Letters/ Scholarship Contracts are accepted via e-mail: [Thirdparty@howard.edu](mailto:Thirdparty@howard.edu).

### **4. 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 expenses will be covered
- The dollar amount they will pay
- The Term/Dates of Sponsorship
- Contact/Authorizing Name, Phone number, email address, and Billing address

The sponsor and student are responsible to ensure that an authorization is received by the billing due date to avoid late and/or deferred payment fees. Please ensure the student's Howard ID is on the authorization form to ensure it is applied to the correct account.

### **5. Why are the Billing Contract and Authorization required?**

The contract is required to ensure Howard follows the Federal Education Rights & Privacy Act. This act prevents private educational records (financial account information as it relates to Third Party) from being released without the student's permission. The authorization is required to ensure the invoice includes the required information to be included in the invoice as well. The authorization is the actual "Promise to Pay" from the payor.

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

Billing authorizations/award letters must be submitted by the billing due date to avoid late/non-payment penalties however, the document acceptance period is listed [here](#). Contracts & Authorizations must be submitted to ensure efficient invoicing. Beginning 2019-2020, billing authorizations are no longer accepted for previous academic years. The student will need to work with the agency to receive payment.

**7. What if I do not submit my billing authorization & Third-Party Billing contract during the document acceptance period?**

In the case that the authorization & contract are not received by the billing due date, the invoice will be processed during the next term invoicing period. The student will be responsible for any penalties assessed due to non-payment.

**8. What is the invoicing period?**

Beginning Fall 2021, Third Party has established the invoicing period. The invoicing period is the time frame in which invoices are processed. Billing documents are accepted only during the Third-Party Billing document Acceptance period to ensure all invoices are processed during the invoicing period. The specific document acceptance and invoicing period is available [here](#).

**9. Why are the payors billed after the add/drop period?**

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 to ensure that all invoices are accurate. This delay is considered when considering late fees on the sponsored portion of a student's tuition.

**10. Are payors billed for all charges listed on my billing statement?**

**Payors are billed based on what it is listed on the Third-Party Billing Contract only.** Due to the Family Educational Rights & Privacy Act (FERPA) Howard is only allowed to release information the student grants permission for us to release.

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

This answer varies based on the individual sponsor and their requirements. Generally speaking, Third Party payments are not refundable to the student. If the student has made a payment for a charge covered by the Third Party, a refund will be issued for the amount the student has paid.

**12. When is the invoice due?**

The invoice is due 30 days after being provided to the sponsor. The student is notified via their Howard e-mail if the payment is not received by the invoice due date.

**13. What happens if my payor does not pay?**

If the invoice remains outstanding for greater than 60 days, the student will be required to pay the balance on the account. If the payment arrives after the payment is made, the student will be reimbursed for the payment. Balances must be \$0.00 by the end of the invoiced term.

**14. What happens if the payor will not pay until the end of the term?**

The student will be required to pay the balance and be reimbursed when the payor issues their payment.

**15. If I am unable to pay the balance, am I allowed to enroll into future terms?**

No. If the balance is not paid by the time enrollment begins, a financial hold will be placed onto the student's account until the balance is paid in full.

**16. How will I know if my invoice has been processed?**

Students will receive an e-mail notification when the invoice has been issued. Students can also review e-pay to confirm the invoice has been processed as a memo credit will reflect under "Estimated Financial Aid"

**17. Why does my balance show \$0.00 if the sponsor has not completed payment?**

The balance reflects \$0.00 in e-pay when the memo credit is placed, and the account summary will say "Balance with estimated Financial Aid". When selecting the term, the actual balance owed will reflect.

For additional inquiries please e-mail: [thirdparty@howard.edu](mailto:thirdparty@howard.edu)