

Red Flag Identity Theft Program in compliance with the Fair and Accurate Credit and Transactions (FACT) Act of 2003.

Purpose:

This policy is intended to provide for the continued administration of a written program to satisfy the requirements of Sec. 681.2 of the Federal Trade Commission Red Flag Rules (RFR). These rules define both creditors and covered accounts and allow for a risk assessment that then informs the polices necessary to identify and prevent those risks.

Covenant College allows for payment of student charges over the course of a semester, thereby meeting the definition of a creditor in the RFR. Since these accounts may involve multiple payments, they meet the definition of a covered account in the RFR.

Risk Assessment:

The RFR allow a risk assessment to be a part of the policy and to inform the risks needing prevention policies. The risk assessment for Covenant College student accounts is very low for the following reasons.

1. The accounts are opened automatically by the college for each student who matriculates. No documents are reviewed or accepted in opening the accounts so no fraudulent documents could be involved.
2. The accounts are opened using the already existing student address maintained by the admissions office in their work assisting the student in their matriculation. Since an incorrect address is immediately apparent in the student's need for matriculation assistance, no fraudulent address can be inserted and no address fraud has ever been attempted at the college. In addition, no consumer credit reporting agencies are contacted or used in establishing a student account.
3. Information in the student account is protected by the FERPA regulations. No information involving the current balance due or credit balance available is released except to the student or a person identified by the student as allowed to access the account. The vast majority of account information is not provided by the college at all, but rather accessed directly by the student on-line with full ID and password protocols in place, maintained by the Technology Services department.
4. If a credit balance is available on the account, it can only be accessed by the student. The student must complete a credit balance refund form and the refund check is then only made out to the student. The check is then delivered either to the student themselves, with identity verified with photo ID, or mailed to the address provided by the student on the credit balance refund form. The possibility of account fraud involved is minimal since only the student can initiate a credit balance refund and only the student receives the check or determines the address to which the check is mailed.
5. Address changes are accepted on student accounts from only three sources, the student, USPS address corrections and updates from the college collection agency. The college collection agency certifies to the college that they are fully compliant with all applicable federal law.

Policies:

Since the risk assessment has determined that the possibility for identity theft or fraud is very low, no new policies are necessary. The following current practices will now become written policies, approved by the board, relating to Covenant College student accounts.

1. Credit balance refunds from student accounts can only be initiated by the student in completing a credit balance refund form. In the event a student from the off campus program requests a refund by telephone, their identity will be confirmed using either their social security number or date of birth.
2. Address changes to student accounts will be accepted from only the student, a USPS address correction or the college collection agency. Should an address change be received from any other source, the college will directly contact the student to confirm the address change.

3. The college will receive a certification that any service provider working with student accounts is in compliance with the RFR.

Oversight of program:

Responsibility for the oversight of this program is assigned to the Chief Financial Officer (CFO) of the college, under the Business Services committee of the Board of Trustees.

The CFO will report annually to the Business Services committee of the Board of Trustees any incidence of identity theft or fraud discovered during the previous year and any material changes to the program as necessary to address changing identity theft risks.