

Case Name: *In the Matter of Accrediting Council for Independent Colleges and Schools*

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Accrediting Council for
Independent Colleges and Schools

POLICIES AND PROCEDURES MANUAL

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ACICS POLICIES AND PROCEDURES MANUAL

TABLE OF CONTENTS

| | |
|---|-----|
| INTRODUCTION - ORGANIZATIONAL STRUCTURE..... | 4 |
| CHAPTER 1: ACCREDITATION OF INSTITUTIONS SUBJECT TO ADVERSE ACTION | 5 |
| CHAPTER 2: ACQUISITION OF OTHER INSTITUTIONS OR ADDITIONAL LOCATIONS..... | 7 |
| CHAPTER 3: BRANCH CAMPUS APPLICATION PROCESS | 8 |
| CHAPTER 4: BUSINESS PRACTICES COMMITTEE | 11 |
| CHAPTER 5: CAMPUS ACCOUNTABILITY REPORT (CAR)..... | 13 |
| CHAPTER 6: CAMPUS CLOSURE PROCESS..... | 16 |
| CHAPTER 7: CAMPUS TEACH-OUT PLAN REQUEST | 20 |
| CHAPTER 8: CHANGE OF LOCATION APPLICATION..... | 22 |
| CHAPTER 9: CHANGE OF NAME APPLICATION | 24 |
| CHAPTER 10: CHANGE OF OWNERSHIP APPLICATION..... | 26 |
| CHAPTER 11: COLLABORATION WITH STATE REGULATORY ENTITIES | 29 |
| CHAPTER 12: COMPLAINTS AGAINST ACICS..... | 30 |
| CHAPTER 13: COMPLAINT AND EXTERNAL INFORMATION | 32 |
| CHAPTER 14: CONFIDENTIALTY, DISCLOSURE, AND NOTIFICATION | 39 |
| CHAPTER 15: CONSULTATIONS..... | 42 |
| CHAPTER 16: COUNCIL ACTION LETTERS' PREPARATION AND PRODUCTION | 44 |
| CHAPTER 17: COUNCIL INSTITUTIONAL FILE REVIEW | 47 |
| CHAPTER 18: DEBARMENT | 49 |
| CHAPTER 19: DISTANCE EDUCATION APPLICATION..... | 53 |
| CHAPTER 20: DOCUMENT RETENTION AND ARCHIVING..... | 56 |
| CHAPTER 21: EDUCATION ENHANCEMENT AND EVALUATION COMMITTEE | 65 |
| CHAPTER 22: EXECUTIVE COMMITTEE | 67 |
| CHAPTER 23: EXTENSIVE SUBSTANTIVE CHANGES..... | 68 |
| CHAPTER 24: FINANCIAL REPORTING..... | 70 |
| CHAPTER 25: FINANCIAL REVIEW COMMITTEE..... | 73 |
| CHAPTER 26: HEARING PROCEEDINGS | 79 |
| CHAPTER 27: INDEPENDENT CONTRACTORS & CONSULTANTS | 86 |
| CHAPTER 28: INITIAL APPLICANTS SEEKING ACICS ACCREDITATION..... | 87 |
| CHAPTER 29: INSTITUTIONAL COHORT DEFAULT RATES (CDR) | 96 |
| CHAPTER 30: INSTITUTIONAL EFFECTIVENESS COMMITTEE | 99 |
| CHAPTER 31: INSTITUTIONAL REVIEWS | 101 |
| CHAPTER 32: INTERMEDIATE REVIEW COMMITTEE..... | 103 |
| CHAPTER 33: LEARNING SITE APPLICATION | 106 |
| CHAPTER 34: MONITORING SIGNIFICANT ENROLLMENT GROWTH | 109 |



ACICS POLICIES AND PROCEDURES MANUAL

TABLE OF CONTENTS

| | |
|--|-----|
| CHAPTER 35: NEW PROGRAM APPLICATION..... | 112 |
| CHAPTER 36: NOMINATING COMMITTEE | 114 |
| CHAPTER 37: NON-CREDIT, SHORT TERM COURSE PROGRAM APPLICATION..... | 116 |
| CHAPTER 38: NON-SUBSTANTIVE PROGRAM MODIFICATIONS..... | 118 |
| CHAPTER 39: PLACEMENT VERIFICATION PROGRAM (PVP)..... | 120 |
| CHAPTER 40: POLICY DEVELOPMENT AND REVIEW..... | 130 |
| CHAPTER 41: PROGRAM TERMINATIONS..... | 134 |
| CHAPTER 42: RECLASSIFICATION OF CAMPUSES | 136 |
| CHAPTER 43: RENEWAL OF ACCREDITATION APPLICATION PROCESS..... | 138 |
| CHAPTER 44: REVIEW BOARD OF APPEALS..... | 141 |
| CHAPTER 45: STAFF RECRUITMENT, ONBOARDING, AND TRAINING..... | 147 |
| CHAPTER 46: STANDING COMMITTEES OF THE BOARD OF DIRECTORS | 151 |
| CHAPTER 47: STUDENT ACHIEVEMENT REVIEW & MONITORING | 153 |
| CHAPTER 48: SUBSTANTIVE CHANGE COMMITTEE | 155 |
| CHAPTER 49: TITLE IV COMPLIANCE ISSUES, INCLUDING FRAUD AND ABUSE..... | 157 |
| CHAPTER 50: UNANNOUNCED AND LIMITED UNANNOUNCED VISIT | 159 |
| CHAPTER 51: VOLUNTARY WITHDRAWAL OF ACCREDITATION..... | 163 |
| CHAPTER 52: VOLUNTEER EVALUATOR PROGRAM..... | 165 |
| CHAPTER 53: WEBSITE..... | 177 |



INTRODUCTION - ORGANIZATIONAL STRUCTURE

The management team, under the direction of the president, monitors staffing levels and the operational budget to ensure that the activities needed to carry out ACICS's accreditation responsibilities are conducted efficiently and systematically. These activities include, but are not limited to, reviewing applications and other documentation related to compliance with the *Accreditation Criteria*; scheduling and conducting visits; sending visit reports and letters regarding Council actions; invoicing and processing payments; communicating with member institutions, federal and state agencies, and other interested parties; maintaining a website with current information for members and interested parties; and providing support to volunteer evaluators, the Intermediate Review Committee, the Executive Committee, and the Council.

(Include either an organizational chart with just position titles or a listing of departments and their major functions.)

The following chapters outline the policies and procedures for carrying out specific responsibilities.



CHAPTER 1: ACCREDITATION OF INSTITUTIONS SUBJECT TO ADVERSE ACTION

INTRODUCTION

All complaint and adverse information is processed according to the standards set forth in Sections 2-3-700 and 3-1-202 of the *Accreditation Criteria*. Sections 1-2-100(b)—Minimum Eligibility Requirements, 2-1-200—Initial Application, and 2-1-302—Withholding of Accreditation, of the ACICS *Accreditation Criteria* each proscribe the Council from taking certain actions when information regarding adverse action by the state or an accrediting agency is available. In addition, Section 602.28(c) of the U.S. Department of Education’s criteria for recognition of accreditors, requires that if ACICS were to waive these requirements and grant accreditation to an institution under these conditions, it must provide to the Secretary within **30 days** of its action a thorough and reasonable explanation, consistent with its standards, as to why the action of the other body does not preclude the agency’s grant of accreditation.

PROCEDURE

In order to ensure implementation of these policies and regulations, the following procedures will be followed:

STEP 1: COLLECT INFORMATION

Institutions are asked to provide any information they might have about adverse information from state licensing agencies at each point in the accreditation process. All adverse information is logged and processed according to ACICS Procedures for [Complaints and External Information](#) (see Chapter 13 of this *manual*). Information regarding pending or final adverse actions will be available in the commissioner portal for all institutions that are scheduled for consideration by the Council for a renewal of accreditation. The review of initial applicants subject to adverse action is outlined in the [Initial Applicant](#) chapter of this *Manual*.



STEP 2: PROCESS AND DISTRIBUTE INFORMATION

As part of the institutional review, commissioners access the Complaints/Adverse record in the system:

ACICS  **Member Center**

Portal Institution - Washington, DC (00025027)

| | | |
|---|--|--|
| Application Applies To: MAIN: Test Institution (00025027) 750 First Street NE Unit 980 Washington, DC 20002 (410) 262-5358, EXT 777 chris.alechko3@stratuspeer.com | Application Status Status: APPROVED PENDING COUNCIL REVIEW View Application Documents Assigned Analyst: Stratuspeer LLC Last Updated: Thu May 18 09:11:37 EDT 2017 Visit Required: No Personify App ID: N/A Citations: View Citations Deferrals: View Deferrals |  — ✓ — |
|---|--|--|

Additional Campus Information

Council Actions: [View Complaints/Adverse](#) Additional Information

STEP 3: FOLLOW UP COUNCIL DECISIONS

During its deliberations and final action, the Council will consider the nature and gravity of the adverse information and generally, ACICS will not grant accreditation to an institution under adverse action but instead would do one of the following:

1. Defer action and request information including initiating its own investigation;
2. Direct the institution to show-cause why its accreditation should not be conditioned or withdrawn and conduct its own investigative visit; or
3. Deny the application for accreditation.



CHAPTER 2: ACQUISITION OF OTHER INSTITUTIONS OR ADDITIONAL LOCATIONS

December 2010

INTRODUCTION

ACICS accredited institutions occasionally acquire other, non-ACICS accredited institutions. The newly-acquired, non-ACICS institution has to be evaluated and deemed appropriate for ACICS accreditation prior to final inclusion.

ACICS also recognizes that its member institutions may initiate a permanent location (new branch) as a result of its facilitation of the teach-out for students of another institution which is ceasing operation. (*Accreditation Criteria* – Section 2-2-101((h)))

POLICY

NEW, NON-ACICS ACCREDITED ACQUISITIONS:

Institutions are able to acquire other, non-ACICS accredited institutions, as branches of the existing institution. There is no acquisition of “program” per se, as the process to add a new program would be the same. Each institution that plans to acquire a non-ACICS accredited institution or program must notify ACICS of this substantive change and follow the procedures as outlined in the [Branch Campus Application](#) chapter of this Manual.

ADDITION OF A PERMANENT LOCATION WHERE IT IS FACILITATING THE TEACH OUT OF ANOTHER INSTITUTION:

Institutions are able to apply for the addition of a permanent location at a site where it is conducting a teach-out for students of another institution. Similar to the acquisition of non-ACICS institutions, the procedures are outlined in the [Branch Campus Application](#) chapter of this Manual.



CHAPTER 3: BRANCH CAMPUS APPLICATION PROCESS

INTRODUCTION

Initiation of a Branch Campus (formerly referred to as an additional location) constitutes a substantive change, which requires prior approval of a new Branch Campus and is voted by Council following extensive reviews and at least two on-site visits (*Accreditation Criteria* – Section 2-2-104(a)).

PROCEDURE

STEP ONE – SUBMISSION OF APPLICATION

The Branch Campus (formerly referred to as Additional Location) Application consists of general questions about the plans for the campus, the qualifications of the instructors, financial information, a reference and educational inventory, and evidence of compliance with state educational and safety laws. The main campus of the institution must log into their Member Center account to complete and submit the application for the Council's consideration. The appropriate fee associated with the application can be remitted through online using a major credit card, or by submitting a check to the ACICS (communication with the Accounting department will be necessary).

STEP TWO – REVIEW OF APPLICATION

A Program Analyst reviews the application to ensure that all materials are compliant with the outlined application procedures. In addition to meeting the requirements listed above, an institution requesting approval to initiate any non-main campus activity cannot (1) be on financial review; (2) have a net loss on their most recent financial statements; (3) be on reporting with the Institutional Effectiveness Committee (IEC); or (4) be currently on deferral. These situations require prior approval from the Council before submission of the branch application. This approval may be obtained by the institution submitting a narrative (called a waiver) describing why they should be permitted to apply while on review by the IEC or FRC. The



waiver will be considered for an action at the next regularly scheduled Council meeting. If the request is submitted to the Council in between meetings, it will not be considered until the next scheduled meeting. If a school is not required to report any information to the FRC or the IEC, but cannot submit an application because it has been deferred, the Business Practices Committee will review the request. If the committee permits the institution to submit the application, a letter is e-mailed and sent to the main campus notifying it of the decision.

Section 2-2-104(a) of the Accreditation Criteria also indicates that any institution “under a show-cause directive or a negative action will not receive approval from ACICS for the initiation of any branch campus while the action is in effect.”

Therefore, the Program Analyst, as part of the review, will access the institution’s account via Member Center and review the **Council Action** section of the dashboard to confirm that none of the conditioning actions above are in effect. In the event that the institution needs to obtain prior approval, an email communication will be sent to the primary contact to explain the waiver submission process (by the Senior Manager).

STEP THREE – CONSIDERATION AND ACTION BY EXECUTIVE COMMITTEE

The Senior Manager, Institutional and Program Review, presents the branch application to the Executive Committee for consideration for an expansion of the institution’s scope of accreditation. Refer to the [Executive Committee](#) chapter of this Manual for the possible actions and follow up.

In addition to the actions outlined in the aforementioned section, when the new branch has been approved, an approval letter for inclusion of the campus within the scope of accreditation of the institution is generated, converted to a PDF file, e-mailed to the institution and copied to the US Department of Education representative, the US Department of Education School Participation Team representative, the appropriate state representative, and the branch campus contact, if known. The letter is uploaded into the Branch Campus Application within the Member Center, and application status is set to “Visit Required”.

STEP THREE –NEW BRANCH PRE-VISIT SETUP



Staff goes into *Visit Management* in Personify and assigns a cycle to the Quality Assurance Monitoring: New Branch

STEP FOUR – QUALITY ASSURANCE MONITORING: NEW BRANCH VISIT

Within six months of the initial start date of classes at the new branch campus, staff will conduct an onsite evaluation. It is critical that the institution advises ACICS, and staff will follow up accordingly, if there is a change to the initial start date of classes to ensure that this visit takes place within the six months.

STEP FIVE – NEW BRANCH FULL EVALUATION

Subsequent to the initial review by ACICS, if there are any issues identified as a result of this visit, the campus is advised that they must be addressed prior to the submission of the additional components of the New Branch Application and preparation for the full onsite visit. The nature and substance of these concerns may be reviewed at the staff level or be presented to the Council at its next meeting for determination on the readiness of the institution to manage and operate a new branch.

If there are no concerns, or the concerns have been addressed, the accreditation staff advises the campus that it may proceed with submitting the Self-Study component of the application (Part II) in preparation for a visit within 18 months of the initial approval. Staff ensures that all the required elements are included once the Application has been submitted. The visit preparation process is similar to that outlined in the [Renewal of Accreditation Application Process](#) chapter of this Manual.



CHAPTER 4: BUSINESS PRACTICES COMMITTEE

INTRODUCTION

The mission of the Business Practices Committee (BPC) is to identify and promote quality business practices of career colleges and schools, to ensure integrity and ethical relations, and to foster cooperation among institutions on behalf of students and others served (*Accreditation Criteria – Article V Committees, Section 1(b) Business Practice Committee*)

PROCEDURE

The BPC will achieve its mission through the accomplishment of the following objectives:

- To promote through the development of new criteria and the enforcement of existing criteria, ethical principles, company values, and socially responsible business and management practices for ACICS member institutions.
- To monitor ACICS-accredited institutions' cohort default rates on an annual basis and identify institutions at risk of losing Title IV eligibility.
- To provide ACICS-accredited institutions with the knowledge and tools necessary to develop and implement a successful default management plan.
- To review current and emerging market trends and industry standards when considering changes to existing accreditation standards.
- To enable ACICS-accredited institutions, through continuous evaluation of existing criteria, to maintain a competitive edge in light of newly emerging market trends.
- To provide a forum for communication between member institutions and their existing student bodies through the enforcement of policy and procedures for resolving complaints.

Two Council staff members will serve as liaisons to the Committee to support meeting its objectives. The primary liaison's responsibilities include interacting with the Committee Chair, facilitating the items for discussion and the Committee's consideration, and ensuring that all policy changes and institutional reviews are ready for the Committee. The secondary liaison



serves as the Committee scribe, preparing the meeting agenda, recording minutes, and ensuring that the final minutes have been reviewed by the primary liaison and approved by the Chair prior to the full Council's discussion and acceptance. The secondary liaison is also responsible for ensuring that the final draft minutes and any materials handed out during the meeting are stored in the ACICS Intranet.

In preparation for the meeting, the draft agenda, policy outlines, reports, and supporting documents are saved here in the intranet: [Council](#) > [Documents](#) > [POLICY](#) > [BPC](#) (appropriate year and meeting folder).

Upon completion of the meeting and once the minutes have been drafted, they should be saved here: [Council](#) > [Documents](#) > [MEETING](#) > [MINUTES](#) (appropriate year and folder). Any edits identified during the final approval is made by the secondary liaison and saved as final in the folder.



CHAPTER 5: CAMPUS ACCOUNTABILITY REPORT (CAR)

INTRODUCTION

As a condition of maintaining good standing an institution holding a grant of accreditation from ACICS is required each year to provide specific, quantitative and qualitative information about its operations and education outcomes to the Council. The award of a grant of accreditation obligates an institution to fully inform ACICS of specific activities. The timing, format and content of the information required are described below and in the explanatory narrative of the annual reporting submission forms. The Council requires an annual report from each main and branch campus (*Accreditation Criteria - 2-1-801. Campus Accountability Report*)

PROCEDURE

Preparation for the Campus Accountability Report (CAR) commences during the months of February - April every year and is the responsibility of the Senior Manager of Institutional and Program Review.

APRIL PREPARATION

The [Institutional Effectiveness Committee](#) (IEC) will determine what revisions, if any, are made to the CAR Guidelines and Instructions and the CAR itself. The Senior Manager of Institutional and Program Review, with support from the IT team, will oversee these revisions and provide recommendations for consideration.

If changes are made to the CAR and/or Guidelines and Instructions, it may be necessary to make the same changes to CAR program spreadsheets and campus questionnaire, which are made available on through the institution's Member Center account. If changes are required to the CAR, it is necessary to notify the IT department of these changes, so that time can be scheduled to discuss, develop, test and implement the changes.



SEPTEMBER PREPARATION

The Guidelines for Completing the CAR are fine-tuned and then posted to the Web site along with a sample CAR program spreadsheet.

Every main and branch campuses accredited by ACICS are required to submit a CAR by November 1. Staff will provide training webinars, as appropriate on a regular basis, to provide guidance to campuses and address any concerns.

OCTOBER/NOVEMBER TRACKING

The Senior Manager of Institutional and Program Review monitors the receipt of CARs through the online system. This monitoring and tracking system occurs on a regular basis until November 1. If a campus fails to submit the report by the due date, correspondence will be sent via email by the Manager advising the institution of the required submission, the assessment of a late fee, and the accreditation consequences if the report is not received immediately. The accreditation of the institution may be revoked as a consequence, pursuant to Section 2-3-401(d)

CAR SYSTEM CLOSURE AND REPORTS ANALYSES

During the time of the CAR submissions, the Senior Manager of Institutional and Program Review works with the IT Department, as necessary, to aid in the creation/updating of reports that will be necessary for Council use in reviewing data on enrollment growth and student achievement review (campus and program-levels). Based on the information from the CARs, the Senior Manager of Institutional and Program Review will recommend to Council campuses to be placed on [Enrollment Growth Monitoring](#) based on the enrollment data reviewed from the current and previous year's CARs and [Student Achievement Review](#) based on the reported retention and/or placement rates at both the campus and program levels.

Additionally, the following will be reviewed for subsequent monitoring action:

1. English as a Second Language (ESL) program enrollment to ensure that institutions are not just offering ESL programs which do not have career objectives and placement outcomes. **This would call into question the institutions eligibility (Section 1-2-100(a)).**



2. Distance education enrollment at institutions to ensure that growth at the campuses does not exceed 50%. **This would trigger the monitoring and notification to ED of significant growth.**
3. The percentage of non-programmatic enrollments to ensure that the majority of institutions enrollments are in ACICS approved programs. **This would call into question the institutions eligibility (Section 1-2-100(a)(d)).**
4. A comparison of placement data reported on the CAR with the placements reported in the Placement Verification Program to ensure all placements reported on the CAR have been verified and validated by ACICS. **Verification of the integrity of the data (Section 3-1-203)**

COUNCIL REVIEW AND FOLLOW-UP

At the December Council Meeting, staff will provide the IEC with a list of campuses and programs to be considered for Student Achievement Review actions. Additionally, institutions seeking waivers from Student Achievement Review will be presented as well, if applicable. Following the Council's review and approval of all Student Achievement Review data, formal communication is sent to all institutions concerning the action taken, consistent with those outlined in **Appendix L** of the *Accreditation Criteria*. The Department will also be notified, as appropriate, on significant enrollment growth and any other observations requiring their prompt notification.



CHAPTER 6: CAMPUS CLOSURE PROCESS

INTRODUCTION

In all instances of termination of academic activity at either main or nonmain campuses, ACICS must be assured that provision is made for currently enrolled students to complete the program of instruction for which they have enrolled, either at that institution or at another acceptable institution. In addition, ACICS must be assured that student academic transcripts are safely stored and protected and that the transcripts will be accessible to students and alumni indefinitely. ACICS and the appropriate regulatory agency must be notified of the arrangements made in this regard.

The Council may direct an accredited institution to provide a school closure plan or a formal teach-out agreement in instances where the educational needs and objectives for student learning are questionable. If an institution enters into a teach-out agreement with another accredited institution, the proposed agreement must be reviewed and approved by ACICS prior to implementation. Teach-out agreements must address two key elements as follows: 1) Students will be provided the instruction promised without additional charge if not provided by the closing institution, and 2) the proposed teach-out institution is located within close proximity of the closing institution or can provide students with reasonable access to its programs and services. Further, the teach-out institution must be considered by ACICS to have the appropriate resources to provide the specified programs of acceptable quality and similar in content, structure, and scheduling (*Accreditation Criteria* – Sections 2-2-301, 2-2-302, 2-2-303).

PROCEDURE

STEP ONE – SUBMISSION OF APPLICATION

Institutions must login to their account in the Member Center, click on Modify or Add Locations, and open a Closing a Campus application. The institution downloads the appropriate templates (Notification, Teach-out Plan, and Teach-out Agreement if applicable), completes all



that are applicable, and uploads them into the campus closure application with the accompanying documentation.

- **Part I-Notification** is submitted as soon as the decision has been made to close a campus. This submission is confidential and does not require notification to students or the public.
- **Part II-Teach-out Plan** is required when the institution has finalized a teach-out plan (including notification to students and the public of the teach-out) and prior to the tentative closing date. Documentation must include an audit of enrolled students, student notification, state and federal notification, and faculty and staff notification.
- **Part III-Teach-out Agreement** is required if a teach-out plan includes a teach-out agreement. This section of the application process requires ACICS approval prior to implementation. Documentation includes a draft teach-out agreement and program comparison. Once the campus has officially ceased operations, the campus is required to upload formal notification of this closure on institutional letterhead, indicating the last date of academic activity. This document serves as the last upload in the campus closure process, unless ACICS requires further documentation from the institution, such as a final audit of enrolled students in the case of a campus closure prior to the teach-out of all students. Such an audit would indicate where any remaining students will be completing the program of study for which they enrolled.

STEP TWO – STAFF REVIEW

Upon submission of the Campus Closure Application, an ACICS staff member will review the documentation for compliance with the *Accreditation Criteria* and issue an acknowledgment of closure letter, which may be found on SharePoint under AID/Documents/AccreditationandInstitutionalDevelopment/Templates/Institution-Campus ClosureandVoluntaryWithdrawalAcknowledgments, once the formal notification of closure has been received. The letter is sent to the institution via e-mail, and is copied to the appropriate U.S. Department of Education representatives (listed on the template), the appropriate state agency, and the name of the branch campus contact, if applicable.

STEP THREE – TEACH-OUT PLAN/AGREEMENT APPROVAL



The assigned staff, with guidance from the Vice President of Accreditation, carefully analyzes, reviews, and applies the following principles in approving the Teach-Out Plan. If the closing institution offers a program that holds programmatic accreditation, that accreditor must be notified (by copy on the approval letter) of the approval of the plan. A

- Does the plan provide for the equitable treatment of students? i.e. Does the plan clearly disclose the reasons and conditions to each student; inform students of additional time to complete additional changes; provide comparable quality of service; and offer programs in compliance with standards during the teach-out?
- Is the campus conducting its own teach-out or will it be securing agreements with other comparable institutions?

ACICS has the right to require a teach-out agreement as part of the institution's Teach-Out Plan. This determination is made if the institution has not demonstrated its capacity to offer programs and services of acceptable quality on its own. The following questions are considered:

- Is there another institution involved in the teach-out? If so, is that institution accredited by an agency recognized by the Department? Is that institution in good standing with its own accrediting agency? Is that institution stable? Can it offer access without requiring the students to move or travel long distance? Are there any additional charges, and who pays?

STEP FOUR - APPLICATION CLOSURE AND RECORDS MANAGEMENT

The acknowledgment of campus/institution closure letter is saved in the campus closure application using the name and ID Code of the institution or campus. Upon upload of the acknowledgment letter, ACICS staff approves the Campus Closure Application, and the application is stored in the campus or institution's electronic database. Finally, the ACICS staff person updates the membership database (Personify) to record the date of closure of the campus/institution and mark the campus/institution as "Closed." ACICS staff must also mark the Personify account for the corresponding corporate ownership as "Inactive" if it no longer has any institutions accredited by ACICS following the institution/campus closure process, to ensure that the corporation is not billed any future sustaining fees.



In addition, the ACICS staff person who is responsible for the management of the ACICS website is copied on the acknowledgment of closure letter, and adds the information on the campus/institution closure to the “Institution Closings” webpage on the website.



CHAPTER 7: CAMPUS TEACH-OUT PLAN REQUEST

INTRODUCTION

The Council may direct an accredited institution to provide a teach-out plan when it has concerns about the institution's ability to continue to serve the educational needs and objectives of its students as a result of its assessment of risk factors, or it has been issued a show-cause directive. These factors include, but are not limited to, actions by the U.S. Department of Education, state governing bodies, and other state and federal entities. (*Accreditation Criteria* – Section 2-2-303).

PROCEDURE

STEP ONE – SUBMISSION OF APPLICATION

Upon receipt of information from any of the aforementioned sources or as a result of a show-cause directive action taken by the Council, the institution will be advised that it must log into its account and submit the *Request for Institutional Teach Out* application, with a deadline indicated for the submission.

STEP TWO – REVIEW OF TEACH-OUT PLAN

The application may be reviewed by the At-Risk Institutions' Group (ARIG), if the request was triggered following receipt of external information; or as part of the institutional review process for the show-cause directive. In both cases, the Plan is evaluated for the following:

1. The number of students that would be impacted by possible closure, including completion of program, financial obligations, potential for program transfer, etc.
2. Accessibility to comparable institutions within reasonable distance to the campus which that offers programs similar to those offered at the institution.
3. The safety and security of permanent academic records (transcripts, etc.) to include the name of a custodian.



4. The availability of financial resources available to ensure that students who are too advanced in their studies to transfer elsewhere from their current campus can complete their programs or receive refunds.

STEP THREE – FINAL CONSIDERATION AND ACTION

These considerations are incorporated into the Council’s decision concerning the Show-cause directive or into ARIG’s review. An appropriate communication is prepared and maintained in SharePoint for the record.



CHAPTER 8: CHANGE OF LOCATION APPLICATION

INTRODUCTION

Institutions are required at all times to keep the Council informed of any changes of address and changes of location. Change of location of a campus requires prior Council approval. The President has the authority to review and approve a change of location and may direct an onsite evaluation visit as part of the review. If the change of location results in disruption of transportation or forces students to relocate, the institution will also discuss and submit teach-out plans for the closing of a location (*Accreditation Criteria – Section 2-2-602. Change of Location*).

PROCEDURES

STEP ONE – SUBMISSION OF APPLICATION

To submit an application, the institution, or campus, logs into the ACICS Member Center and clicks beside *Modify or Add Location*; then uploads the requested documentation into the Change of Location Application and remits the required fee, as outlined in the *Schedule of Fees*.

STEP THREE –STAFF REVIEW

If all of the above components are not submitted, staff contacts the institution via e-mail for the missing elements, and the application is held until the missing documents have been received, **to not exceed two weeks after request. If the information is not received, the application will be withdrawn.**

On a weekly basis, staff must log into the Analyst Dashboard in the Member Center to check for new Change of Location Application submissions. Upon receipt, staff reviews the completed application and supporting documentation for compliance with the *Accreditation Criteria* and determines if the change is appropriate. If the requested change is found to be in compliance with the *Accreditation Criteria*, an approval letter is generated, turned into a PDF file, e-mailed to the institution, and copied to the U.S. Department of Education representative



(included in the template), the appropriate U.S. Department of Education School Participation Team representative (found in the most recent Directory of Higher Education Officials), and the appropriate state representative (found in the most recent Directory of Higher Education Officials).

Approval will not be granted unless all of the above elements are received. In cases where the state requires approval from the accrediting agency before it will grant approval or requires an on-site visit to the new location before granting approval, the institution must present evidence from the state in which accreditor approval is required before final approval can be granted.

Alternatively, an onsite review may be conducted in connection with the review of the application, prior to final approval.

STEP FOUR – DOCUMENT MANAGEMENT

Staff uploads the approval letter into the Change of Location application in the Member Center and changes the application status to Approved. All approval letters are saved to the Intranet, using the appropriate folder for the appropriate year using the institution's ID Code as the name for the file.



CHAPTER 9: CHANGE OF NAME APPLICATION

June 2017

INTRODUCTION

Change of an institution's name requires prior Council approval before the institution is allowed to promote or advertise its new name (*Accreditation Criteria – Section 2-2-601 - Change of Name*).

PROCEDURES

STEP ONE – SUBMISSION OF APPLICATION

To submit an application, the institution, or campus, logs into the ACICS Member Center and clicks beside *Modify* or *Add Location*. They then select the *Change of Name Application*, download and complete the application, upload the application and supporting documentation, and remits the required fee, as outlined in the *Schedule of Fees*.

STEP THREE – STAFF REVIEW

If all of the above components are not submitted, staff contacts the institution via e-mail for the missing elements and places the application on hold until the missing documents have been received.

On a weekly basis, staff must log into the Member Center Analyst Dashboard to check for new Change of Name Application submissions. Upon receipt, staff reviews the completed application and supporting documentation for compliance with the *Accreditation Criteria* and determines if the change is appropriate. If the requested change is found to be in compliance with the *Accreditation Criteria*, an approval letter is generated, turned into a PDF file, e-mailed to the institution, and copied to the U.S. Department of Education representative (included in the template), the appropriate U.S. Department of Education Case Management representative (found in the most recent Directory of Higher Education Officials), and the appropriate state representative (found in the most recent Directory of Higher Education Officials).



Approval will not be granted unless all of the above elements are received. In cases where the state requires approval from the accrediting agency before it will grant approval, the institution must present evidence from the state in which accreditor approval is required before final approval can be granted.

STEP FOUR – DOCUMENT MANAGEMENT

Staff uploads the approval letter into the Change of Name application in the Member Center and changes the application status to Approved. The approval letter is saved in the Intranet (SharePoint) in the folder for the appropriate year using the institution's id code as the name of the file.



CHAPTER 10: CHANGE OF OWNERSHIP APPLICATION

INTRODUCTION

The Change of Ownership Application is one of the most time-sensitive applications submitted to the Council. Because an institution's Title IV eligibility may be interrupted following a change of ownership, the new owners must have the Council's approval within 30 days of applying to the Department of Education for reinstatement of eligibility. These applications should be processed by ACICS within five business days so as to limit the potential loss of eligibility. The immediate outcome of this application is the temporary reinstatement of accreditation; permanent reinstatement only occurs after a Change of Ownership visit, receipt of audited financial statements, and finally Council approval. Temporary reinstatement will permit an institution to apply to the Department of Education for reinstatement of its Title IV eligibility.

The Change of Ownership Application is processed according to the standards set forth in Sections 2-2-400, 2-2-401, 2-2-402, and 2-2-403 of the *Accreditation Criteria*.

PROCEDURE

STEP ONE

An institution logs in to the Member Center, clicks to open a Change of Ownership Application, downloads the appropriate templates, uploads the required application form and documentation into the application, and remits the fees as outlined in the *Schedule of Fees*.

STEP TWO

The appropriate staff member confirms that the following items have been uploaded into the institution's Change of Ownership Application, to include all items identified as required in the application.

When reviewing this document, the senior manager checks to be sure that the contract does not contain any contingencies about the reinstatement of accreditation. Any sale that is dependent on the new owners obtaining accreditation will not be approved.



STEP THREE

Once the application is complete, the next step is to prepare a summary of the details of the change of ownership and to send ballots overnight to the Financial Review Committee (FRC), if the application is being processed between Council meetings (within two weeks). The first part of the application has much of the information needed to complete the summary. The most recent placement rates, new owners, default rates, composition of the new corporation, date of the acquisition, and purchase price are found here. An example of the summary may be found in <U:\COUNCIL\CHNG.OWN\SUMMARYSAMPLE>.

The summary should include the names of the current and former owners, including all stockholders holding at least 10%; a description of the transaction; a summary of the key statistics about the institution retention and placement, defaults, financial or Institutional Effectiveness Committee; a description of the long-range plan for the future of the institution; a summary of the changes proposed or initiated by the new ownership; and a staff recommendation.

The summary should be accompanied by a copy of the application and a ballot for the FRC to complete and return by e-mail that requires either a “yes” or “no” response and whether or not the new owners should attend an Accreditation Workshop. A draft ballot is located in <U:\COUNCIL\CHANG.OWN\BALLOTSAMPLE>. The summaries and ballots are saved in their appropriate subdirectories in the EDM.

STEP FOUR

While awaiting the return of the ballots, the staff member prepares an approval letter granting temporary reinstatement of accreditation. This approval letter must include a list of all currently approved programs and the length of each program. A draft letter may be found in <U:\COUNCIL\CHANG.OWN\APPRVLSAMPLE>.

STEP FIVE

After receiving a majority of “yes” votes from the FRC, the President notifies the institution of the Council’s decision to grant temporary reinstatement of accreditation. The President signs all correspondence granting approval for a Change of Ownership. The signed approval letter is saved in the appropriate subdirectory in the EDM.



STEP SIX

The Senior Manager sends the signed temporary approval letter to the main campus and copies to the Department of Education and the appropriate state officials.

STEP SEVEN

Once the above steps have been completed and approved, the Senior Manager will upload the temporary reinstatement letter into the application and notify a member of the Accreditation team that a quality assurance monitoring visit must occur within six months of the change of ownership transaction date.

STEP EIGHT

Once Council makes a final approval determination, the staff will prepare the approval letter. The signed approval letter granting permanent reinstatement of accreditation will be e-mailed to the main campus with a copy to each nonmain campus and the appropriate state agency contact. Staff uploads a pdf copy of the approval letter to the application, changes the status of the application to approved, and submits the change to save it. When all Council action letters have been sent, the IT department will update the database with the committee actions. The assigned staff member then updates the Personify database to reflect the new name, organizational structure, and fiscal year end if applicable of the corporation.



CHAPTER 11: COLLABORATION WITH STATE REGULATORY ENTITIES

INTRODUCTION

ACICS is committed to working closely with state higher education boards, post-secondary licensing agencies and other regulatory entities on issues, actions and information regarding ACICS-accredited institutions.

ACICS will respond promptly to information requests from state higher education or postsecondary education regulatory entities, including both routine and ad hoc requests. ACICS routinely invites state regulatory entities to observe or participate in evaluation visits to institutions in their respective states. ACICS will communicate with the appropriate state regulatory entity to inform and, if necessary to confirm state approval, prior to considering any substantive and non-substantive change applications or monitoring reviews. ACICS will routinely notify state regulatory entities of all adverse actions taken by the Council regarding any of the institutions in their respective states.

PROCEDURES

STEP ONE – WHO WILL RESPOND

Any requests for information from state regulatory agencies will be promptly responded to by the office of the President or Accreditation Department.

STEP TWO – COMMUNICATION TO STATE REGULATORY REPRESENTATIVE

Site visit coordinators routinely send a copy of the VS1 (Visit Confirmation Memo) to the state regulatory representative whose name and address appear on the Directory of Higher Education Officials. If an anticipated visit observation is confirmed, the visit coordinator will then send the state representative an official State Representative Observation Memo, which provides specific details about the purpose of the visit and visit itinerary.



CHAPTER 12: COMPLAINTS AGAINST ACICS

INTRODUCTION

Consistent with its focus on assuring accountability and integrity in all its accreditation processes, ACICS (The Council) has established a procedure for the investigation of any complaints against itself that upholds these expectations. The Executive Committee, serving on behalf of the Council, will oversee the review to assure its independence and objectivity.

PROCEDURES

1. All complaints against the Council must be in writing, and includes complaints shared by State and federal agencies.
2. Upon receipt at the Council's office, all such complaints will be forwarded by the President to Legal Counsel for advisement.
3. With consideration from Legal Counsel, the President will present the complaint to the Executive Committee at its next scheduled monthly meeting.
4. The Executive Committee will review the complaint with the due diligence appropriate to the nature and substance of the allegations, requesting, as necessary, additional information from the staff of the Council, the complainant, and any other parties associated with the matter.
5. Upon completion of its review, the Executive Committee will advise the President of its decision.
6. The complainant will be notified, in writing, within 30 days of the Executive Committee's decision, as to the findings and actions taken.



7. Under such circumstances where the Executive Committee determines that it is appropriate, an ad hoc committee of outside members and/or public member Commissioners will be appointed to independently review and evaluate a complainant and to submit a report for subsequent review by the Executive Committee.

8. If a complaint is filed against the Executive Committee, or the full Council, the Board of Ethics, will investigate the matter, consistent with its purview and established procedures. The findings of the Board will be provided, in writing to the Executive Committee for final action.



CHAPTER 13: COMPLAINT AND EXTERNAL INFORMATION REVIEW

INTRODUCTION

Complaints are received from all sources with direct involvement with the campus, including current and former staff, faculty, and students (and their representatives) and are submitted anonymously and openly. External information includes all potentially adverse information received by third-parties. All complaint and external information are processed according to the standards set forth in Sections 2-3-700 and 3-1-202(d) of the *Accreditation Criteria*.

PROCEDURE

STEP ONE – COMPLAINT OR ADVERSE RECEIVED

Complaint or adverse information received via telephone or hard-copy communication is routed to the Complaints and Adverse Review staff. However, a majority of complaints are received electronically through the online Complaints Module which is accessible via the web site at <http://www.acics.org/contact/content.aspx?id=1442>. They are also received via email to a member a staff. In the instances of paper, telephone, or email receipts, the complaint is advised, via email or telephone, to complete the online submission process in order to provide supporting documentation that can facilitate the review.

The record for external information is created by staff without follow up with the source and general triggers the investigation procedures of the At-Risk Institutions' Group (ARIG). Similarly, based on the nature of a hard-copy complaint, and the information available, staff will create the online complaint file without follow up with the source. Please review the ARIG Procedure section of this Chapter for additional details on the investigation of Adverse External Information.



External Information

Additional sources of adverse information include newspaper articles; television or radio reports; negative program reviews; findings in Inspector General Reports; U.S. Department of Education attempts to limit, suspend, or terminate an institution; negative actions by other accrediting bodies; actual or threatened revocation, suspension, or conditions by the state higher education authority.

Complaints

If the determination is made that the information is in the form of a complaint, staff will conduct a review of the complaint to make sure that it meets the following minimum requirements as described in the [Procedures for Resolving Complaints](#). In addition, the complaint must be detailed, accurate, and include documentation to support the complainant's allegations.

1. If the complaint does not include the necessary documentation to substantiate allegation or follow the procedures outlined, and no additional information was provided following a request, staff will prepare a C2 letter advising that there is no evidence of violations of the *Accreditation Criteria*: The institution will **not** be sent a copy of the correspondence. These complaints are logged (with the "No Action" designation) in the electronic Complaints Portal, with a note by the reviewer on why the action was deemed appropriate.

2. If, based on staff's review, possible violation of the ACICS Criteria is identified, a request for information letter is prepared and sent to the campus in question; and a follow up is sent to the complainant (if contact information is known):
 - C3 - Letter informing complainant that the complaint has been sent to the institutions and a response has been requested
 - C4 - Letter to the campus that includes a copy of the complaint (redacted if necessary) and with a request for specific information that aligns with the relevant Criteria. In some instances, the nature of the complaint may require a general request for information on how the campus has or will address the identified issues.



The campus may be given up to 21 calendar days to respond to the complaint, depending on the determined severity of the issues, and is expected to make reasonable efforts to resolve the problem directly with the complainant (as much as is possible)

STEP TWO– COMPLAINT RECORD

Any additional supporting documentation provided by the complainant is uploaded to the electronic complaint file, along with all correspondence sent and received by staff. A log of the open and closed complaint information is automatically maintained within the complaint portal.

STEP THREE – TRACKING

Staff checks the portal for response due dates. Additional correspondence is sent serving as a reminder to campuses that have not submitted their response and to also provide extension to the original due date, if requested. Late fees may be assessed to campuses who do not respond in a timely manner. Institutions who do not respond, after multiple requests may be subject to an ARIG-directed onsite review or directed to show-cause why their accreditation should not be suspended, revoked, or otherwise conditioned.

The visit would be facilitated by at least one staff and any other evaluators, based on the allegations originally under investigation and would be at the expense of the institution, with no notice, as provided for in Section 2-1-805 of the *Accreditation Criteria*.

If the recommendation is to issue a show-cause directive, staff will draft an outline as the reason for the directive along with any supporting materials to make the case, and a copy of the show-cause directive letter for the review and approval of the Executive Committee. This recommendation will be forwarded to the EC by the President.

STEP FOUR – STAFF REVIEW

Staff conducts a review of the response to determine if it adequately addresses the allegations made by the complainant(s).

1. INCOMPLETE or INSUFFICIENT RESPONSE

If the response failed to sufficiently address, with documentation, the allegations raised and/or provide a response to specific requests for information, an additional request for information correspondence (C9) is sent to the campus requesting the specific



(listed by the coordinator) information needed to evaluate its compliance with ACICS standards. This information must be received no later than two weeks upon receipt and less time may be provided, if there is serious concern by staff. The complainant also receives communication that additional information has been requested from the institution (C10).

- C9 - Letter to institution- more information requested
- C10 - Letter to complainant- more information requested of institution

2. COMPLETE RESPONSE

The response, which may be reviewed by senior staff or an external reviewer (IRC), will be evaluated to determine if the campus has demonstrated its compliance with the applicable standards, either through resolution or lack of culpability, or if there are outstanding issues requiring additional investigation.

- a. Routine Complaints. Frivolous, irrelevant or otherwise unsubstantiated complaints and complaints with responses that demonstrate the institution is in compliance with the *Accreditation Criteria* are dismissed.
 - C5 Letter to complainant - complaint dismissed
 - C6 Letter to institution – complaint dismissed
- b. Processing Settled Complaints. If the matter has been settled between the two parties, C7 and C8 letters are prepared with specific details on the resolution.
 - C7 Letter to complainant – complaint resolved
 - C8 Letter to institution – complaint resolved
- c. Outstanding Issues. When there is ongoing concern with the campus's compliance with the *Accreditation Criteria*, the matter will be presented to ARIG for its consideration and action.

All materials and communication related to the complaint are maintained in the Online Complaints Module, which are also accessible by the accreditation team and Commissioners.



STEP FIVE – COMMUNICATION TO COUNCIL

Complaint Chart and Review of Files

The Business Practices Committee (BPC) of the Council will be provided, at every meeting, a log and synopsis of all complaints and adverse (except financial). Financial adverse is presented as an information item by the staff liaison to the Financial Review Committee.

In those cases where an onsite visit has taken place as a result of a complaints investigation, with team's report and the campus's response will be assigned to a commissioner for file review, who also serves on the BPC (for Committee debriefing). From file review, a recommendation for the Full Council's consideration would include -

1. Campus/Institution has sufficiently addressed concerns and the complaint is closed. Council action letter would be an approval of the review.
2. Campus/institution failed to satisfactorily address the team's findings and placed on **compliance warning** since it is out of compliance at this point (at least one opportunity for response, an onsite review, and opportunity to respond to report).
3. The Council has serious concerns with the institution's/campus's ability to demonstrate compliance and determined that it is materially out of compliance with the Criteria, issuing a **show-cause directive**.

Institutional File Review

Commissioners, as part of the file review process, will review all open complaints and adverse information via the campus account on Member Center, for consideration of a final accreditation action.



AT-RISK INSTITUTIONS' GROUP (ARIG)

Purpose:

The expressed purpose of ARIG is to review the interim information/actions received concerning member institutions and determine an investigatory action that will take place. The goal is provide the Council with the necessary information by which to make an informed decision about a campus or institution.

Scope of Review:

The items which the group compiles information is gathered from complaints, adverse information, student achievement review, finance review, enrollment growth monitoring, and the most recent on-site comprehensive visit. The ARIG report lists all ACICS-accredited institutions and compiles all of the actions/information as well as the retention and placement rates of the campus and the cohort default rates of the institution. The report allows the group to see each action against each campus and institution (a main and its branch campuses).

Meetings:

The Group will meet the 2nd Thursday of each month in order to stay current with institutional/campus concerns in case these concerns need to be relayed to the Executive Committee which convenes the week following the ARIG meeting. ARIG will also meet on an ad-hoc basis as new information is received that may be egregious and require immediate attention (particularly related to complaints and adverse information).

Process:

The Group members have been assigned due to their experience and daily responsibilities of handling one or more of the interim review items. Each member discusses each case within their purview and based on any additional actions and information provided about the institution (including accreditation and complaint history) and the ARIG report, the committee determines the appropriate investigatory action. The Group is not authorized to take any specific non-



compliant actions against an institution (only the Council and Executive Committee can take actions against an institution).

Investigatory Actions:

The group has a variety of investigatory actions to which it can assess an “at-risk” institution:

- Handle the case through the specific interim review process by which it arose (i.e. the complaint process, adverse process, below standard performance rates, etc.).
- Direct a special visit to the institution to review the overall effectiveness of the campus/institution and a focused review of the specific issues of the case. This review can be (limited) announced or unannounced.

Each of these investigatory actions is not mutually exclusive. The group may require the institution to provide a response and then upon review of that response, direct a heightened response or special visit.

Disposal of Case:

Each action/information will remain on the ARIG report until the case is effectively closed. All investigatory findings and reports will be reviewed per the quarterly Council File Review process and an action in line with the Council Action Process (i.e. compliance warning, show-cause, withdrawal by suspension, etc.) will be issued to the campus/institution similar to the application review process.



CHAPTER 14: CONFIDENTIALTY, DISCLOSURE, AND NOTIFICATION

INTRODUCTION

ACICS has an established policy of notifying member institutions of its notifications to the Department regarding Title IV administration and/or suspected fraud and abuse and specifically provides for an agency review of Departmental contacts on a case-by-case basis, in order to enable the agency to properly assess whether the confidentiality of the contact needs to be maintained.

The policy presented is not intended to cover every situation, and the Council exercises considerable discretion in balancing the need for confidentiality in the accreditation process with the need to disclose information to the public, including students and student applicants, and to other interested third parties, including government agencies (*Accreditation Criteria* – Appendix A Bylaws, Article VIII Miscellaneous, Section 5 *Confidentiality* and Appendix G – Guidelines on Disclosure and Notification).

PROCEDURE

The guidelines in Appendix G are designed to inform institutions of the policies of the Council and to guide staff in disclosing information and providing materials to third parties regarding an institution's accreditation. Many policies are required by federal law and regulation.

The policies presented in Appendix G are not intended to cover every situation, and the Council exercises considerable discretion in balancing the need for confidentiality in the accreditation process with the need to disclose information to the public, including students and student applicants, and to other interested third parties, including government agencies. The Council will provide information requested by the U.S. Department of Education that may bear on an institution's compliance with federal student financial aid requirements. Please refer to Title II, Chapter 3 of the *Accreditation Criteria* for additional information.



Specific procedures are outlined below for those areas that are routine and require consistent application:

1. Conditioning or Adverse Actions – 24 hours – after notification to the institution, which will include copies to the USDE records manager, the state oversight agency, any applicable programmatic accrediting agency, and federal agencies (SEVP and School Participation Teams), a copy of this notice will be posted on the ACICS web site. The web site manager is blind copied on the email to the institution so that the notice can be posted on the Council Action web page. Staff will review this page to ensure that all notices are up to date and follow up with the website manager as needed.
In cases of a denial of accreditation action, if the institution chooses not to appeal but **wishes to make a formal comment** (for the record), this must be received within the 10 business day period provided and then communicated to the USDE and state oversight agency. A copy of these comments will be published on the web site (under the final action).
2. Review Board of Appeals Final Actions – 30 days to institution and 24 hours to public after notice to the institution. All agencies – USDE, state oversight, federal entities, and relevant accrediting agencies – will be copied on the final communication to the institution on the Review Board's decision. Again, the web site manager must be blind copied so that these comments can be added to the web site.
3. Summary of Council Actions – 30 days – by the 30th calendar day following the Council's meeting, all accreditation actions must be compiled into a report to be emailed directly to the Director of Accreditation Division in the Office of Postsecondary Education. Copied on this email communication are the states regulatory agencies (general or direct contacts), all other recognized institutional and programmatic accrediting agencies, federal agencies (including school participation teams and SEVP) **This Summary is emailed once all action letters have been sent to the institutions under review and includes both campus and program level actions.** The template of this letter is on SharePoint for consistent use and structure.
4. Final Actions Affecting Institutional Accreditation – 30 days – the USDE is copied on the formal notification to the institution concerning the following actions:
 - a. Institutional or campus closings – revocation effective on date of closure or end of academic activity



- b. Voluntary Withdrawal of Accreditation – revocation effective on official notice from the President or CEO or institutional representative is received (for immediate withdrawal actions)
- c. Expiration of Accreditation – expiration coincides with the last date of grant of accreditation (December 31) and as a result of the institution's intent to not renew is accreditation with ACICS.



CHAPTER 15: CONSULTATIONS

INTRODUCTION

ACICS has implemented the consultative process to assist accredited and applicant institutions' understanding of the issues significant to the Council with regard to applications or actions presently pending before the Council.

A consultation is directed *only* when the Council has determined that an institution will benefit from an opportunity for direct interaction with a Council staff person and a commissioner (as well as an ACICS evaluator, if necessary) to assist the institution in responding to the Council's request for further information. Consultations are *not* intended to replace an institution's formal response to the requests set forth in the Council's action letters. Rather, consultations provide an opportunity for an institution to receive guidance with regard to the Council's interpretation of the *Accreditation Criteria* and its requirements, the meaning of the Council's findings set forth in the applicable Council action letter, and appropriate responses to the Council's requests for further information or documentation.

PROCEDURE

Institutions are notified of their required participation in a consultation through the action letter they receive after each Council meeting.

An in-person, on-site consultation is ordered *only* when the Council has determined that an institution's interests will be best served by providing the consulting staff person and commissioner with direct physical access to the institution, its personnel, documents, and facilities. In those instances, the institution will be required to pay the expenses of the consultation team, as it would with any other visit to the institution directed by the Council.

The institution may also be required to pay a consultation fee, as directed by the Council. An in-person consultation with a Council staff person and a commissioner held at the ACICS office is ordered when the Council has determined that an institution's interests may be served by conducting the consultation in the offices of ACICS. The institution is required to pay the commissioner's travel expenses in coming to D.C. to meet with institution representatives.



ACICS reserves the option to hold a consultation via phone call, if it is determined that this would be the most beneficial option for an institution. In this instance, the institution would not need to pay unless the aforementioned consultation fee.

During consultations, the following general guidelines apply:

- The commissioner and staff member represent the Council and function as resources knowledgeable of the Council's intent. Their role is to provide explanation and guidance that may be either valued or disregarded, in whole or in part, by the institution in its sole discretion.
- As a practical matter, the commissioner and staff member cannot provide and, as a matter of policy, will not provide any assurance of the Council's ultimate decision or action with regard to any request, response, issue, application, or action pending before the Council. If any such assurance appears to be given, it is speculative and is to be disregarded by the institution.
- The commissioner and staff member present can review and guide the institution with regard to its proposed responses to the Council's action letter. They cannot themselves draft, rewrite, revise, or amend the institution's response, nor can they provide copies of Council documents (e.g., file worksheets) to the institution. Any response submitted by an institution remains the institution's own work product and will be viewed as such by the Council, regardless of its source.

A consultation report will be prepared for the record and shared with the institution and the Council during its subsequent review of the institution's response.



CHAPTER 16: COUNCIL ACTION LETTERS' PREPARATION AND PRODUCTION

INTRODUCTION

Council Action letters (also known as motion letters) are the official correspondence produced in accordance with each Council Institutional File Review meeting. The letters evolve through a series of edits and modifications until their eventual finality when they are sent to the respective institutions.

ACICS is required to notify institutions that have an application reviewed before the Council of the action taken within 30 days of the meeting. The procedures for creating, editing, producing, and delivering that action are described below.

PROCEDURE

STEP ONE – DRAFT ACTION LETTER CREATED

Depending on the result of the visit (whether findings were issued or no findings were issued), the letter is drafted by a particular individual. For those visits in which no finding was issued, the staff member who conducted the visit is tasked with drafting the appropriate letter for Council review. All visits in which findings were issued, or are part of an institution including a main campus and branch campus(es) for which findings were issued, are reviewed by IRC; a recommendation is made, based on the institutional response, regarding which findings have been satisfied and which have not; and a letter is drafted.

Staff members and the [Intermediate Review Committee](#) (IRC) use motion letter templates as a sample for creating the letter appropriate to the recommended action. These templates contain the language that is used to notify an institution or campus of a particular action as well as who from the institution must be notified, when the documents are to be received, and who from other agencies (branch campuses, state agencies, Department of Education, programmatic accrediting agencies, etc.) must be notified. Action (motion) letter templates are available and maintained in the Commissioner Portal:



ACICS  **Member Center**

Portal Institution - Washington, DC (00025027)

| | | |
|---|---|--|
| Application Applies To: MAIN: Test Institution (00025027) 750 First Street NE Unit 980 Washington, DC 20002 (410) 262-5358, EXT 777 chris.alechko3@stratuspeer.com | Application Status Status: APPROVED PENDING COUNCIL REVIEW View Application Documents Assigned Analyst: Stratuspeer LLC Last Updated: Thu May 18 09:11:37 EDT 2017 Visit Required: No Personify App ID: N/A Citations: View Citations Deferrals: View Deferrals | Upload New Document ✓ <input type="checkbox"/> Name MOTION LETTER TEMPLATES ORANGE SHEET TEMPLATES Sample Documents Substantive Changes Templates |
|---|---|--|

Additional Campus Information
[Council Actions](#) [View Complaints/Adverse](#) [Additional Information](#)

[Upload New Document](#) or drag

STEP TWO – 1ST AND 2ND REVIEW/EDITS CONDUCTED

The letters acknowledge any findings that have been satisfied and explain the remaining findings or areas of noncompliance along with an explanation of the corrective actions necessary for institutional compliance. These letters are then reviewed by the staff member who conducted the visit along with a team of editors to ensure that formatting, grammar, and content are correct and that the appropriate documentation is requested in the letter – along with a recommendation for an action.

STEP THREE – 3RD REVIEW AND COUNCIL APPROVAL

The action letters that have been drafted are uploaded into the applications in the Commissioner Portal in preparation for the Council’s next scheduled meeting. Each commissioner reviews the institutional files, orange sheets, and letters assigned by staff to committees. If any changes are required for the letter, the commissioner reviewing the file makes the changes within the system. The committees (A, B, and C) that reviewed the files eventually make a motion to the full Council to accept the actions recommended. If the Council takes a different action from that recommended by a committee, the staff member is responsible for making any necessary changes to the letter.

STEP FOUR – SENT TO INSTITUTIONS



The letters reflecting Council actions are then reviewed a final time by the staff member, senior management, and the accreditation content editor to ensure accuracy and consistency and given to the President for final approval. Finally, the letters are delivered via e-mail and hard copy to the institution, in the following manner:

- Adverse (Withdrawal by Suspension/Denial/Revocation): *Email and Overnight Delivery with Delivery Receipt*
- Conditioning (Show-Cause Directive): *Email and UPS Delivery*
- Conditioning (Compliance Warning/Deferral/Approval): *Email and Regular Mail*

Letters for actions taken on Quality Assurance Monitoring visits are sent via e-mail only. In all cases, the email will require both read and delivery receipts and sent with high importance.

A copy of the PDF version of the letter is filed in the application. If an application status changes (such as approved or denied), the application status is changed by the accreditation content editor or designated staff member. Both the Word and PDF versions of letters are filed in groups in the secured Motion Letters folder in SharePoint under the President's department by the date sent.



CHAPTER 17: COUNCIL INSTITUTIONAL FILE REVIEW

INTRODUCTION

Institutional file review is the review of all pertinent information about all institutions coming before the Council for accreditation-related consideration at the meeting. These include institutions to be reviewed for an initial or new grant of accreditation, other substantive changes, and conditioning actions taken as a result of a variety of reasons.

POLICY

Council members are assigned a similar amount of institutions and/or findings to review each meeting. Council members are not assigned institutions that they are affiliated with or are in direct competition with. Council members are also not assigned files of institutions they may have visited or in states where they reside. New commissioners generally will be assigned to work with a more experienced commissioner who will assist them in the file review process. It is also ACICS policy that when institutions that Council members are affiliated with are being discussed, those Council members excuse themselves from the room and also abstain from any necessary voting.

Staff liaisons work with each Council file review committee to ensure that all institutions are reviewed and that all necessary edits are made in time for the final full Council meeting.

PROCEDURE

The review of individual institutions is conducted by the working committees. Under the direction of their committee chair, individual commissioners will review the institutional files and develop recommended actions for discussion. The standard procedure involves reviewing the reason that the institution is on the agenda and determining the actions the Council has taken in the past in consideration of the institution. The commissioner then reviews any visit reports, institutional responses, other information, including student achievement rates, pending complaints and/or external information, and checks the recommended action. Based on this review, it may be appropriate to accept the recommended action and submit it to the Council for consideration. When



a commissioner believes the recommended action is not consistent with the facts in an institution's file, or if subsequent information has been received to alter the recommended action, it may be appropriate to give a different recommendation. The Committees will convene during the week to discuss and reach consensus for the findings for the institutions each commissioner has reviewed.

During the committee considerations of institutional files, each commissioner will discuss reasons for the recommended action and answer specific questions concerning the team report, institution's response, etc. Each committee Chair will then present the committee's reviewed institutions and recommend actions to the full Council. The full Council makes the final decision and may revise, amend, or reject the recommendation of the committee. Actions taken are consistent with those outlined in Chapter 3 of the *Accreditation Criteria*. These actions are communicated via the [Council Action Letters](#) process.



CHAPTER 18: DEBARMENT

INTRODUCTION

The Council may bar a person, including spouses and closely related family groups from being an owner or senior manager of an ACICS accredited institution if that person was an owner or manager of an institution that lost its accreditation as a result of a denial or suspension action or that closed without providing a teach-out or refunds to students matriculating at the time of the closure. Debarment actions are not common. (See *Accreditation Criteria* - Sections 2-3-900 and 2-2-401)

POLICY

The Council will notify a person or persons for whom it has decided to issue an *Intent to Bar* to as the result of denial or suspension action within four months following the loss of the institution's accreditation. It will notify a person or persons whom it has decided to issue an intent to bar to as the result of the closing of an institution within a reasonable period of time following the closure, normally not more than six months following the closure of the institution. In each case, the Council will send an intent to bar notice by both e-mail and certified mail to the last institutional or personal mailing address known to the Council, unless the Council has received updated mailing information following the institution's closure or loss of accreditation. Individuals will be considered notified when the Council has received proof of receipt via e-mail or mail.

The Council retains final discretion to establish the terms and length of the debarment. The length of debarment will vary depending on the circumstances that lead to the debarment decision, but it typically will be for a period of at least one year and not more than ten years. Individual circumstances may justify a longer period of debarment.

A person or persons issued an intent to bar action by the Council may appeal this decision to the Council in accordance with such debarment appeals procedures as the Council may establish. The Council's decision is final if the person elects not to appeal. The Council's



decision is also final if the Council affirms its decision following an appeal, and no additional appeal rights are available under these procedures.

The standards regarding confidentiality and Appendix G provide additional information with respect to the debarment action.

PROCEDURE

STEP ONE - NOTIFICATION

Following Council action of intent to bar, a letter is sent to the person(s) against whom action has been taken notifying them of Council action within **four months** of the loss of the institution's accreditation or within a reasonable period of time following the closure of an institution, normally not more than **six months** following the closure. The appellant has an opportunity to appeal the decision.

STEP TWO – NOTICE OF APPEAL

A person issued an intent to bar action by the Council may appeal the decision by submitting a notice of appeal to the Council within **ten (10) days** after receipt of the letter of notification of the intent to bar. If the person (“the appellant”) requests a hearing, the request must be included in a notice of appeal. The staff liaison will respond to the appellant via letter on behalf of Council.

STEP THREE – APPOINTMENT OF HEARING PANEL

The appeal proceeding shall be conducted by a three-member panel of commissioners (“the Panel”) appointed by the Board Chair, who also shall designate one of the commissioners as Panel Chair. In the event that two or more debarments arise out of the same operative facts, the Panel Chair may consolidate all appeals in one proceeding. ACICS will establish deadlines for the submission of materials to be considered in the appeal. The staff liaison sends the schedule to the appellant.

Review without Hearing. If the Appellant does not request a hearing but wishes to submit an appeal in writing, the Panel, at the next regularly scheduled meeting of the Council, shall review the appeal based upon the written response and any supporting documentary evidence



and arguments submitted by the Appellant along with the notice of appeal. Staff prepares the documentary evidence submitted by appellant and includes the applicable policy outline and other items such as newspaper articles, correspondence, etc. The review materials are sent to each member of the panel and ACICS' attorney, as needed. The Panel's decision on the appeal shall then be reviewed by the Council for final action. The Appellant shall be notified of the Council's final action within thirty days, via letter.

STEP FOUR - HEARING

Hearing format and procedures are outlined in the Hearing Proceedings chapter of this document.

If requested in writing along with the notice of appeal, Appellant may have a hearing before the Panel. The Panel shall notify the Appellant of the date, time, and place for the hearing. In addition the Appellant will be notified and a schedule set for written submissions prior to the hearing by the Appellant and Legal Counsel for the Council, including any documentary evidence and arguments upon which the Appellant and the Council may rely. All such submissions must be received by the Council by the established deadlines. The following procedures will apply to the hearing:

- a. The Appellant shall have the burden of demonstrating why the debarment should be set aside or modified.
- b. The hearing will last no more than two hours, unless there are consolidated appeals, in which case the Panel Chair may set a longer time. The Appellant may be represented by counsel. The time for the hearing will be divided between the Appellant and the Council, Legal Counsel for which shall present documentary evidence and arguments in support of the Council's intent to bar action. Appellant may reserve time for rebuttal argument.
- c. The Panel's decision on the appeal shall be communicated to the Council for final action. Appellant shall be notified of the Council's action within thirty days.

Prior to the hearing, staff liaison prepares electronic binders of the documentary evidence submitted by appellant and includes the applicable policy outline and other items such as newspaper articles, correspondence, etc. The binders are sent to the each member of the panel, the ACICS attorney, the appellant and the appellant's attorney.



STEP FIVE – HEARING PANEL AUTHORITY

The Panel shall have the authority to recommend:

- a. affirming the Council’s debarment decision; or
- b. setting aside the debarment decision if it finds that the decision was arbitrary or capricious or otherwise in substantial disregard of the *Accreditation Criteria*; or
- c. modifying the debarment decision based upon newly discovered material information, reversal of the grounds on which the debarment was based, elimination of grounds for the debarment, or any other material reason the Panel deems appropriate.

STEP SIX – FEES

The Appellant shall bear the expense of the appeal hearing, including but not limited to the cost of the hearing room and transcript. A written appeal will have no cost but an in-person review (hearing) will include a \$5000 charge which must be remitted at the time of notification of the intent to appeal.



CHAPTER 19: DISTANCE EDUCATION APPLICATION

INTRODUCTION

Institutions are required to apply and receive approval from the Council before offering any courses and/or programs via a distance education mode of delivery. Introduction of distance education mode of instructional delivery is considered a substantive change and requires prior Council approval (*Accreditation Criteria* – Section 2-2-106 – **Initiation of Distance Education**).

PROCEDURES

All institutions requesting to convert existing courses or programs to an online format for the first time at their institution must do the following:

STEP ONE – SUBMISSION OF APPLICATION

Institutions must log into their Member Center account to download and complete the application and required supplemental documentation. Institutions must remit the appropriate fee through their Member Center account using either a major credit card, or by submitting a check to the ACICS.

STEP TWO– REVIEW OF APPLICATION

Staff reviews the application(s) and verifies that the required information has been included; in particular, staff is verifying that each area outlined in Appendix H of the *Accreditation Criteria* has been adequately addressed. Council requires that the institution provide the following before online courses begin:

1. Faculty training and orientation
2. Student orientation
3. Description of plan to offer adequate interaction between students and faculty, student and student, and student and faculty.
4. Designation of a staff member who will coordinate online activities



5. Methods used to verify the identity of the student and publication of how the student's identity will be verified throughout the course and program.
6. Methods used to protect the students' privacy and disclosure of any fees associated with the verification process.
7. Online library or research resources are available to students for the courses offered.
8. Student services must be provided for programs taught 100% online.

STEP THREE– COMMUNICATION WITH SCHOOL

Once the new distance education application is reviewed, **one** of four options is followed:

1. If the application submitted contains errors or is incomplete, an e-mail detailing areas of non-compliance is sent to the member institution and the application is held in the office of the respective reviewer for two weeks. If the requested information is not provided by the institution within two weeks, the application is withdrawn.
2. If the application is complete, meets the standards, and the institution has been previously approved to offer distance education, staff drafts a letter of approval which is emailed directly to the application preparer with a copy to the campus administrator. Distance Education is then added on the campus's "Accreditation" tab in the Personify system.
3. If the application is complete, meets the standards, and the institution has not been previously approved to offer distance education, staff drafts a letter of approval which denotes the requirement for a quality assurance monitoring visit, that is emailed directly to the application preparer with a copy to the campus administrator. A visit by an appropriate subject matter specialist is also scheduled. Distance Education is then added on the campus's "Accreditation" tab in the Personify system.
4. If the reviewed application constitutes a method of delivery outside of the scope of the institution's accreditation, the application must be presented to the [Executive Committee](#) for their review.

STEP FOUR – APPROVAL OF DISTANCE EDUCATION ACTIVITY

After the institution has cleared any issues with regards to the application (if any), **and which must be done within two weeks following notice (or the application is withdrawn)** the institution will be approved to begin offering courses or program online. The approval letter will



state when the first progress report is due and the proposed date of the initial evaluation visit. Staff processing the application will make sure that all application and future visit dates are properly recorded.

STEP FIVE – ON-SITE EVALUATION VISIT, EVALUATION REPORT, AND INSTITUTIONAL RESPONSE

Distance Education Evaluation Visits are conducted approximately one year after the start of the first online courses. A staff member, with a distance education specialist, visits the institution to review the online activities. An evaluation report is written and sent to the institution consistent with the evaluation process.

Additionally, Distance Education activities are also reviewed during evaluation visits, i.e. renewal of accreditation or branch inclusion visits. All institutions are required to report distance education enrollment activities on the [Campus Accountability Report \(CAR\)](#) and incorporate its distance education activities into the Campus Effectiveness Plan (CEP).



CHAPTER 20: DOCUMENT RETENTION AND ARCHIVING

INTRODUCTION

As an integral part of ensuring the quality and integrity of institutions, ACICS requires the comprehensive and accurate retention and archival of all records and documents germane to the accreditation process. The agency requires all employees, volunteer evaluators and agents to contribute to a complete record of the institutions currently and formerly accredited by the agency.

To accomplish this retention and archival outcome, ACICS utilizes an electronic document management solution (SharePoint) to create an accurate and completely record of its activities as an accrediting entity. The electronic document management system allows for institutions to convey applications and other official requests to ACICS, and for those requests to become a permanent part of the institution record. Other elements of the institution records captured in this solution include team reports, institution responses to site visits, periodic review reports.

Records pertaining to previous accreditation cycles and files of closed institutions (that fall under the retention policy) are maintained in the electronic document management system as well. In addition, the ACICS electronic filing system contains all institutional actions taken by the Council, official minutes of each Council meetings, and other official correspondence between ACICS and other accreditors, state and federal regulatory authorities, and other official corporate documents.

POLICY

ACICS requires that various types of records and documents shall be managed and retained for specific periods of time and that records and documents shall be destroyed on a specific schedule and in an appropriate manner. This policy is intended to guide that management and retention in a manner consistent with laws and sound accreditation practices. This policy applies to specified records of ACICS and requires the responsible implementation of the policy by staff.



PURPOSES

The proper management of ACICS records will help to ensure that confidentiality is maintained when necessary or appropriate. The policy will ensure that records are retained during periods of time when they are likely to be needed and that records are systematically destroyed thereafter. The policy is not intended to apply to drafts and working papers of individual staff members, who are expected to exercise good judgment in managing them.

RECORDS COVERED BY THE POLICY

This policy applies to records in all formats, whether paper or electronic. It applies to originals and copies, unless the copies are kept on hand for distribution. It does not apply to informal notes or materials that have little informational value, such as telephone call slips or routing messages.

RETENTION PERIODS AND DISPOSAL

Any record that is relevant to pending or anticipated litigation or investigation or that relates to a claim or audit shall be retained at least through final resolution of that matter.

Records covered by this policy shall be retained for the period designated on the following chart. After that period, the records shall be destroyed by a method that preserves confidentiality, such as secure shredding of paper documents. Destruction of a record means that all copies of the record shall be destroyed, whether paper or electronic, but data related to the record shall not be destroyed.

PURPOSE

The purpose of this Policy is to ensure that necessary records and documents are adequately protected and maintained and to ensure that records that are no longer needed by Accrediting Council for Independent Colleges and Schools (ACICS) or are of no value are discarded at the proper time. This Policy is also for the purpose of aiding employees and volunteers of ACICS in understanding their obligations in retaining and disposing all documents (electronic or otherwise) - including e-mail, Web files, text files, sound and movie files, PDF documents, and all Microsoft Office or other formatted files.



POLICY

This Policy represents ACICS's policy regarding the retention and disposal of records and the retention and disposal of all documents (electronic or otherwise).

ADMINISTRATION

Attached is the Record Retention Schedule that is approved as the initial maintenance, retention and disposal schedule for physical records of ACICS and the retention and disposal of electronic documents. The manager of Records Management (the "Administrator") is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. Before any records are disposed of, a member(s) of the executive staff will perform a review of the documents to ensure that all procedures were followed. The Administrator (with the President's approval) is also authorized to: make modifications to the Record Retention Schedule from time-to-time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for ACICS; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

SUSPENSION OF RECORD DISPOSAL IN EVENT OF LITIGATION OR CLAIMS

In the event ACICS is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning ACICS or the commencement of any litigation against or concerning ACICS, such employee shall inform the President's office and any further disposal of documents shall be suspended until such time as the Administrator, with the advice of counsel, determines otherwise. The Administrator shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

APPLICABILITY

This Policy applies to all physical records generated in the course of ACICS's operation, including both original documents and reproductions. It also applies to the electronic documents described above.



This Policy was approved on 06/21/17.

RECORD RETENTION SCHEDULE

| Type of Document | Type of Document | Minimum Requirement |
|-------------------------|--|---|
| School File Records* | Application for Initial or Renewal of Accreditation | 6 years** or until final action is taken by Council (whichever comes later) |
| School File Records* | Self-Evaluation Report | 6 years** or until final action is taken by Council |
| School File Records* | Team Summary Reports | 6 years** or until final action is taken by Council |
| School File Records* | On-site Evaluation Records (active/inactive) | 6 years** or until final action is taken by Council |
| School File Records* | Council Action Letters – All (active/inactive) | Permanently |
| School File Records* | Council Approval letters - Substantive Change | Permanently |
| School File Records* | Non-Substantive Change Applications | 6 years** or until final action is taken by Council |
| School File Records* | Waiver Requests and Council Action | 6 years** or until final action is taken by Council |
| School File Records* | Correspondence that has a Bearing on an Accreditation Action (active/inactive) | Permanently |
| School File Records* | Financial Statements | 6 years** or until final action is taken by Council |
| School File Records* | Complaints filed in Accordance with the ACICS Rules | 6 years** or until final action is taken by Council |
| School File Records* | Inactive School Files | 1 year |
| Notes and Working Files | On-Site Evaluation Notes and Working Papers – Staff and Volunteers | To be Discarded after Council Action |



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| Notes and Working Files | Council Meeting Notes and Working Papers | Commissioners – To be Discarded After Council Action is Ratified. Staff – May be discarded when the complete School Action Letter(s) is sent |
| Notes and Working Files | Orange sheets | To be Discarded After Commission Action is Ratified or in the case of an adverse finding until outcome is final. |
| Notes and Working Files | Institutional Compliance Summary for Adverse Actions | Maintained Until Council Action Letter Sent to School |
| General Corporate Records | Articles of Incorporation and Amendments | Permanently |
| General Corporate Records | Bylaws | Permanently |
| General Corporate Records | Recognition Petitions | Permanently |
| General Corporate Records | Standards of Accreditation | Permanently |
| General Corporate Records | Call for Comments | Permanently |
| General Corporate Records | Accreditation Alerts | Permanently |
| General Corporate Records | Final Commission Meeting Minutes | Permanently |
| General Corporate Records | Membership Ballots | Maintained 90 days following the applicable vote |
| General Corporate Records | Deeds, mortgages, lease and bills of sale | Permanently |
| General Corporate Records | Trademark and Copyright Registrations | Permanently |
| General Corporate Records | Insurance Policies | Maintained for the Life of the Policy + 3 years |



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|-------------------------------------|---|-------------|
| General Corporate Records | Correspondence (general) | 90 days |
| General Corporate Records | Depreciation schedules | Permanently |
| Accounting, Finance and Tax Records | Income Tax Returns and Filings | 7 years |
| Accounting, Finance and Tax Records | Audit Reports of Accounts | Permanently |
| Accounting, Finance and Tax Records | Insurance records, current accident reports, claims, policies, and so on (active and expired) | Permanently |
| Accounting, Finance and Tax Records | Accounts Receivable Records | 7 years |
| Accounting, Finance and Tax Records | General Ledger Records | 7 years |
| Accounting, Finance and Tax Records | Bank Records (i.e. statements, reconciliations, canceled checks) | 7 years |
| Accounting, Finance and Tax Records | Schedules, Ledgers and Other Supporting Documentation for Financial Statements and Tax Forms | 7 years |
| Accounting, Finance and Tax Records | Accounts payable ledgers and schedules | 7 years |
| Accounting, Finance and Tax Records | Contracts, mortgages, notes, and leases (expired) | 7 years |
| Accounting, Finance and Tax Records | Expense analyses/expense distribution schedules | 7 years |



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|---|---|-----------------------------------|
| Accounting, Finance and Tax Records | Year-end financial statements | Permanently |
| Accounting, Finance and Tax Records | Invoices (to customers, from vendors) | 7 years |
| Accounting, Finance and Tax Records | Payroll records and summaries | 7 years |
| Accounting, Finance and Tax Records | Checks (for important payments and purchases) | Permanently |
| Accounting, Finance and Tax Records | Internal audit reports | 3 years |
| Accounting, Finance and Tax Records | Contracts (still in effect) | Contract period + 5 years |
| Accounting, Finance and Tax Records | Withholding tax statements | 7 years |
| Personnel Records and Payroll Documents | Employee Handbook | Maintained Permanently |
| Personnel Records and Payroll Documents | Employee Personnel Records (i.e. resume/application; evaluations; attendance records; compensation; exit information) | Maintained While Active + 3 years |
| Personnel Records and Payroll Documents | Employment Agreements and Independent Contractor Agreements | Maintained While Active + 3 years |
| Personnel Records and Payroll Documents | Employment Earnings and Payroll Records | Maintained While Active + 3 years |
| Personnel Records and Payroll Documents | Employee Insurance Records | Maintained While Active + 3 years |



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| Personnel Records and Payroll Documents | I-9 Forms | Maintained While Active + 3 years |
| Personnel Records and Payroll Documents | Job Postings, Advertisements, Non-Employee Applications and Documents Pertaining to Employees Not Hired | 1 year for hiring decision |
| Personnel Records and Payroll Documents | Discrimination or Harassment Complaints | while active + 3 years |
| Personnel Records and Payroll Documents | Retirement and pension records | Permanently |
| E-Mail and Other Correspondence / Records | Correspondence (general) | 90 days |
| E-Mail and Other Correspondence / Records | Correspondence (legal) | Permanently |
| E-Mail and Other Correspondence / Records | Correspondence (with vendors) | 3 years |
| Digital Storage Media and Other Electronic Information | Employee hard drives and storage media | 60 days after termination |
| Digital Storage Media and Other Electronic Information | Network hard drives | 90 days from cessation of use; 5 years if programs contained thereon are no longer used |
| Digital Storage Media and Other Electronic Information | Voicemail records (stored electronically) | Hosted vendor maintained per their TOS |
| Digital Storage Media and Other Electronic Information | Monthly System Back-Ups | 1 year |



| | | |
|--|--|---------------------------|
| Digital Storage Media and Other Electronic Information | Active Computer Inventory List | Permanently |
| Digital Storage Media and Other Electronic Information | Web site (archive version and current version) | 2 year |
| Digital Storage Media and Other Electronic Information | Financial System Back-Ups | 7 years of yearly backups |



CHAPTER 21: EDUCATION ENHANCEMENT AND EVALUATION COMMITTEE

INTRODUCTION

The mission of the Education Enhancement and Evaluation Committee (EEE) is to establish standards for educational quality that assist institutions in mission fulfillment, program planning and development, institutional evaluation activities, and successful educational outcomes (*Accreditation Criteria – Article V Committees, Section 1(c) Education Enhancement and Evaluation Committee*).

PROCEDURE

The objectives of the EEE committee are to:

- Review and establish accreditation standards, policies, and procedures related to initiation and evaluation of new programs, changes to programs, and termination of programs.
- Review and establish accreditation standards related to instruction, faculty, and library resources and services.
- Review current and emerging market trends and industry standards when considering changes to existing accreditation standards related to education, programs, and activities.
- Provide publications, workshops, and other services to ACICS member institutions that assist them with accreditation issues and improve educational processes and outcomes.
- Continuously review and assess evaluation visit procedures and provide training to ensure integrity in the accreditation process.

Two Council staff members will serve as liaisons to the Committee to support meeting its objectives. The primary liaison's responsibilities include interacting with the Committee Chair, facilitating the items for discussion and the Committee's consideration, and ensuring that all policy changes and institutional reviews are ready for the Committee. The secondary liaison



serves as the Committee scribe, preparing the meeting agenda, recording minutes, and ensuring that the final minutes have been reviewed by the primary liaison and approved by the Chair prior to the full Council's discussion and acceptance. The secondary liaison is also responsible for ensuring that the final draft minutes and any materials handed out during the meeting are stored in the ACICS Intranet.

In preparation for the meeting, the draft agenda, policy outlines, reports, and supporting documents on ACICS' intranet: [Council](#) > [Documents](#) > [POLICY](#) > EEE (appropriate year and meeting folder). Upon completion of the meeting and once the minutes have been drafted, they should be saved on the intranet: [Council](#) > [Documents](#) > [MEETING](#) > [MINUTES](#) (appropriate year and folder).



CHAPTER 22: EXECUTIVE COMMITTEE

INTRODUCTION

As a standing committee of the Board of Directors, the Executive Committee (EC) has the authority to act on behalf of the Board and/or Council during the periods between the meetings. Its responsibilities include acting on issues requiring timely attention apart from the scheduled Board/Council meetings. The EC

PROCEDURES

As determined by the Chair and the President, the EC will meet at least once a month, at a predetermined date, to consider any substantive changes requiring attention as well as other accreditation and ACICS-operational matters. The agenda for these meetings will be drafted by the President and any materials supporting the discussion items will be forwarded to the EC within a week of the meeting for the members' review and preparation. Minutes of the meeting will be taken by the President and accepted by the Committee Secretary for final approval and distribution.

While the EC has the authority to act on behalf of the Council, it will not take any final adverse action against an institution, an individual, or any entity. Instead, these actions will be deliberated upon by the full Council at its next meeting.



CHAPTER 23: EXTENSIVE SUBSTANTIVE CHANGES

INTRODUCTION

Extensive substantive change is defined as any substantive change to the educational mission, program, or programs of an institution that results in an institution that is significantly different from that which was last reviewed by the Council. The Council's concern, in reviewing and monitoring these changes, is that the institution does not adversely affect the capacity of the institution to continue to meet the agency's standards. (*Accreditation Criteria* - Section 2-2-102)

PROCEDURES

ACICS staff reviews all substantive changes made by member institutions. This review is conducted using a scale of 1-5 on any substantive change that has been made since its last renewal of accreditation visit and a cumulative score is calculated for all substantive changes. As appropriate, and based on staff's monitoring of changes at institutions, the Executive Committee will review the Substantive Change Matrix with recommended actions for member institutions that have made extensive substantive changes based on the cumulative score. A copy of this matrix, along with communication templates and the rubric, can be found in Share Point in the Substantive Change folder. The scores and corresponding recommended actions are as follows:

1. Total Points < 6 = No action
2. Total Points of 6 or 7 – Monitoring Status: the institution is advised of the process, its score, and being placed on monitoring.
3. Total points of 8 or 9 – Reporting Status: the institution is advised of its scoring and directed to prepare a written response concerning the changes it has made, the rationale for the changes, and the resources in place to manage them. This response would be reviewed by the Council at its next meeting for follow up and subsequent action.
4. Total points > 10 – Comprehensive On-site Evaluation Visit: Via formal communication, the institution is advised that its extensive substantive change as raised questions about the



institution it has become since its last renewal of accreditation visit, requiring a comprehensive visit to evaluate the institution's financial, administrative, and operational capabilities. The comprehensive on-site evaluation team consists of ACICS staff, a Chair, a Student Relations specialist and a subject specialist for all programs offered by the institution. A full team report is drafted to detail information reviewed during the visit and is reviewed by the Council as outlined in the [Council Institutional File Review](#) chapter.

The Committee has the discretion to act on staff recommendations or take other actions that it deems appropriate for each institution. Any institution that initiates any substantive change without proper application and approval from ACICS will immediately be issued a Show Cause Directive by the Council. Additionally, the Executive Committee considers an institution's cumulative substantive change score when reviewing can any request to expand an institution's scope of accreditation, which may be denied if the Executive Committee determines that too many substantive changes have been made by the institution.



CHAPTER 24: FINANCIAL REPORTING

INTRODUCTION

Every institution that is accredited by ACICS must submit an Annual Financial Report (AFR) to the ACICS office within 180 days following the end of the fiscal year as defined in Section 2-1-802 of the Accreditation Criteria. These financial statements will be accompanied by audited financial reports prepared and certified by an independent certified public accountant (Section 2-1-803).

Because most ACICS accredited institutions participate in the Title IV financial aid program, and one of the requirements for continued participation is the completion of an annual audit, the Council receives a number of audits each year. Those institutions that do not participate in this program or do not prepare an audit for any reason over the course of a year are not required to submit anything other than an AFR. However, those schools that do not prepare audits on an annual basis must submit audited financial statements for their most recently completed fiscal year with any application for a new or initial grant of accreditation.

The institutions must submit this information in a timely manner. Failure to submit the information to the Council within the required timeframe could result in a delay in the calculation of sustaining fees. If an institution is late, staff writes the chief on-site administrator a letter serving as a reminder that Section 2-3-401(c) of the Accreditation Criteria indicates that revocation of an institution's grant of accreditation will occur if an "institution fails to file an annual report as required by the Council." A revocation action is not appealable and any institution that desires to renew its grant of accreditation must begin the process again as an initial applicant. In addition to the revocation reminder, a \$500 late fee invoice accompanies the notice of late filing. Failure to pay this fee may also result in revocation. (*Accreditation Criteria, Sections 2-1-802, 2-1-803, and 2-3-401*)

PROCEDURES

FINANCIAL REVIEW



All audits and AFRs are placed in the Financial Review Committee (FRC) staff liaison's mailbox when they arrive. The staff liaison for the FRC is the senior coordinator for institutional finance. These statements are reviewed by the senior coordinator to determine if any of the financial information triggers indicators established by the FRC. If the financial position of the institution triggers an indicator, a financial review file is created and the institution is placed on the "New Business Agenda" for the next Council meeting. The AFR is uploaded by the institution and stored electronically and audit statements are filed in the Electronic Document Management (EDM) system. The institution also is notified by letter that they have been placed on the "New Business Agenda" for the next meeting and are permitted to submit supplemental information to demonstrate an improved financial position since the end of the fiscal year or because extenuating circumstances impacted the statements. When reviewing the income statement of the AFR, only the main campus' income statement (if the institution has more than one campus) is used to determine financial stability (not the first corporate level). Individual income statements also are required to determine sustaining fees, but only the combined statements are used for FRC purposes.

The notes that accompany audited financial statements also are reviewed to explain any unusual information in the statements and determine if any other activity warrants the Council's attention. Examples of such transactions include the purchase or sale of the institution's stock, extensive inter-company loans or financial support, or unusually high accounts receivable in relation to revenue. Occasionally, the auditor also performs an analysis of the institution's compliance with Title IV regulations relating to financial stability and refund procedures. If the auditor has significant concerns in either of these areas, the statement may be treated as adverse information and processed like any other complaint or concern submitted by a third party. Those institutions whose financial statements do raise concerns are filed in the EDM.

QUARTERLY FINANCIAL REPORTS AND FINANCIAL IMPROVEMENT PLANS

Quarterly Financial Reports (QFR) and Financial Improvement Plans (FIP) are handled in a similar manner to the AFR. All QFRs and FIPs are placed in the mailbox of the FRC liaison. He or she will then log the responses in, usually on the minutes from the last meeting. The reports are then filed in the FRC file. It is essential that the FRC reports are filed in a timely manner to ensure that the committee will be able to review them at the next Council meeting.



SUSTAINING FEES

In addition to reviewing financial statements to determine the financial stability of the institution, the Council reviews these statements to calculate sustaining fees. An institution's sustaining fee is calculated based on the total amount of educational revenue they report in their campus-specific AFR for the fiscal year. A spreadsheet, located at M:\QUALITY ENHANCEMENT\ANNUALFINANCIALREPORTS\2010 AFR TRACKING lists each school ACICS accredits by fiscal year end and includes the amount of total educational revenue reported by each institution in the AFR. In the next phase of the internal tracking process, financial statements are reviewed and the revenue amount on the income statement is entered on this spreadsheet in order to verify the AFR's accuracy. If the AFR is not accurate, a school will be asked to review and revise it. Lastly, a column in the spreadsheet indicates the status of the audited financial statements' upload into the EDM.



CHAPTER 25: FINANCIAL REVIEW COMMITTEE

INTRODUCTION

The mission of the Financial Review Committee (“FRC”) is to monitor the financial stability of accredited institutions in order to ensure they maintain sufficient financial resources to deliver quality education to their students. The Committee accomplishes its mission through the attainment of the following objectives:

- To continuously review and assess the FRC action indicators to verify that the Committee’s standards appropriately monitor the financial stability of accredited institutions.
- To review requests from institutions for waivers of the Council’s standards or the modification of existing criteria.
- To review and evaluate Change of Ownership Applications for the purpose of monitoring the ownership transactions of accredited institutions and understand the potential impacts of those transactions prior to approving the change of ownership.

Accreditation Criteria – Article V Committees, Section 1(d) Financial Review Committee.

PROCEDURE

An institution is placed on financial review if it has been required to submit either Quarterly Financial Reports, a Financial Improvement Plan, or if it has been directed to Show Cause why its grant of accreditation should not be suspended for failure to demonstrate financial stability. Once an institution is placed on financial review, there are specific criteria that must be met before the institution can be removed from review.

All financial statement information that is forwarded to FRC is reviewed and a determination is made to apply one of the following options:

- a. take no action or make specific inquiries for additional information;
- b. require the institution to submit Quarterly Financial Reports;
- c. require the preparation of a Financial Improvement Plan; or



- d. direct the institution to Show Cause why its grant of accreditation should not be withdrawn by way of suspension for failure to evidence financial stability.

NOTE: An institution may be deemed financially stable should it evidence a US Department of Education financial ratio composite score of a minimum 1.5:1. This score will be accepted from an audited financial statement prepared by an independent CPA firm.

LEVELS OF FINANCIAL REVIEW

Quarterly Financial Reporting

Institutions that are on quarterly financial reporting must submit Quarterly Financial Reports (QFR) as provided by ACICS within 30 days after the close of each fiscal quarter and an Annual Financial Report (AFR) as provided by ACICS no more than 180 days after the close of the institution's fiscal year. These reports are produced on a year-to-date basis.

As an example, assume that ABC College's fiscal year ends on December 31, 20xx and it has been placed on quarterly reporting. The institution must adhere to the following deadlines:

- QFR #1: 3 months ending March 31, 20xx, by April 30, 20xx
- QFR #2: 6 months ending June 30, 20xx, by July 30, 20xx
- QFR #3: 9 months ending September 30, 20xx, by October 30, 20xx
- QFR #4: 12 months ending December 31, 20xx, by January 30, 20xx
- AFR: 12 months ending December 31, 20xx, by June 30, 20xx

Removal from QFR requires an audit that demonstrates financial stability. If the institution's financial situation worsens, it may be moved to a higher level of financial scrutiny.

Financial Improvement Plan

Institutions placed on a Financial Improvement Plan (FIP) must produce Financial Improvement worksheets on a quarterly basis, adhering to the same deadlines as QFR, for at least twelve consecutive months. Following the end of the next fiscal year, the AFR is submitted by the institution and reviewed by the Financial Analyst, who presents the information to the FRC at the next Council meeting. At that time, the FRC determines whether a new plan is necessary, whether a different level of financial review is appropriate, or if the institution can be removed from financial review altogether. If an institution's financial situation worsens, it may receive a show-cause directive.



Financial Show Cause

If an institution's financial condition is seriously weakened, or if the institution has failed to respond to requests from the FRC for information, the institution may be directed to Show Cause why its grant of accreditation should not be suspended. When a Show-Cause directive is issued, the Council requires specific information about the institution's plans for resolving the financial instability and about the institution's ability to carry out those plans. Institutions that have been issued Financial Show-Cause directives may also be directed to produce a QFR and FIP for the most recent fiscal quarter, as well as a teach-out plan. The institution must also submit the most recently completed financial aid audit and a description of any actual or projected limitation on its ability to continue to participate in Title IV programs.

An institution placed on show-cause is not permitted to initiate new programs or to take any other substantive action without receiving approval in advance from the Council. The institution also is required to notify all present and prospective students of its show-cause status.

Continued Financial Show Cause

Once a financial show-cause directive has been issued, it is not unusual for the directive to be continued over the course of several FRC meetings. In such a case, the institution is required to submit compiled quarterly year-to-date financial reports for the most recently completed fiscal quarter and to update the information previously submitted to the FRC.

When an institution demonstrates significant financial improvement to the point where it appears that the institution's survival is not in jeopardy, the Show-Cause directive can be vacated. The institution remains on financial review at either the QFR or FIP level until it has demonstrated that it is once again financially stable.

Bankruptcy

Note: Institutions filing for Chapter 11 after July 23, 1992, are not considered "Institutions of Higher Education" for purposes of Title IV and immediately lose their eligibility to participate in Title IV programs.

Any institution that files for bankruptcy is issued a financial show-cause directive automatically, and the show-cause directive remains in effect until a confirmed bankruptcy plan



is in place and the institution demonstrates fiscal stability. All institutions in Chapter 11 must submit QFRs and FIPs on a quarterly basis.

Suspension

The FRC has adopted a policy that an institution under a Show-Cause directive for financial instability reasons may have its accreditation suspended by the Council unless all of the following requirements are satisfied:

1. Current educational and administrative operations are not adversely affected;
2. Significant actions have been taken to reduce costs without impacting educational and administrative operations;
3. A detailed teach-out plan has been developed and is ready for immediate implementation, if necessary;
4. Requests for financial information from the Council have been responded to in a timely and satisfactory manner; and
5. The institution's financial condition (current ratio, net profit or loss, equity) is improving.

When these conditions have not been met, the Council determines whether the institution's grant of accreditation should be suspended. A suspension action is appealable to the Review Board.

Two Council staff members will serve as liaisons to the Committee to support meeting its objectives. The primary liaison's responsibilities include interacting with the Committee Chair, facilitating the items for discussion and the Committee's consideration, and ensuring that all policy changes and institutional reviews are ready for the Committee. The secondary liaison serves as the Committee scribe, preparing the meeting agenda, recording minutes, and ensuring that the final minutes have been reviewed by the primary liaison and approved by the Chair prior to the full Council's discussion and acceptance. The secondary liaison is also responsible for ensuring that the final draft minutes and any materials handed out during the meeting are stored in the ACICS Intranet.



In preparation for the meeting, the draft agenda, policy outlines, reports, and supporting documents are saved here in the intranet: [Council](#) > [Documents](#) > [POLICY](#) > [FRC](#) (appropriate year and meeting folder).

Upon completion of the meeting and once the minutes have been drafted, they should be saved here: [Council](#) > [Documents](#) > [MEETING](#) > [MINUTES](#) (appropriate year and folder).

Addendum 1

FINANCIAL REVIEW COMMITTEE ACTION INDICATORS

The Financial Analyst reviews all Annual Financial Reports (AFR) for the following action indicators:

- a. a net loss of more than 5.0%
- b. a current ratio of less than 1:1
- c. accumulated deficit*
- d. negative equity/net assets

***Note:** The FRC does not consider accumulated deficit to be an action indicator unless the institution is also unprofitable.

If a financial report contains any action indicator, it is placed on the FRC New Business agenda of the next Council meeting. The Financial Analyst also reviews financial statements for any unusual or unacceptable reporting practices and includes this information on the next FRC agenda.

The Financial Analyst prepares spreadsheets which include all institutions on quarterly reporting for the FRC to review. The spreadsheets are sorted by category of review; utilizing the Point System (see below), each institution is reported with its point values, along with the corresponding recommendations. This process eliminates much of the subjectivity that could enter into an evaluation of financial statements and places institutions that are between two levels of recommended action in the “seam” for additional consideration. The goal of the Point System is to ensure consistent evaluation of the financial statements of accredited institutions and to manage the FRC’s time efficiently.

FRC POINT SYSTEM



The FRC utilizes a point system based on the action indicators to assess financial health.

The point system is as follows:

LOSS

| | |
|-------------------------|---------|
| < 5% |0 |
| > 5% but less than 20% |1 |
| > 20% but less than 50% |3 |
| > 50% |6* |

CURRENT RATIO

| | |
|-------------------------------|---------|
| > 1.00:1 |0 |
| > 0.80:1 but less than 1:1 |1 |
| > 0.50:1 but less than 0.80:1 |3 |
| < 0.50:1 |6* |

RETAINED EARNINGS**

| | |
|----------|--------|
| Positive |0 |
| Negative |1 |

EQUITY AS A PERCENTAGE OF TOTAL ASSETS

| | |
|----------------|---------|
| Positive |0 |
| Negative < 25% |3 |
| Negative > 25% |6* |

**NOTE: An institution exhibiting a six-point action indicator in any category may be issued a show-cause directive even if its cumulative points do not reach the show-cause level as outlined below.*

***NOTE: An institution that has an accumulated deficit but that shows a profit for the period in question and has no other action indicators will be considered to have 0 points.*

Once the point values have been assigned, the action recommended to the FRC is determined as follows based on the point totals:

| | |
|-----|---|
| 0 | points:No Action |
| 1 | points:FRC to decide - can be QFR or No Action |
| 2-3 | points:Quarterly Financial Reporting |
| 4 | points:FRC to decide - can be QFR or FIP |
| 5-6 | points:Financial Improvement Plan |
| 7-8 | points:FRC to decide - can be FIP or show cause |
| 9+ | points:Financial Show Cause |



CHAPTER 26: HEARING PROCEEDINGS

INTRODUCTION

An institution which has been directed to show cause why its current grant of accreditation should not be suspended, revoked, or otherwise conditioned, must be specifically requested by the Council to do so **in person (a hearing)**. A show-cause directive is a conditioning action and may be issued for a number of reasons including student achievement review, external information, and weak or deteriorating financial condition, to name a few (*Accreditation Criteria* – Sections 2-1-808, 2-3-230, 2-3-502, and Appendix L). An individual who has been issued an *Intent to Bar Notice* may choose to appeal this Intent in person (*Accreditation Criteria* – Section 2-3-900). Further, following denial of accreditation and withdrawal of suspension actions, institutions are entitled to a hearing by a panel of the Review Board of Appeals (*Accreditation Criteria* - Sections 2-3-301 and 2-3-302).

All pertinent Hearing documents for the staff and Council review and orientation are maintained in the Commissioner Portal for easy access and reference.

RELEVANT ROLES

Presiding Commissioner

A presiding commissioner (or “presider”) will be appointed to handle procedural aspects of the hearing. The presider will call the hearing to order, identify the issues in controversy, and review the appropriate procedures concerning the hearing. The presider also will call upon the commissioners for questions. The presider will keep track of the time to ensure that the allotted time is not exceeded, will adjourn the hearing at the appropriate time, and will maintain decorum throughout the hearing. The presider is an equal member of the hearing panel and, thus, may take part in the questioning process and will participate in the vote.

Primary Reviewer

The prime reviewer is responsible for presenting to the panel the institution's reasons for appearing before the Council. The prime reviewer should be most familiar with the institution's files



and should be prepared to review thoroughly all submissions made by the institution and to ask appropriate questions to clarify the issues. Assigned staff is responsible for contacting the prime reviewer prior to the hearing so that the specifics of the case may be discussed. At the conclusion of the hearing, the prime reviewer is charged with determining the consensus of the panel and developing an appropriate recommendation to the Council from the panel.

Summary of prime reviewer responsibilities:

- Assign sections of hearing file to other panel members for in-depth review and question development prior to the hearing.
- Coordinate, with staff, hearing review panel meetings prior to hearing for the purpose of full review and discussion of the case.
 - Initiate questioning at hearing.
 - Take notes, as necessary, regarding the institution's response.
 - Lead discussion with panel members of options available to Council following hearing.

Panel Members

All commissioners on a panel are considered panel members, although the prime reviewer and presider have additional duties. Panel members should ask questions developed prior to the hearing based on their assigned areas, should be attentive to the institution's presentation, and should be prepared to ask questions, as pertinent, based on the institution's presentation or responses to questions. As in the review of institutions, a commissioner having any interest in an institution appearing before the Council or who for other reasons feels it would not be proper to participate on a particular panel will be excused from the hearing. In most cases, conflicts will be made known to staff following distribution of hearing assignments, and exclusion from the panel will be arranged well in advance of the hearing.

Summary of panel member's responsibilities:

- Review entire hearing file, concentrating on assigned areas if assignments have been made.
- Prepare questions based on individual review of hearing file.
- Ask questions and make clarifying comments during hearing.
- Take notes, as necessary, regarding the institution's responses.



General Counsel

The General Counsel reviews all hearing files prior to the Council meeting and is present during all personal appearance hearings. The General Counsel serves as a legal resource and assists in resolving technical questions concerning procedures, the appropriateness of questions, and the recommended action. The General Counsel may ask pertinent legal and procedural questions during a show-cause hearing.

However, General Counsel represents the Council during a Review Board of Appeal Hearing (hence the Counsel's involvement in show-cause reviews in the event of a negative action that goes to the Review Board).

Accounting Consultant

The accounting consultant attends Council meetings, as needed, and serves as a financial resource person for financial show-cause hearings and for other hearings in which financial concerns exist. The accounting consultant reviews hearing files in advance of the Council meeting and usually prepares specific financial questions based on this review. The accounting consultant is present during hearing with financial issues and participates in the questioning.

Hearing Staff Liaison

One staff member normally is responsible for the development of each hearing file, with one senior staff member responsible for general hearing assignments and procedures. The staff member assigned to develop the hearing file is the primary resource to the panel members for the institution in question. All questions relative to the institution, including current status and background, should be directed to the assigned staff member. Staff does not take an active role in hearings, although the assigned staff member responsible for the hearing and other staff are present and available to assist throughout the hearing. Staff is responsible for reviewing the institution's response and assisting panel members in the development of questions, as needed.

PROCEDURES

The procedures for each type of hearing are outlined below accordingly.

SHOW-CAUSE DIRECTIVE OR INTENT TO BAR APPEAL

Once the appropriate hearing fee, as outlined in the *Schedule of Fees*, has been received along with the intent to appeal notification, the hearing is scheduled and the designated staff



member works with leadership on the Panel assignment (with at least three commissioners) and hearing scheduling.

The fee and notification may be received electronically and staff would work with the accounting department to get the invoice created so that the payment can be remitted via the institution's/individual's ACICS account.

The institution, individual(s), or entity is advised via formal communication concerning the scheduled proceedings at the Council's office (see appropriate templates and documents (Stipulations) on SharePoint). Additionally, two to four weeks prior to a scheduled hearing, a court reporter is scheduled to appear at the date, time, and location of the hearing. During the week prior to the hearing, staff will verify the court reporter's scheduled appearance at the hearing. At the hearing the court reporter is presented with a cover sheet identifying by name: ACICS, the institution, the hearing panel members, and staff members present during the hearing. The court reporting firm will provide an original and one electronic copy of the transcript. When received, the original transcript is placed in the institution's file. *Intent to Bar* hearing transcripts are stored in the Electronic Database Management system appropriately.

An assigned staff person is responsible for escorting the representatives into the hearing room when the panel members are ready to begin the hearing and escorting them out at the conclusion of the hearing.

The assigned hearing staff liaison has the following responsibilities:

- Communicate with the panel, via email, about the upcoming hearing assignment.
- Prepare institutional materials for the electronic hearing binder. This binder must be in the Commissioner Portal for the Panel's review, at least a week before the scheduled hearing. One hard-copy binder will be available to the Panel during the hearing. The institutional file must include as materials pertinent to the case as well as an Institutional Summary Form with institutional history, accreditation history, and student achievement outcomes. In cases of an *Intent to Bar* Appeal hearing, the background for the action, the intent notice, and the individual's or entity's response are included in the binder.
- Communicate with Primary Reviewer on the substance of the case, recommend questions, and assist with panel assignments and questions.



- Serve as resource throughout hearing process, taking notes during the post-hearing brief to help draft the action letter.
- Ensure presider has appropriate script and court reporter has all necessary information.
- Coordinate room set-up (name tags, appropriate number of chairs, fresh water and glasses, copies of *Accreditation Criteria*, hearing files, and school files).
- Collect exhibits offered to the panel members from the institution's representatives during the hearing. File exhibits in the institution's record after the hearing.

During the Hearing

- The hearing is transcribed by a court reporter. This recorded information is the official transcript of the hearing and is available to the institution at its request.
- The presider opens the hearing.
- Should the institution have an opening statement, that statement is required to be put in writing and included with the response to the Council action letter, otherwise known as the hearing submission. Therefore, a verbal opening statement usually is not permitted.
- The prime reviewer usually begins the questioning.
- Each panel member has an opportunity to ask questions and is expected to do so.
- The presider calls time remaining throughout the hearing, calls on commissioners. General Counsel, and consultants, if any, to ask questions, asks the institution for a closing statement, and closes the hearing with a procedural summary.
- Observers (staff and commissioners) cannot leave the room or participate in any manner.

Post Hearing

- The hearing panel remains in the meeting room following the hearing to discuss options available and to reach consensus on the recommended action.
- The prime reviewer drafts the motion with assistance from staff and General Counsel. Templates for motion letters are found in the Commissioner Portal.

The recommended action is discussed by the full Council for final consideration and action. The action letter is prepared consistent with the process previously outlined.

REVIEW BOARD OF APPEALS HEARING



The Panel of at least four members, serving on behalf the Board must include a member, a public, an academic, and an administrative representative. The members will be requested to serve based on their background and availability for that particular review.

Prior to Hearing

- The ***Record Under Review*** is prepared by the assigned staff and includes relevant documentation such as the Council's action letter(s), team reports, and institutional responses. This electronic file is sent to panel members approximately four weeks prior to the hearing. The institution's brief, if any, and the Council's brief, composed with its general counsel, will also be sent to the panel at least 15 and 7 business days prior to the Review Board hearing.
- The Panel must sign the *Review Board Attestation Form* and *Review Board Standard of Ethical Responsibility* form prior to the review.
- Panel members must review all documents, and prepare questions to be asked of the institution and the Council for clarification and consideration and to establish facts.
- A designated staff person meets with the representatives of the institution immediately prior to the start of the hearing to briefly discuss logistics, and answer procedural questions, and will also refresh the Review Board of Appeals panel on Review Board hearing procedures and expectations.

During the Hearing

- The hearing is transcribed by a court reporter. This recorded information is the official transcript of the hearing and is available to the institution, at its request.
- The chair opens the hearing and conducts the hearing in a formal manner.
- Each panel member has an opportunity to ask questions of both the institution and the Council.
- The chair calls time remaining throughout the hearing, calls on panel members/General Counsel/consultants to ask questions, asks the institution for a closing statement, if desired, and closes the hearing.
- The chair is to use the Review Board Chair script to guide the hearing, and the script contains a further structure for the proceedings.



Following the Hearing

- The Review Board panel remains in the meeting room following the hearing to discuss options available and to determine the majority consensus regarding the decision to be rendered, whether it to be affirm the decision or amend, reverse, or remand the case to the Council due its determination that the decision was arbitrary, capricious, in substantial disregard of the *Criteria*, or not supported by substantial evidence in the record.
- The panel will work with the designated staff member to issue its final decision, identifying those panel members who concur in the decision, to the Council and to the institution. The decision must be signed off on by all members, from which an official letter will be crafted for communication. Dissenting opinions may also be filed.
- If the Review Board:
 - Affirms the decision – effective immediately and the final letter is sent to the institution with no action needed from the Council
 - Amend, Reverse or Remand – decision is sent back to the Council for its consideration, implementation, and further action. The full Council may meet between meetings to consider this decision and take an action based on the recommendation. The Council’s action would then be communicated to the institution.
- The transcript of the hearing is placed in the institution’s file, once it is received from the court reporting agency. If a copy is requested by the institution, a fee may be assessed.



CHAPTER 27: INDEPENDENT CONTRACTORS & CONSULTANTS

INTRODUCTION

ACICS may utilize, as it deems necessary, the services of contractors and consultants to conduct a variety of services on the behalf of the Agency. These include, but are not limited to, visit coordination, financial review, evaluator coordination, program analysts, and accounting services. When external services are needed to supplement internal resources, individuals with the necessary background and experience will be considered for the establishment of a contract.

PROCEDURES

Once the individual, who meets the specified academic and experiential criteria, has been identified, a contract will be drafted for their consideration which includes conflict of interest disclaimers, payment, term of service, and use of ACICS resources. The appropriate vice president will serve as the primary contact with the contractor/consultant but the contract will be executed by the President.

Upon execution, all relevant HR paperwork is secured including completed W2, and direct deposit information. In those instances where the contractor will need access to ACICS systems and will be using ACICS credit cards, the appropriate applications are completed for approval (contract coordinators).

Training of the contractors will be facilitated by the designated vice president or their representative and may be completed via telephone, video conference, or in-person. Depending on the term of the contract, there will be regular oversight and review of the completion of the tasks outlined in the contract.



CHAPTER 28: INITIAL APPLICANTS SEEKING ACICS ACCREDITATION

ACICS has suspended its acceptance and review of applications for initial accreditation until further notice. Once reinitiated, a thorough review of the procedures outlined here will be undertaken prior to considering new applications.

INTRODUCTION

In an effort to establish and streamline systems and manage the overall quality of applicants, the designated staff is tasked to continually evaluate the current procedures and employ strategic mechanisms that ensure the highest quality of applicants throughout the initial evaluation process. (*Accreditation Criteria* - Title I, Chapter 2 Eligibility Criteria, Introduction, and Section 1-2-100)

PROCEDURES

STEP ONE- INITIAL INQUIRY

Telephone and email inquiries are addressed primarily by the Accreditation Department but with the implementation of the Personify database and creation of an interactive web site, all inquiries are ultimately directed to the Web site for initial registration. Detailed guidelines on the initial application process are provided on the Web site and all potential applicants are required to complete a web-based *Minimum Eligibility Self-Assessment (MESA)* as part of the evaluation of eligibility. However, many institutions seek to engage in dialogue if there is a question on one particular item on the checklist. An appropriate staff member will communicate with the applicant to clarify the minimum requirements of Section 1-2-100 and provide guidance.

Institutions are encouraged to register on the Web site for two reasons: 1) the inquiry is automatically logged into the system for tracking; 2) institutional accounts are created – facilitation of the initial application process. However, if upon discussion with the institution, the recommendation is to explore accreditation elsewhere, a registration is not necessary.



STEP TWO: COMPLETION OF MINIMUM ELIGIBILITY SELF-ASSESSMENT (MESA) CHECKLIST

Upon submission of the MESA checklist, which has been configured by the system to generate specific follow up communication based on the responses provided, the applicant will get one of three automatic emails:

(1) Eligible:

Dear [INSTITUTIONAL CONTACT]:

Thank you for your interest in the ACICS initial accreditation process. Based on the information you have provided, your institution meets our minimum eligibility requirements. Please click [HERE](#) to proceed with the initial application process.

The institution is advised that the registration is an extensive online form which will require a significant amount of information that should be readily available for use. For additional details on these items, please click [here](#).

(2) Not Eligible:

Dear [INSTITUTIONAL CONTACT]:

Thank you for your interest in the ACICS initial accreditation process. Unfortunately, based on the information that you have provided to us at this time, ACICS may not be a good fit for your institution. Should you have any questions or need additional guidance, please contact us at initialapplicants@acics.org. We wish you and your institution all the best as you explore other accreditation options.

(3) Preliminary Diagnostic Assessment (PDA) Needed:

Dear [INSTITUTIONAL CONTACT]:

Thank you for your interest in the ACICS initial accreditation process. Based on the information provided and/or your request for a preliminary diagnostic assessment, you will be contacted at [institution's e-mail] by one of our staff members to further explore your institution's eligibility and provide guidance. If you would like to speak with us on the phone, please click [here*](#) to notify the ACICS review team. You will be contacted at our earliest convenience.

STEP THREE: INITIAL REGISTRATIONS

Initial applicants are required, and so directed, to complete three unique registrations on the Web site. It is usually necessary to communicate the rationale for each registration to the applicant:



Institutional: The institution's name should not be confused with the corporate name, which may end in an "Inc.".

Individual: Because the chief on-site administrators are required to attend the Accreditation Workshop (see Section 2-1-100), they are to set up individual accounts that are tied to the institution, in order to facilitate the registration for this, and other, workshops.

Corporate: The name of the owning corporation, which may be the name of the institution. However, two accounts need to be created, one as INSTITUTION and another as CORPORATE.

Applicants are also required to provide program, enrollment, and graduate information and numbers as part of the institutional registration. Additionally, international institutions or institutions with unique offerings or delivery (at the director's discretion), are required to submit an official letter of intent with specific information that would allow for a more thorough assessment. This requirement is communicated via email to the primary contact at the institution. International applicants are also given information concerning potential costs at the initial stages of communication.

As an introduction and to gather more specific information, a member of the management team will contact the chief on-site administrator by telephone to discuss the registration and the completed form.

STEP FOUR: INITIAL REVIEW

The management team reviews key areas of the initial registration:

- The date of establishment determines the two-year minimum requirement. If the institution has been in existence, or has been offering educational services, for less than two years, the chief executive officer is contacted by telephone or email to communicate this requirement. At that time, the institutional record would remain inactive and the institution encouraged to contact ACICS once this requirement is achieved.
- Current enrollment allows the team to determine institutional continuity and ACICS' ability to evaluate the current educational offerings. There is an expectation of reasonableness which is about 10 - 15 students.



- Graduate numbers also determine institutional viability and a reasonable number of approximately 7 - 10.
- Current status with the state licensing agency.
- Current accreditation status: while this information is not disclosed on either form, applicants that currently offer financial aid are also currently accredited. Also, this question is asked during the introductory meeting. Three important areas:
 - Identify the accrediting body: to prepare the agency notification letter.
 - Grant expiration date: applicants are encouraged and advised to seek the transfer at least a year before their current grant expires. Applicants are also required to disclose their current standing with their current accrediting agency.
 - Institution should communicate to its current accreditor its intent to seek ACICS accreditation: as a gesture of respect and to maintain diplomatic relations with the agency.

If the institution does **not** meet minimum eligibility requirements, as a result of the review of the various elements, the manager will prepare a letter that includes the reason(s) for this determination. A copy of this correspondence is saved because institutions that are not eligible do not have a file in the electronic database management system. Institutions are also encouraged, either on the phone or via email, to explore other options if the management team determines that there is not a fit.

ACICS reserves the right to require a preliminary resource visit to assess the potential challenges involved in considering institutions that offer unique programs or deliver instruction in non-traditional setting. Such visits are at the institution's expense.

In some cases when there is a question regarding the initial application that cannot be addressed by staff, the executive team will be solicited and the case may also be reviewed by the Business Practices Committee of the Council. The manager will contact the primary liaison of the committee to draft an appropriate policy discussion for consideration at the next meeting. Following the commission's decision, a personalized letter will be sent to the institution. All correspondence is subsequently filed.

STEP FIVE: INVITATION TO APPLY



If the initial review determines eligibility, the assigned staff drafts the official *Invitation to Apply* letter, on behalf of the Vice President of Accreditation, which is sent electronically via the initialapplicants@acics.org mailbox for tracking. An official letter in electronic form is appropriate, given the travel schedules of both the vice president and the manager. A copy of the letter is also maintained in SharePoint in the appropriate folder for Initials. A template is also available in the same folder.

The letter details the application process, including that the institution's name will be posted on the Web site for public comment (within a **week** of communication), and for those institutions that are currently accredited, a notice that a formal request for information will be solicited as part of the applicant's consideration for ACICS' initial accreditation. **An invitation will not be extended to any institution which is under a conditioning or negative action by another USDE-recognized accrediting agency. Based on the nature and substance of information received from** an accrediting agency, or other relevant third-parties such as State and licensing boards, the institution may be asked for a response or the invitation rescinded. Any information received is added to the institution's electronic record.

STEP FIVE: INITIAL APPLICATION

The initial application must be completed electronically via the institutional account created as part of the process and is submitted when the appropriate application fee (See *Schedule of Fees*) is remitted via credit card. **These fees are non-refundable and good for a year.**

Applicants that have remitted the appropriate fee for an application but either have not completed any component of the process or is not actively working with ACICS staff, will be sent correspondence within a **month** of the expiration of the application. Subsequent to the expiration of the application, another letter will be drafted to inform the institution of the said expiration and the process to move forward. All templates are available via SharePoint in the designated folder.

The application consists of three critical phases, the outcome of which can impact the initial application process. Applicants are advised to review the requirements as outlined on the ACICS website **PRIOR** to initiating the process to determine how much additional resources



would be required to complete those items that may involve external parties (such as completing a financial audit).

Comments from State, Other Accrediting Agencies and Other Stakeholders

Information/Comments will be solicited from the state licensing or authorizing agency and from other accrediting agencies with which the institution is currently or in the past affiliated with. Further, any media coverage or published information relevant to the institution's ability to comply with ACICS' standards will be considered as part of the application.

Financial Review

Upon submission of the required financial statements, the financial analyst conducts an evaluation of the financial condition of the institution, using ACICS' financial matrix.

Once the financial review is complete, one of two things can happen:

- 1 The institution meets ACICS financial requirements and ready for the next phase: staff would communicate to the applicant that a DRAFT Campus Effectiveness Plan (CEP) and catalog must be provided in preparation for the initial resource visit; or
- 2 The financial reviewer has questions. This would trigger the preparation of a letter to the institution for more information. The extent of the issues and the subsequent response will affect the institution's ability to proceed to the next phase in a timely manner.

Institutions, which do NOT exhibit financial stability, will be advised that they cannot proceed with the process for financial reasons. This determination is based on the recommendation of the financial analyst and other factors.

Public Comment

The initial applicant's name and location will be posted on the ACICS Website for public comment to comments@acics.org, which is managed by the Vice President of Accreditation. This entry will stay on the Website as long as the application is active. If not in good standing with another accreditor or any oversight agency, or if it is determined that there are areas in need of additional review, an initial resource visit will not be scheduled and the application will be held for further investigation.



The Initial Resource Visit

The visit is scheduled and coordinated by senior staff, with scheduling not limited to the travel cycles – the visit may be conducted at any time, based on institutional preparedness and staff availability. For a multi-campus institution, the visit will be conducted to at least the main campus, and one or more branch campuses, based on the size of the institution, and the geographic distribution of the campuses.

The staff manager is required to set up the visit project in Personify and complete the associated task of the application. The Accounting department manages the invoicing, **PRIOR to the scheduling of the visit**. Within three weeks prior to the visit, staff representative sends a visit confirmation to the institution that includes the visit itinerary and the resource room materials list (template in the appropriate folder).

The institution undergoes a resource visit to assess the institution's eligibility and readiness to proceed with the self-study phase of the application. This visit is usually one day in length but may be extended based on the institution, its enrollment, and the scope and credential of the program offerings. A report is prepared based upon the staff member's visit with the institution and the institution is made aware of any concerns that need to be addressed prior to the full onsite Initial Grant (IG) visit.

Visits to international institutions are usually longer. ACICS must work well in advance to arrange for either a short visit with or enact some form of official communication with the appropriate regional or national Ministry of Education official(s). The primary purpose of this contact is to seek guidance and to invite the officials to join future ACICS evaluation teams as observers. The staff then sends the completed Initial Resource visit report to the institution. Included in the report, on the last page (under **Tentative Plans**) would be the directive to the institution to upload their documents to prepare for the Initial Grant visit.

Post-Resource Visit

If the results of the resource visit indicate the institution demonstrates the operational and administrative capability to facilitate the initial grant visit, the staff that coordinated the visit will



follow up and advise the institution on the next steps. A follow up telephone call is usually warranted to direct the institution on uploading the self-study materials.

On the other hand, if the staff determines, and the report substantiates, that the institution needs additional time to develop and/or implement critical elements related to compliance with the standards, the institution will be directed to submit a response in a specified time period. Once the response is received and reviewed, the staff follows up with the institution, letting them know if they are able to proceed with the self-study phase. ACICS reserves the right to require one or more follow-up resource visits or to reject the application and advise the institution that it may reapply for initial consideration once all areas have been addressed appropriately.

Determined to be a critical piece of the institution's assessment, the response will be submitted as part of the initial application. Institutions that will need to submit a response will be guided accordingly.

Submission of Self-Study

The chief on-site administrator of each campus is required to attend an Accreditation Workshop prior to the submission of the self-study. With variance in the timeline for the self-study submission process, all administrators are encouraged to register as early as possible to complete this requirement. Additionally, attendance at an Initial Applicant Workshop is recommended for applicants, especially for those that have no prior accreditation experience.

Once the institution has completed the previous steps, the procedures for preparing the self-study are detailed on the Initial Application Process web page.

Further, the institution may be required to **resubmit** its institutional catalog and a final version of the CEP following the resource visit. The Initial Campus Accountability Report will be completed via the ACICS CAR Portal, log in for which will be provided when needed.

STEP SIX - INITIAL EVALUATION VISIT

In preparation for the initial grant visit, the staff coordinator assigned to the institution meets with the manager of institutional compliance and/or the staff who conducted the initial resource visit to discuss the observations and findings in the Initial Resource visit report as well as provide a background on the institution. While the report is not shared with the team members, it helps the staff coordinator to better understand the institution and any uniqueness. Additionally, the



coordinator is given a *Guide to Initial Grant Evaluation* (DOCUMENT) as a resource during the evaluation.

The institution is provided with a copy of the evaluation visit team report and is required to submit a response to any findings identified. The report, response, self-study, audited financial statements, and any other information about the institution are considered by the Council at its next scheduled meeting. At these meetings, all applications for accreditation are considered and accreditation decisions are made. The institution is notified of the Council decision/action regarding its pending initial application in the same manner as with other Council actions – within 30 days of the final day of the meeting. Staff cannot discuss the Council’s decision prior to the official notice.

STEP EIGHT: DECISION ON APPLICATION FOR INITIAL ACCREDITATION

The Council can take one of three actions on the application:

Approve the Application and Award an Initial Grant: The initial grant length may not exceed 3 years for institutions that are currently unaccredited, and 4 years for those currently accredited.

Defer an action on the Application: When the institution’s response does not appropriately address the concerns identified by the team or the Council, an action on the application would be deferred pending additional information or clarification on the new institution’s demonstrated compliance with the *Accreditation Criteria*.

Deny the Application for an Initial Accreditation: When the institution fails to demonstrate its ability to comply with, and is found to be materially out of compliance with, the expectations of the *Accreditation Criteria*, the Council will act to deny the application. This decision is only appealable to the Review Board of Appeals.



CHAPTER 29: INSTITUTIONAL COHORT DEFAULT RATES (CDR)

INTRODUCTION

Cohort Default Rate is defined as the percentage of an institution's student borrowers who enter repayment on certain Federal Family Education Loan (FFEL) Program and/or Direct Loan Program during a particular federal fiscal year (Oct. 1-Sept. 30) and default before the end of the next fiscal year. For student loans authorized under Title IV of the Higher Education Act, default occurs when a student fails to make payments on his/her loan for 240 days if the student is paying in monthly installments. The default rate is calculated by dividing the number of borrowers who entered repayment in a given fiscal year (denominator) into the number of borrowers who entered repayment and defaulted during the corresponding cohort period (numerator). For example, a school's cohort default rate for fiscal year 2007 is the percentage of students whose loans entered repayment from October 1, 2006, to September 30, 2007, and defaulted between October 1, 2006, and September 30, 2008.

The Department releases official cohort default rates once per year. Normally in late October the fiscal year (two years prior) default rates are made public. During the official cohort default rate process, schools are given the opportunity to appeal their cohort default rate(s) with the Department. The Department may take administrative actions against a school on the basis of its official cohort default rate(s) once all appeals are resolved.

The U.S. Department of Education administers the following student loans:

- (1) Federal Family Education Loans (FFEL), which include Federal Stafford and Federal PLUS loans
- (2) Direct Loans. Federal Stafford and PLUS loans are also offered through the William D. Ford Direct Loan Program
- (3) Federal Perkins Loans

The Department will subject schools to initial loss of eligibility to participate in the Pell Grant Program, FFEL Program, and/or Direct Loan Program when the school's three most recent



official cohort default rates are equal to or greater than 25% *unless* the school successfully appeals.

The Department will subject schools to extended loss of eligibility to participate in the FFEL Program and/or Direct Loan Programs when a school lost FFEL Program and/or Direct Loan Program eligibility prior to the release of the current official cohort default rate due to three consecutive cohort default rates equal to or greater than 25%.

An institution with a cohort default rate in excess of 40% for one year may be subject to limitation, suspension, or termination (LS&T) from all Title IV student financial aid programs.

(Accreditation Criteria - 2-1-810. Student Loan Cohort Default Rates)

PROCEDURE

ACICS monitors its member institutions with cohort default rates equal to or greater than 25%.

- Institutions with a cohort default rate (CDR) equal to or greater than 25% for one year will be required to submit a Default Rate Improvement Plan. A closure plan is not required.
- Institutions with a CDR greater than or equal to 25% for two or more consecutive years are *required* to submit an updated Default Rate Improvement Plan. A closure plan is not required.
- Institutions with a CDR greater than or equal to 25% for three or more consecutive years are *required* to submit a Default Rate Improvement Plan and an institutional closure plan.
- Institutions with a CDR greater than or equal to 40% for one year are required to submit a Default Rate Improvement Plan and an institutional closure plan.

The Council's Financial Review Committee may take any of the additional following actions:

- Direct the institution to submit a default rate improvement plan or request additional information for further review
- Direct an on-site evaluation visit to the institution to assess the institution's overall compliance with the *Accreditation Criteria*. This could be either an unannounced visit or a special visit



- Issue a show-cause directive based on the information received from the institution and/or,
- Institutions with a high default rate may not be extended a grant of accreditation for any longer than four years.

STEP 1: COMPILE AND MAINTAIN LIST OF COHORT DEFAULT RATES

The Analyst for Financial Reporting will compile and maintain an up-to-date listing of cohort default rates for ACICS-accredited main campus institutions. This list, which includes the three most recently published CDR's, is used as an internal document for the benefit of ACICS staff. It is updated annually.

STEP 2: PREPARATION OF CORRESPONDENCE TO COUNCIL

The analyst will prepare correspondence according to Council guidelines as follows:

- Institution's default rate is over 25% for one year
- Institution's default rates are over 25% for two years
- Institution's default rate exceeds 25% for three years
- Institution's default rate above 40%

STEP 3: REVIEW BY FRC

The FRC reviews the list of CDR rates and staff recommendations for action and makes a determination as to which sanctions to apply. The coordinator is authorized to approve and sign all correspondence pertaining to cohort default rates for ACICS-accredited institutions.

STEP 4: DOCUMENT MANAGEMENT

The analyst will forward the correspondence as appropriate and ensure that it is filed in the institution or campus file as well as in SharePoint. Follow-up correspondence is created, forwarded and filed as required.



CHAPTER 30: INSTITUTIONAL EFFECTIVENESS COMMITTEE

INTRODUCTION

The mission of the Institutional Effectiveness Committee (IEC) is to assist institutions in the improvement of their outcomes by establishing and assessing criteria for institutional effectiveness. In order to assist ACICS-accredited institutions in meeting established standards, the IEC shall review Campus Accountability Reports, Campus Effectiveness Plans, and institutional outcomes and measurements (*Accreditation Criteria – Article V Committees, Section 1(e) Institutional Effectiveness Committee*).

PROCEDURE

The IEC will achieve its mission through the accomplishment of the following objectives:

1. To continuously review and assess student achievement (retention, placement, and licensure pass rate (where applicable)) results of the ACICS member institutions to ensure that all institutions comply with the Council's minimum standards.
2. To continuously review and evaluate the Campus Accountability Report reporting procedures.
3. To provide oversight of the validity, reliability, and usefulness of the data collected from the Campus Accountability Reports.
4. To provide ACICS member institutions with publications, workshops, and other services to assist with retention and placement issues and to improve educational processes.
5. To provide ACICS member institutions with the knowledge and tools necessary to develop and implement successful retention and placement plans.
6. To establish and review accreditation standards related to institutional effectiveness.
7. To provide guidance, sponsor educational programs, and produce appropriate publications to help member institutions meet the criteria for institutional effectiveness.