

ACCSCCT Alert!

Information for
our member schools

To: ACCSCT Accredited Institutions and Other Interested Parties
From: Elise Scanlon, Executive Director
Date: June 20, 2008
Subject: Announcements, Reminders, and Revisions to the *Standards of Accreditation*

The Accrediting Commission of Career Schools and Colleges of Technology (ACCSCT) has announcements, reminders, and revisions to the *Standards of Accreditation* in the following areas:

- *New Commission Monograph Available Online – Faculty Improvement Planning and Implementation*
- *Schools to Be Considered List for the August 2008 Meeting Available Online*
- *Instructor and Graduate of the Year Nominations Available Online*
- *Electronic Submission Requirement Reminder*
- *2008 Annual Report Submission Deadline – New Due Date*
- *Instructions for Financial Statements*
- *Distance Education Approval Process*
- *Statement on Academic Freedom*
- *Statement for Working with External Consultants in the Accreditation Process*

The full text of the Accreditation Alert can be found on the Commission's website at www.accsct.org. Go to "**Accreditation**" and then "**Standards of Accreditation**" and "**Accreditation Alert**."

Accredited institutions and others maintaining a complete and up-to-date copy of the *Standards of Accreditation* should add this notice to their current standards book under the *Accreditation Alerts* tab. The *Standards of Accreditation* will be revised at which time these and all other previous revisions will be incorporated into that new document. In the meanwhile, this *Accreditation Alert* serves as an addendum to the July 1, 2007 *Standards of Accreditation*. The revised *Standards of Accreditation* will be available for download from the Commission's website at www.accsct.org (date to be determined).

For additional information related to these approved revisions, please contact Michale S. McComis, Ed.D., Associate Executive Director, at (703) 247-4520 or via email at mccomis@accsct.org.

New Commission Monograph Available Online

As of June 3, 2008, the Commission's newest monograph – *Faculty Improvement Planning and Implementation* – is now available on line at www.accsct.org. Go to “Resources” and then “Publications.” Other monographs available on the Commission website include *Institutional Assessment and Improvement Planning and Implementation* and *Self Evaluation Processes and Practices*. Future monographs slated for publication are on topics related to learning resource systems, program advisory committees, and designing and implementing degree programs.

Schools to Be Considered List for the August 2008 Meeting Available Online

The Commission has prepared and published a list of the schools that may be considered at its August 2008 Commission meeting. Reviews scheduled for the August 2008 meeting include, but are not limited to, those schools that have undergone evaluations for initial and renewal applications for accreditation; substantive changes such as the addition of new programs (i.e., non-degree, degree and distance education), changes of location, changes of ownership, and the addition of separate facilities; and other reviews as may have been deemed necessary by the Commission.

The Commission's *Schools to be Considered List* can be found on its website at www.accsct.org. Go to “*Commission Actions*” and then “*Schools to be Considered*.”

Accredited institutions, governmental and non-governmental agencies, industry members, the general public, and other interested parties are invited to submit written comments pertaining to any school included on the Commission's list. Comments should include information that will assist the Commission in making a decision regarding the accreditation action pending for a school. Any comments received will be forwarded to the school, which will then have an opportunity to submit a response to those comments. The deadline to submit written comments is **July 21, 2008**. Submit written, signed, and dated comments to Nickia King, School Actions Coordinator, by way of the Commission office or to nking@accsct.org.

Instructor and Graduate of the Year Nominations Available Online

ACCST is now accepting nominations for the 2008 Instructor and Graduate of the Year Awards. The Instructor of the Year Award recognizes a member school instructor who provides outstanding career and technical instruction and the Graduate of the Year Award celebrates a member school graduate who is currently working and making an outstanding contribution to their profession. The winners will be recognized during the 2008 ACCST Professional Development Conference Awards Ceremony on October 6th in Bethesda, Maryland.

Nomination information for the awards can be found on the Commission's website at www.accsct.org. Go to “*Events*” and then “*Prof Dev Conf*” and “*Instructor or Graduate of the Year*.”

Electronic Submission Requirements Reminder

Rationale – From the September 18, 2007 Accreditation Alert

The Accrediting Commission of Career Schools and Colleges of Technology continuously seeks ways to improve the efficiency of its procedures as a means to ensure the best allocation of its resources and the resources of its accredited institutions. To that end, ACCSCT's accreditation processes and procedures have become increasingly reliant upon technology to achieve greater efficiency. A long-range goal of ACCSCT's Technology Plan has been to develop an Enterprise Content Management System in which technologies are fully utilized to capture, manage, store, preserve, and deliver content and documents related to accreditation processes. Over the past two years, the Commission has undertaken an electronic submission pilot project in which a small number of institutions volunteered to prepare and submit applications and responses to the Commission in electronic format using the ACCSCT Instructions for Electronic Submission. Based on the success of the pilot along with the 100% success rate for accredited institutions submitting the Online Annual Report, the Commission has found that receiving materials in an electronic format enhances its ability to:

- Reduce paper handling and manual processes;
- Reduce the requirement for paper storage;
- Afford faster access to information;
- Improve control over accreditation documents and processes;
- Streamline the time-consuming conversion of paper submissions to electronic format;
- Increase security over the accessibility of accreditation records; and
- Improve tracking and monitoring of accreditation processes, with the ability to modify the system to continuously improve efficiency.

The Commission has therefore determined that ACCSCT will transition to receiving all applications, forms, responses, and other documentation from institutions in electronic format. The Commission established a timeline to phase in the submission of electronic documents incrementally that was first published in an Accreditation Alert dated September 18, 2007. The purpose of including this information in this *Accreditation Alert* is to remind institutions of the timelines and procedures associated with this transition.

Instructions for the Submission of Electronic Documents

The Commission's **Instructions for Electronic Submission** provide the specific requirements and instructions for the submission of electronic documents. The most recent iteration of these instructions dated June 1, 2008 is available on the Commission's website, www.accsct.org, under the "**Forms & Reports**" link. It is imperative that institutions follow these instructions – please only submit and format documents according to these instructions. If ACCSCT receives a document that is not submitted or formatted in accordance with to these instructions, the document will be returned and a late fee will be assessed. If you have any questions pertaining to these instructions, please contact Leah Matthews, lmattews@accsct.org, or Christopher Lambert, clambert@accsct.org.

Implementation Timeline

Application for Accreditation:

Beginning with the **October 2-3, 2007 Accreditation Workshop**, all institutions have been required to submit the Application for Renewal of Accreditation or the Application for Initial Accreditation and the Self Evaluation Report in accordance with the ACCST Instructions for Electronic Submission and in accordance with the timeframes announced at the workshop.

Financial Statements:

Financial statements must be submitted in accordance with the ACCST **Instructions for Electronic Submission** and the **Instructions for the Preparation and Submission of Financial Statements and Related Information**. This includes institutions in initial accreditation applicant status.

Response to On-Site Evaluation Report and Commission Action Letter:

Institutions that are instructed to prepare a response to an On-Site Evaluation Report (e.g. Team Summary Report) or a response to a Commission Action Letter (e.g., stipulations, reporting, a deferral, a Show Cause Order, a Probation Order, etc.) scheduled for consideration at the May 2008 Commission Meeting or later are required to submit the response in accordance with the ACCST **Instructions for Electronic Submission**.

Substantive and Nonsubstantive Change Applications and Reports:

Beginning July 1, 2008, institutions submitting an application for a substantive change or a nonsubstantive change report must do so in accordance with the ACCST **Instructions for Electronic Submission**.

Application for Appeal of a Commission Decision:

Beginning July 1, 2008, institutions submitting an Application for Appeal of a Commission Decision must do so in accordance with the ACCST **Instructions for Electronic Submission**.

Processing Fee Assessment:

The Commission also authorized the assessment of a \$500 processing fee for institutions that submit paper materials after the dates provided above.

New Annual Report Submission Due Date - November 3, 2008

At the May 2008 meeting, the Commission reviewed the previous submission deadline for the ACCSCT Annual Report and has opted to make the submission deadline earlier, moving the due date up from mid-January to early November. **Accordingly, the new due date for the 2008 Annual Report is November 3, 2008.**

The Commission's rationale for this change is to have more timely access to institutional information and data, and to allow for more timely analysis of important information regarding institutional trends and performance outcomes among ACCSCT-accredited institutions. In addition, the earlier submission due date will better align reporting functions, particularly for those institutions subject to Student Achievement Outcomes Reporting.

The previous submission timeframe was connected with a previously used paper submission process. Until 2005, the Annual Report would be finalized and distributed on paper in mid-October and with a submission date set in mid-January of the following year. Now that the Annual Report is available in an on-line format and is made available earlier to schools, the Commission determined that schools will still have the same amount of time to complete the report by early November. In reaching this decision, the Commission relied upon the result of a survey distributed earlier this year that showed that 93% of the survey respondents (195 of 209) indicated that the school required three months or less to complete the Annual Report.

The 2008 Annual Report will be available on the Commission's website (www.accsct.org) on July 1, 2008. The companion document, 2008 Annual Report Instructions and a compilation of "Frequently Asked Questions," will also be available on the Commission's website to assist institutions in completing the report. Please note that the Commission will not accept paper copies of the 2008 Annual Report.

IMPORTANT: The passwords distributed to institutions to access the 2007 Annual Report are still in effect and should be used to access the 2008 Annual Report. Should you need assistance with your password, please contact the Commission office at (703) 247-4212 and ask to speak with a member of our 2008 Annual Report Support Team.

PLEASE NOTE: ACCSCT is building its e-mail database through the submission of the Annual Report as well as other reports and applications that are submitted to the Commission. Please ensure that the e-mail address submitted in the Annual Report is correct and that it is the address that the school would like the Commission to use for all future electronic communication. The Commission will cease paper mailings in 2008.

Financial Statement Submission

A primary goal of the Commission is to ensure that its accreditation standards are valid and appropriate tools for evaluating the educational and administrative functions of its accredited institutions. The review of fiscal year-end financial statements is an integral part of this process and the Commission has completed a comprehensive examination of its requirements, policies, and procedures associated with the annual submission of fiscal year-end financial statements. As a result of this examination, the Commission, after engaging in the call for comment process, has revised its **Instructions for Financial Statement Submission and Financial Reporting**. The new document, **Instructions for the Preparation and Submission of Financial Statements and Related Information** – available on the Commission’s website at www.accsct.org under the “*Forms & Reports*” link – aligns ACCSCT’s accreditation requirements with current trends and best practices in the preparation of audited financial statements for educational entities and allows the Commission to gather financial information from increasingly complex and multi-layered ownership structures.

The new Instructions for the Preparation and Submission of Financial Statements and Related Information are effective for all fiscal year-end dates of July 1, 2008 and later.

The most notable changes to the Commission’s requirements follow:

1. All ACCSCT-accredited institutions and those seeking initial accreditation must submit audited fiscal year-end financial statements.

ACCSCT’s previous instructions permitted accredited institutions to submit audited or reviewed fiscal year-end financial statements, except in those instances where another regulatory entity requires an audit. While reviewed financial statements provide a marginally higher level of assurance than compiled financial statements, reviewed financial statements did not provide the Commission with an adequate level of assurance that the financial statements accurately present the financial condition and results of operations of an institution. Accordingly, the Commission determined that the requirement of audited financial statements will align accreditation standards with best practices in the evaluation of financial soundness and will provide the Commission with the information necessary to properly evaluate the financial position of an institution. Schools in the initial application for accreditation process will be contacted directly with instructions for the submission of their financial statements in accordance with their progress in seeking accreditation.

2. Audited financial statements must be submitted for holding companies that beneficially own and control institutions as subsidiaries.

Some ownership and control structures being implemented for systems of accredited institutions have become increasingly complex with multi-layered corporate structures established between an institution and its ultimate parent or beneficial owner. The Commission, therefore, now requires the submission of audited financial statements for not only the institution but also any holding companies that have control over the business and operation of the institution when such corporate structures exist. The Commission has determined that the full disclosure of this information is material because the absence of financial statements at the holding company level does not provide a complete picture of the financial position of the institution.

3. Comparative Format

In order to more closely examine year-to-year financial performance trends, the Commission has established the requirement that fiscal year-end financial statements are to be submitted using a comparative format including the two most recent fiscal year ends – current and prior. For example, a school with a fiscal year-end date of December 31 would submit financial statements for the fiscal year ending December 31, 2007 in a side-by-side format with the fiscal year ending December 31, 2006, which would allow for a comparative analysis of those two fiscal year ends.

4. Additional Information

The new requirements allow the Commission to seek any additional information that the Commission may deem necessary in making a determination as to whether an institution is financially sound and operating in compliance with the *Standards of Accreditation*. The Commission may seek this information in conjunction with its normal review of financial statements or when the Commission has information that an institution may have experienced a material adverse change in its financial position subsequent to the date of its most recently submitted fiscal year-end financial statements.

5. Financial Statement Submission Deadline

The Commission has changed the due date for submitting fiscal year-end financial statements. The Commission's new instructions require the submission of financial statements no later than 180 days following the end of the fiscal year-end. This new submission deadline requirement is effective for all currently accredited institutions beginning with fiscal-year end July 1, 2008 and later. Schools in the initial application for accreditation process will be contacted directly with instructions for the submission of their financial statements in accordance with their progress in seeking accreditation.

Please note that sustaining fees and the Sustaining Fee Calculation Worksheet will continue to be due at the same time as the submission of the school's financial statements as described above.

6. Financial Statement Analysis Form

The Commission has discontinued the use of the Financial Statement Analysis Form because other processes have been put into place that makes this requirement unnecessary.

Distance Education Approval Process

Effective July 1, 2007, ACCSCT promulgated substantive revisions to its distance education standards found in *Section IX, Substantive Standards, Standards of Accreditation* to ensure that ACCSCT's standards remain aligned with distance education best practices in postsecondary education and to ensure an appropriate level of quality in the programs offered at ACCSCT-accredited institutions. As a result of these revisions, the Commission has also reviewed its processes for the approval of distance education as a delivery method and has made additional revisions to those processes. These revisions, effective July 1, 2008, include the following:

- The fee to be submitted with the Application for Initial Distance Education is \$1,500.
- In instances where ACCSCT has approved an Application for Initial Distance Education previously and determined that distance education is part of a school's scope of accreditation, schools will be required to submit the Application for Expanded Distance Education Approval in order to expand the scope of that approval into other programs areas.
- The fee to be submitted with the Application for Expanded Distance Education Approval is \$500.

Statement on Academic Freedom

ACCSCT endorses academic freedom as a guiding principle within higher education and believes that an expression of that principle in the *Standards of Accreditation* is an important addition. This Commission's believes that institutions should encourage faculty members to function as responsible scholars and educational practitioners within the parameters of fair and reasonable established policies that relate to the expression of ideas.

Accordingly, the Commission will add the following language to the Preamble of the *Standards of Accreditation*, which is to be interpreted as a statement that the Commission endorses academic freedom within the context of an institution's mission, policies, and procedures.

ACCST endorses the concept of academic freedom that supports faculty members' privilege to function as scholars in the interpretation and application of theories and ideas within the context of an institution's mission, policies, and procedures.

Statement for Working with External Consultants in the Accreditation Process

ACCST firmly believes that self evaluation is a critical component of the accreditation process. Moreover, ACCST believes that the self-evaluation process is best experienced when it is institution led and driven producing institutional discovery, results, and recommendations for improvement. While ACCST does not take a position with regard to whether institutions should seek the assistance of an external consultant while undergoing any part of the accreditation process, particularly the self-evaluation process, ACCST does expect that its interactions with institutions undergoing accreditation processes will be with the institution's managers and personnel and not with external consultants.

To that end, the following is ACCST's statement expressing the Commission's perspective regarding the utilization of external consultants in the accreditation process and the Commission's preference for communicating with its institutions, and not external consultants, in the accreditation process. This statement is in full effect immediately and will be included in the *Standards of Accreditation*.

ACCST Statement for Working with External Consultants in the Accreditation Process

The following statement is provided to assist an institution undergoing the process of accreditation to understand the perspective of the Commission regarding the utilization of external consultants in the accreditation process.

A cornerstone of the accreditation process is self-evaluation. Self-evaluation aids the staff and faculty of an institution in analyzing and verifying that it is effectively accomplishing its stated objectives according to its established policies and procedures as well as the established policies and procedures of federal and state agencies and of an accrediting body. The process helps the staff and faculty to develop the knowledge and skills that enable the institution to continuously monitor and maintain quality throughout its organization.

It is important to recognize that an institution must demonstrate to the Commission that it is capable of offering programs and services of quality to its students and that the institution has the internal infrastructure, management and administrative capacity, and educational staff and faculty to provide and sustain those efforts.

ACCST does not take a position with regard to whether institutions should seek the assistance of an external consultant while undergoing any part of the accreditation process, particularly the self-evaluation process. Furthermore, ACCST does not recommend specific individuals or consulting firms to any institution seeking external assistance.

If an institution chooses to use an external consultant in the accreditation process, the external consultant may not be present at the institution during any part of an on-site evaluation. The on-site evaluation team will expect to communicate directly with management and employees of the institution and not with a consultant employed solely for the purpose of completing the accreditation process.