

Process for Determining Satisfactory Academic Progress (SAP) at IESE Business School for U.S. Students in the Full-Time MBA Program Receiving Federal Loans

1. Background and context.

U.S. federal regulations state that, in order to be eligible to receive federal aid from the U.S. Department of Education and receive the full loan entitlement each academic year, a student must be fully enrolled in an eligible education course and be judged to be making satisfactory academic progress (SAP). The following loan schemes are governed by these regulations at IESE Business School:

1. Unsubsidized Direct Loans
2. Direct PLUS Loans

According to the U.S. federal requirements, the school must define the Title IV academic year for the Full-Time MBA Program. The IESE MBA is a 19-month program organized in two academic years and offered in credit hours with terms:

- **First academic year: the program starts in September and ends in June and consists of three terms;**
- **Second academic year: the program starts in September and ends in May and consists of two terms;**

Terms	Credit Hours
1st term date (first year)	20
2nd term date (first year)	20
3rd term date (first year)	40
4th term date (second year)	20
5th term date (second year)	20
Total	120

The disbursement of U.S. Federal Loans is planned in September (for first-year students, it is scheduled at the beginning of the program; for second-year students, 50% of the loan is disbursed after the first academic year) and in January (after the first term of the academic year, another 50% of a loan is disbursed).

The content of each term is described in the [MBA Program Handbook](#) (provided by the MBA Department: mboffice@iese.edu, annex 1 of this document).

2. IESE Business School’s regulations for determining satisfactory academic progress.

1. IESE Business School’s academic regulations set out the parameters of satisfactory academic progress.
2. All students are required to make satisfactory progress throughout their academic program.
3. The financial aid satisfactory academic progress standards are the same for all students, regardless of whether they are receiving Title IV aid or not. All students will be subject to the same standards and will receive the appropriate action based on their status.
4. Each student has to sign the document MBA Program Handbook before classes start. This document sets out the policies and procedures governing participation in the Full-Time MBA Program at IESE Business School. Participation in the program implies acceptance of these rules.
 - **Qualitative Requirements:** The *MBA Program Handbook* includes a paragraph regarding academic rules for each Full-Time MBA student. The qualitative component of the SAP and minimum academic requirements are explained in Chapter *Academic Requirements* of this document.

- **First Year:** Students who receive three or more credit-equivalent C's in any given term will be placed on probation and warned about their poor academic performance. An accumulation of 6 credit-equivalent C's during the first year may lead to dismissal from the program. Nonfulfillment of Corporate Internship contracts and serious misconduct affecting the professional relation will trigger an Academic Evaluation Process (EAP).
- **Second Year:** Students who receive three or more credit-equivalent C's in any given term will be placed on probation and warned about their poor academic performance. When this happens in the last term of the second year, the student may be asked to repeat the term and will therefore not graduate with his or her class.
- **Quantitative Requirements:** Regarding quantitative terms, students must progress through the program at a pace which ensures that they will graduate within the maximum timeframe. The maximum timeframe for completion is 150 % of the published length of the program not to count any LOA. According to Chapter *Class Attendance of the MBA Program Handbook*, class attendance is compulsory and recorded daily. In the case of unavoidable absences, students must inform the professor and the MBA Office in writing. It is the student's responsibility to make up any missed work. Any student who accumulates 20% absences in any given course will automatically receive an Incomplete for that course, regardless of the academic grade awarded by the course professor. If a student has accumulated two or more Incompletes in one term or three or more Incompletes in the first year, an Academic Evaluation Process may be opened. This Process can also be initiated when a student misses more than 15% of classes in a given term. It is the responsibility of the MBA Committee (not the course professor) to evaluate each Incomplete. The Committee can ask any student with an Incomplete grade to do remedial work or attend specific courses in the second year. When these remedial conditions have been completed to the satisfaction of the MBA Committee, the Incomplete grade is replaced with the academic grade awarded to the student. Failure to complete the remedial work or follow the Committee's instructions automatically triggers an Academic Evaluation Process.

3. Procedure for assessing Satisfactory Academic Progress of U.S. Federal Aid recipients at IESE Business School.

The academic progress of students will be assessed prior to the disbursement of federal aid at the start of each payment period in order to determine continued eligibility. The Financial Aid Office will seek confirmation from the MBA Program Department of the pace of completion of each term (the school will calculate the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted) and that satisfactory academic progress has been made under the following criteria in line with U.S. federal regulations:

- a. The student's progress is in line with the level expected for his or her academic program, as defined in the *MBA Program Handbook*, and sufficient to enable continued academic progression in his or her course, based on the minimum academic requirements and class attendance.
- b. The student has an appropriate standing at the time of the SAP assessment consistent with the institution's requirements for successful completion of the course.

Where SAP is confirmed, the student's financial aid will be processed as normal.

4. Evaluation of the Satisfactory Academic Progress.

To receive Title IV financial aid, a student must be considered to be making satisfactory academic progress as defined in the paragraph 2 of this document and as it is described in the *MBA Program Handbook*. Student must complete degree requirements for graduation within 100% of the normal time allotted for students in similar situations (unless the MBA Committee approves a delay and leave of absence).

For the first year students, SAP will be assessed annually, at the end of the academic year.

For the second year students, SAP will be assessed at the end of each academic term.

A student who does not meet SAP standards will be notified that he is ineligible for disbursements of US federal aid. The eligibility of the student can be regained only by submitting a successful appeal and placing the student on the probation, or by taking action by a student which would lead to compliance with SAP standards.

5. Procedure to reestablish satisfactory progress and Appeals (Chapter Academic Evaluation Process of the MBA Program Handbook).

The MBA Committee is responsible for ensuring that the program's rules are consistently applied. Unsatisfactory academic performance, absenteeism or serious misconduct may initiate an Academic Evaluation Process. If an AEP is opened, the student will immediately be informed in writing and told why the AEP was opened. As part of the process, the student has the right to explain his or her point of view on the issue. In cases of unsatisfactory academic performance and Incompletes, the MBA Committee may ask the student to take a comprehensive examination at the end of the first year. The examination date will be published in the Academic Year Calendar and will take place on campus one week after the third-term final exams. Students who have been instructed by the MBA Committee to take an exam but fail to do so may be dismissed from the program. When conducting an AEP, the MBA Committee will take into account the student's academic record and the opinions of the student's mentor and section head. The reasons behind the absences leading to the Incomplete will also be considered. Additional members may join the MBA Committee for deliberation as required. In cases of serious misconduct and as part of the AEP, the MBA Committee will ask the student to explain the circumstances of the perceived misconduct. Failure to do so may lead to a recommendation that the student should leave the program. The AEP may conclude with an unconditional or conditional continuation of the student in the program, or with a recommendation to the IESE Executive Committee that the student should leave the program. The AEP result is communicated in writing to the student.

Any student who is subject to an AEP or has been dismissed for academic reasons may appeal the decision by petitioning the MBA Committee. According to the Chapter Appeals of the *MBA Program Handbook*, this process must be followed for the Financial Aid Office to consider the student's exceptional circumstances. Students are entitled to one appeal during their tenure at IESE. If reinstatement is granted but the conditions are not satisfied within a specified period of time, dismissal is automatic and not open to further appeal. Appeals should be made within three days of receipt of the MBA Committee's decision and sent in writing to the MBA Office. The appeal should be made to the Associate Dean for MBA Programs at IESE, who will issue a decision in writing.

The decision of the MBA Committee will be binding for the Financial Aid Office regarding the disbursement of funds to the student. The Financial Aid Office will inform the student by sending an email about the impact of the MBA Committee's decision on his or her Title IV funds.

6. Academic interruptions.

- **Leave of Absence (LOA):** According to the Chapter *Leave of Absence* of the *MBA Program Handbook*, if a student needs to interrupt the normal two-year course of study, he or she must request a leave of absence in writing from the Executive Director of the MBA indicating the reason for the request and the length of the anticipated absence. Leaves of absence are only granted to students with a good academic record. A student returning from a leave of absence is required to resume training at the same point in the academic program that he or she began the LOA. Depending on the circumstances, a leave of absence may be granted for up to two years. If the student does not resume attendance at the school on or before the end of a leave of absence, the school will treat the student as a withdrawal.

If the student is a Title IV loan recipient, the school will provide an explanation to the student, prior to granting the LOA, of the effects that the student's failure to return from an LOA may have on his or her loan repayment terms, including the expiration of the student's grace period. According to U.S. federal regulations, for the purpose of receiving Title IV aid, the leave of absence together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period. If this number is exceeded, IESE Business School is required to follow the "Title IV Return Policy" and the student is considered withdrawn for Title IV purposes.

- **Withdrawals:** please consult the "Withdrawal Policy", provided by the MBA Department (mbaoffice@iese.edu).
- **Transfers** from other institutions are not accepted at IESE Business School.

Further advice and support is available from:
Financial Aid Office, email address: faohelp@iese.edu

Annex 1 – The MBA Program Handbook is available [Here](#).