To: ACCSCT Accredited Institutions and Other Interested Parties

From: Elise Scanlon, Executive Director

Date: March 21, 2003

Subject: Amendments to the Standards of Accreditation

The Accrediting Commission of Career Schools and Colleges of Technology has reviewed all written comments submitted by accredited institutions and other interested parties regarding the revisions to the Standards of Accreditation as proposed in the Commission’s December 31, 2002 Call For Comment. The Commission has subsequently voted to adopt many of the proposed standards as indicated in the Call For Comment. The revisions to the Standards of Accreditation in the following areas are effective immediately.

- Addition to the Accreditation Overview Section of the Standards of Accreditation – Waivers
- Revisions to the Process and Procedures Section of the Standards of Accreditation – Probation
- Revisions to Section VII (B) – Satisfactory Progress Policy Standards
- Revisions to the Accreditation Reviews Section of the Standards of Accreditation

The full text of the Accreditation Alert can be found on the Commission’s website at: www.accsct.org. Go to “Staying Accredited” and then “Accreditation Alert.” The revisions and additions have been incorporated into the Introduction Section and the Standards of Accreditation. In addition, all corresponding forms have been updated. These documents may also be obtained from the Commission’s website. Go to “Staying Accredited” and then “Forms.” The revised copies of these documents should be used to replace all previous versions.

Accredited institutions and others maintaining complete, up-to-date copies of the Standards of Accreditation should add this notice to their current standards book under the Accreditation Alerts tab. For additional information related to these adopted changes, please contact Michale S. McComis, Director of Accreditation at (703) 247-4520.
Addition to the Accreditation Overview Section of the Standards of Accreditation - Waivers

Over time the Commission has received and considered requests for waivers of accrediting standards and procedures. The Commission has always taken the position that it should be sparing in granting waivers in order to protect the integrity of the process and consistency in the application of substantive accreditation requirements. However, on occasions where exceptional or extenuating circumstances have been present, the Commission has granted such waivers. The addition of the standard below is to: 1) establish for the membership the specific criteria and procedures to be followed in the event that a waiver is requested; and 2) the conditions under which the Commission will entertain a waiver of accreditation requirements.

**ADDITION TO THE STANDARDS OF ACCREDITATION** (new language in **bold and italic print**):

**ACCREDITATION OVERVIEW**

**Waivers**

*In limited and exceptional circumstances, the Commission will consider requests to waive the application of accrediting standards and procedures. Waiver requests must be submitted to the Commission office in writing and identify the specific standards or procedures for which a waiver is sought. The request must also explain in detail the basis for the request and provide relevant factual support including appropriate documentation. The Commission may only grant a waiver if:*

1. The normal application of the standards or procedures will create an undue hardship;
2. The waiver will meet the purposes of the standards and procedures; or
3. Other special extenuating circumstances are present.

*In all instances, a waiver may only be granted if the school demonstrates that educational quality will be promoted and the interests of students will be protected by the proposed waiver. Waiver requests that seek simply to excuse noncompliance with accrediting standards and procedures will be denied.*

*The decision whether to grant a waiver is at the discretion of the Commission, and denials of waivers may not be appealed. The Commission may also impose such conditions in scope or duration on any waiver that it may grant as it deems appropriate. Waiver requests that*
effectively seek to amend the Standards of Accreditation will not be granted. Instead, schools making such requests should offer proposals for changes to accrediting standards for the Commission’s consideration as provided in Adoption and Revision of Standards of Accreditation, Accreditation Overview.
Revisions to the Process and Procedures Section of the Standards of Accreditation – Probation

The Commission’s former policy with regard to placing a school on Probation for failure to demonstrate compliance with accrediting standards required a minimum three month probationary period. This requirement was established at a time when the Commission met three times per year which allowed for a three month probationary period to be completed prior to the next scheduled Commission meeting. With the Commission’s current quarterly meeting schedule, this is no longer possible. In order to avoid any delay in a school’s ability to meet the requirements set forth in the Probation Order or, when it becomes necessary, the ability to take swift action on the part of the Commission, the Commission has removed the minimum three month requirement. The revision permits the Commission the necessary discretion to set a timeframe for the probationary period that is appropriate based upon the individual facts and circumstances surrounding the action.

REVISION TO THE STANDARDS OF ACCREDITATION (deleted language indicated by strikethrough):

The Commission may, at its discretion, place a school on Probation for a specified period of time, which, at a minimum, shall be three months in duration. A school placed on probation will be required to demonstrate necessary corrective action and compliance with accrediting standards. The school may also be required to submit Commission directed reports and receive visiting teams. Failure to demonstrate compliance with accrediting standards by the end of the Probation period may result in the school being removed from the accredited list. In its discretion, the Commission may place a school on Probation without first issuing a Show Cause Order. Further, in its discretion, the Commission may fail to grant accreditation, fail to approve transfer of accreditation, or remove a school from the accredited list without first placing a school on Probation.
Revisions to Section VII (B) - Satisfactory Progress Policy Standards

The Commission reviewed its Satisfactory Progress Policy standards and has made the revisions set forth below in order to account better for the diversity of the schools within the ACCSCT membership. The two main issues reviewed and revised by the Commission relate to probation policies and the intervals at which student progress is evaluated.

It had come to the Commission’s attention that some schools had interpreted Section VII (B)(5) as a per se rule requiring a school to terminate students who fail to meet the required minimum grade point average or fail to complete the training within the maximum timeframe without the option of a probationary period. Because this was not the intent of that standard, the Commission has made a clarification of the satisfactory progress policy standards to avoid further misinterpretation. It is the Commission’s expectation, as expressed in the standards, that students will be properly notified and warned of any unsatisfactory academic progress and that a period of probation can be employed prior to a student’s dismissal for failure to meet the school’s requirements.

In addition, it had come to the Commission’s attention that the formerly prescribed intervals for student evaluation may not be congruent with the manner in which all programs are designed or organized. For example, the 25% point of progression in a program may not be the most appropriate point at which to measure a student’s progress in that program. Instead, a 20% interval may be a better point at which to measure student progress. Because the Commission is most interested in ensuring that progress is measured at appropriate intervals, the Commission had revised the standard to allow schools some discretion in this regard. It is not, however, the Commission’s expectation that a school will evaluate a student’s progress less frequently, but instead that a school will take into account its program design and the specific academic needs of students in determining the appropriate evaluation intervals. Therefore, the Commission has clarified Section VII (B)(2) to state more clearly the Commission’s expectations in regard to the intervals at which student progress is evaluated.

**REVISIONS TO THE STANDARDS OF ACCREDITATION** (new language in bold and italic print; deleted language indicated by strikethrough):

**VII. STUDENT PROGRESS**

**B. Satisfactory Progress**

1. The school has published in its catalog a written policy for assessing satisfactory student progress related to grades and attendance. Grades, work projects, externships, etc., are measured against stated educational objectives which are explained clearly to students. This policy must address performance standards and grading and be consistently applied.
2. The school establishes grading criteria to assess a student’s academic progress through the training program. At a minimum the school reports academic progress to students at regular intervals (e.g., phase, module, mid-term, term, quarter, semester, etc.) and evaluates the minimum grade point average which students must attain at those intervals. Students must attain a minimum cumulative grade point average of 2.0 or the equivalent in order to be eligible for graduation. Students must attain a minimum cumulative grade point average of 1.0 at the end of the first 25 percent of the program, and a 1.5 cumulative grade point average at the midpoint of the program, and a 2.0 grade point average upon graduation, assuming the traditional 4.0 scale. If the program, however, is not organized to allow academic progress to be reported at these specific intervals, students must demonstrate academic progress at other appropriate established intervals during the program such that the student reasonably can be expected to attain the minimum grade point average required for graduation. If the school uses a other grading scales other than the traditional 4.0 scale are used (e.g., letter grades, percentages, pass/fail) the school must adopt comparable progress standards.

3. The school must publish the maximum time frame within which training must be completed. For a clock hour program, the maximum time frame shall not exceed 1.5 times the normal duration of the program. For a credit hour program, the credit hours attempted cannot exceed 1.5 times the credit hours required to complete the program.

4. The school must publish the probation policy that is defined and published. The policy must include specific warning procedures to notify the student in writing that continued unsatisfactory progress will result in termination. The school must publish procedures for requesting reinstatement. The terms of the probation must be documented and maintained in the student’s file.

5. If a student fails to meet the minimum grade point average or fails to complete the training within the maximum time frame, the student must be dismissed.
The school must terminate any student who is unable to satisfactorily achieve the knowledge and skills required by the occupation for which the training is intended. The school must publish procedures for requesting reinstatement should a student be terminated for failure to maintain satisfactory progress.

The school must publish policies which define the effect of course incompletions (at what point an incomplete grade reverts to a failure), withdrawals, course repetitions (how repeating a course affects the students’ previous grades), and, if offered, noncredit remedial courses, if offered.

Student progress through the program is reported regularly to students. Successful program completion is based upon satisfactory achievement of the required knowledge and skills and confirmed by an appropriate credential (e.g., certificate, diploma, degree) which correctly identifies the school’s name and location.
**Revisions to the Accreditation Reviews Section of the Standards of Accreditation**

There are certain aspects of an educational institution that are so fundamental that any substantive change to these areas has the potential to alter dramatically the delivery of education to students, even to the extent of altering the institution’s mission. Accordingly, notices by an institution of substantive changes such as changes of location, ownership and the addition of new programs are a critical component of the Commission’s review process and therefore require timely and accurate notice. The Introduction to the Standards of Accreditation establishes the Commission’s reliance upon information, data and statements provided by a school in determining that standards continue to be met when a substantive change has occurred. The Commission has therefore adopted the revisions that follow to further define changes that the Commission considers to be substantive and seeks to clarify the notification requirements for substantive changes.

One of the most significant substantive changes is that of a change of ownership or change of control of an educational institution. The Commission has always required notification of a change of ownership prior to the transaction taking place so that the Commission could be confident that the institution would continue to operate in compliance with accrediting standards under the new ownership. Over time, the Commission has been presented with certain change of ownership scenarios that were not addressed specifically in the Standards of Accreditation. The following revisions to the Standards of Accreditation address these issues and will guide the Commission in reviewing proposed changes of ownership in a variety of settings such as publicly traded and not-for-profit corporations.

Please note that the language below is only an excerpt of the Accreditation Reviews section of the Standards of Accreditation and focuses specifically on the new and revised language as adopted. In addition, as general editing the term “visit” has been replaced with “on-site evaluation” in all instances.

**REVISIONS TO THE STANDARDS OF ACCREDITATION** (new language in *bold and Italic print*; deleted language indicated by *strikethrough*):

As a general editing

**Notification Requirements**

A School shall notify the Commission immediately *in advance* of any substantive changes in ownership or management, contractual affiliations with other schools; additions or changes of programs or facilities; and events or circumstances that could affect the school’s policies, staff, curricula, reputation, and legal or financial status, such as filing for bankruptcy or reorganization.
All information supplied to the Commission by a school will be treated as confidential in accordance with accrediting standards. (See Commission Review, Process and Procedures). Accordingly, confidentiality or non-disclosure agreements will not excuse non-compliance with the Commission’s requirements for notification.

Substantive Changes

The Commission considers the following to be substantive changes to an educational institution:

- a change in the mission or educational objectives of the school;
- a change of ownership;
- changes in the academic measurement of an educational program from clock hours to credit hours or a substantial increase in the number of clock hours or credit hours required for the successful completion of a program;
- a change of location (move or relocation);
- the addition of a new program with educational objectives unrelated to those already approved at the institution;
- the addition of a degree program;
- a significant departure in the method in the delivery of the school’s programs to include distance education modalities; and
- the addition of a separate facility.

These changes are defined more fully in this section and require prior Commission approval through the filing of the appropriate reports and applications.

Schools must submit the appropriate reports and applications in accordance with the applicable filing requirements and before undertaking any of these substantive changes. The Commission’s review of the application or report seeks to determine whether the substantive change adversely affects the capacity of the school to continue to meet the Standards of
Accreditation. A proposed substantive change generally will be reviewed within 30 days of the Commission’s receipt of an appropriate report. Upon completion of this review the school may be notified that the substantive change is approved; that the report is incomplete and therefore requires additional information; or that the proposed change requires further consideration by the Commission.

At the Commission’s discretion, a fact-finding on-site evaluation may be directed to review the proposed change and the school’s prior and continuing compliance with accrediting standards. Upon review of the on-site evaluation report and the school’s response to that report, the Commission will then decide whether to include the proposed substantive change within the school’s scope of accreditation. At its discretion, the Commission may approve a substantive change subject to the school undergoing a total accreditation reevaluation. A school which is denied approval of a proposed substantive change may appeal in accordance with the procedures set forth in Appeals Panel, Process and Procedures.

Proposed changes to a school may be so substantial that the Commission may conclude that the school to which it granted accreditation has effectively closed and a new school is proposed to open. After affording the school the opportunity to provide information about the changes and whether sufficient continuity of the accredited school will be maintained, the Commission may act to withdraw accreditation and to require the school to apply for initial accreditation. The school may appeal such action in accordance with the procedures set forth in Appeals Panel, Process and Procedures.

Program Approval

Accreditation by ACCSCT is institutional in nature. In order for a program to be included in the institution’s accreditation, it must be within the Commission’s scope of accreditation and properly reported to and approved by the Commission. The Commission will consider programs outside of its scope and may recognize them as within the institution’s accreditation, provided the school has received specialty or programmatic accreditation for the program. Such a program
also would be considered if it has some other equivalent certification or approval that is sufficiently comprehensive to assure the Commission that the program to be offered meets the standards and competencies required by the occupation for which the program trains students. If there is an accrediting body that recognizes the program, then that body’s accreditation requirements take precedence over the ACCSCT requirements as it relates to that program only. All other ACCSCT requirements would apply to the school.

No school may describe in its catalog, advertise, enroll students in, or award credentials for new programs, substantive changes to programs, or degree programs prior to Commission approval as provided below.

Where a program has not had any enrollments or graduates for one year, the Commission may, at its discretion, request additional supportive information from the school to determine whether it has maintained the capacity to offer the program. Any program that has had no enrollments or graduates during the last accreditation cycle will cease to be recognized by the Commission.

Schools may enter into contractual arrangements with business, industry, or government agencies for group training purposes. The school may represent these training programs as within the scope of the Commission’s accreditation only if the programs have been recognized or approved in accordance with accrediting requirements.

1. New Non-Degree Programs

a. Related Programs

New programs that do not constitute substantive changes as described below must be reported to the Commission through the filing of a New Program Report-Related Program at least 30 days before the first class begins. An on-site evaluation visit to the school may be required at the discretion of the Commission. The new program will be recognized as within the school’s institutional accreditation as of the date that the
Commission *approves the new program*, acknowledges that the New Program Report-Related Programs has been properly filed.

b. Unrelated Programs

See Substantive Changes *Substantive changes to the programs offered by a school must be reviewed and approved by the Commission before they may be included within the school’s scope of accreditation.*

*The addition of programs which are unrelated to the approved programs offered by a school or the alteration of programs or courses that represent a significant departure in the objectives or content from the approved programs or courses offered by a school requires approval through the filing of a New Program Report-Unrelated Program.*

2. Degree Programs

Schools must have each degree program reviewed and approved by the Commission before the program is offered by filing an Application for Approval of a Degree Program. An *on-site evaluation* team visit shall be required in the following circumstances:

a. A non-degree granting school seeking approval to add a degree program.

b. An associate degree granting school seeking approval to add a bachelor’s degree program.

c. A school seeking approval of a degree program in a program area unrelated to previously approved degree offerings.

A school may not describe in its catalog, advertise, *enroll students in*, or award the degree prior to Commission approval. In order to be considered, the Application for Approval of a Degree Program must be submitted at least 30 days prior to the Commission meeting at which the school desires to have the application reviewed. The Commission shall then act to approve or deny the application.
3. Program Modifications

a. Non Substantive - Less Than 25 Percent

Non-substantive program modifications are those which result in less than a 25 percent change in the program’s clock hours or credit hours or changes to the name of an approved program. The Commission does not require prior approval of non-substantive program modifications; however, schools must notify the Commission, in writing, of these types of modifications. Schools must complete the Program Modification Report for Non-Substantive Changes with all attachments prior to the modification taking effect. In the event that it is determined that the program modification is in fact a substantive change, a school will be required to submit the appropriate substantive change report.

Schools must notify the Commission in writing, prior to the modification, of all program modifications resulting in less than a 25 percent change in the program’s clock hours or credit hours. The school must complete the Program Modification Report with all attachments. Upon receipt of the Program Modification Report, Commission staff will conduct a review of the modification to determine whether the school must submit additional information or if the modification requires the submission of a Substantive Change Report.

b. More Than Substantive - 25 Percent or More

See Substantive Changes. A substantial increase or decrease (a cumulative modification of 25 percent or more from the original date of program approval or the most recent accreditation review) in the clock hours or credit hours of an existing program requires approval in accordance with the substantive change provisions including the filing of a Program Modification Report for Substantive Modifications.
4. Distance Education Programs

The Commission defines distance education as a formal process in which the majority of the instruction occurs when the student and the instructor are not in the same location. Instruction may be synchronous or asynchronous. Distance education may employ correspondence study, audio, video or computer and Internet technologies. The addition of new distance education programs or alteration of programs or courses that represent a significant departure in the method of delivery from the programs or courses currently offered by the school requires approval through the filing of a Distance Education Program Report.

An on-site evaluation to a school proposing to offer its education or training via distance education will be required when:

• the proposed distance education program or individual course is the first distance education offering of the school;

• a school proposes to offer a new distance education program (degree or non-degree) which is educationally unrelated to its current program offerings;

• a school proposes to offer a component of an already approved residential program by distance which represents 25% or more of the total program offering as measured in clock hours or credit hours; and

• in accordance with established degree program on-site evaluation requirements.

An on-site evaluation to a school proposing to offer education or training via distance education will not be required when the proposed distance education program or course is related to the school’s already approved residential or distance education programs or courses; and an on-site evaluation to review the same or similar distance education delivery method has already occurred.
A school which proposes to offer additional courses or programs via the approved method of delivery must submit a letter notifying the Commission of the proposed additions. At its discretion, the Commission may request additional information or the filing of a Distance Education Report prior to approving the inclusion of additional course or programs to be offered via the approved method of delivery. Additionally, the Commission may review distance education program or courses without an on-site evaluation (e.g., auditing the educational delivery at a distance as deemed appropriate).

4. Substantive Changes

Substantive changes to the educational mission or programs of an accredited school must be reviewed and approved by the Commission before they may be included within the previous grant of accreditation to the school. This review seeks to determine whether the substantive change adversely affects the capacity of the school to continue to meet the Standards of Accreditation.

The Commission considers the following to be substantive changes requiring the approval of the Commission:

a. The addition or alteration of programs or courses that represent a significant departure in the objectives or content from the programs or courses currently offered by the school. The school must request approval by filing a Substantive Change Report-Part I.

b. The addition of programs leading to a credential or degree above that currently offered by the school. The school must request approval by filing an Application for Approval of a Degree Program.

c. A substantial increase or decrease (a cumulative modification of 25 percent or more from the original date of program recognition or the most recent accreditation review) in the clock hours or credit hours of an existing program. The school must request approval by filing a Substantive Change Report-Part II.
d. A change in the mission or objectives of the school. The school must request approval by filing a Substantive Change Report-Part III.

e. The addition of new distance education programs or alteration of programs or courses that represent a significant departure in the method of delivery from the programs or courses currently offered by the school. The school must request approval by filing a Distance Education Program Report.

Schools must submit the appropriate Substantive Change Report at least 30 days before undertaking any of these substantive changes. The proposed substantive change will be approved within 30 days of the Commission’s receipt of the Substantive Change Report unless the school is notified that the report is incomplete or that the proposed change requires further consideration. At the Commission’s discretion, a fact-finding visit may be directed to review the proposed change and the school’s prior and continuing compliance with accrediting standards. The school will be informed of the reasons for further consideration and provided with the report of any visit, and be given the opportunity to respond and submit additional information in support of the proposed change. The Commission will then decide whether to include the proposed substantive change within the school’s accreditation. In its discretion, the Commission may approve a substantive change subject to the school undergoing a total or partial accreditation reevaluation. A school which is denied approval of a proposed substantive change may appeal in accordance with the procedures set forth in Appeals Panel, Process and Procedures.

Changes of control and changes from clock hours to credit hours or vice versa are also substantive changes. These changes require prior Commission approval and the filing, as appropriate, of a Change of Ownership Report-Parts I and II or an Application for Clock Hour-to-Credit Hour Conversion, but do not necessitate the filing of a Substantive Change Report.
Change of Mission or Educational Objectives

The Commission encourages schools to review continuously institutional mission and educational objectives and to modify these as necessary for the effective delivery of the school’s educational program. When a school, however, seeks to change its mission or educational objectives substantively, that school must be able to demonstrate its ability to support the proposed change. A substantive change of mission or educational objectives may occur when the cumulative effect of other substantive changes (e.g., change of ownership, change of name, change of location and the addition of unrelated new programs or credentials) alters the original mission and objectives of the school. A school seeking to change its mission or educational objectives substantively must receive approval in accordance with the substantive change provisions and through the filing of a Substantive Change Report-Change of Mission or Educational Objectives. A substantive change of mission or educational objectives will be approved only if it is determined that there is a substantial likelihood that the change will result in continuous compliance with accrediting standards and will ultimately bring about positive results for the school’s student population and not detract from the education provided by the school.

Change of Ownership

A single transaction or combination of transactions which constitutes a change of control is considered by the Commission to be a change of ownership and a transfer of accreditation. A change of control means any action by which a person or corporation obtains authority to control the actions of a school, including a change of control which occurs as a result of a transfer in voting interest.

A change of ownership of an accredited school results in a transfer of accreditation that must be approved by the Commission prior to the consummation of the change of ownership. The Commission reviews a proposed transfer of accreditation that will result from a change of ownership in order to determine whether there is a substantial likelihood that the school will remain in compliance with accrediting standards after the ownership change. If the school
fails to obtain the Commission’s approval prior to the change of ownership, the accreditation of the school will not transfer. Consummation of a change of ownership without the Commission’s prior approval will result in withdrawal of the accreditation of the school effective as of the date of the ownership change. Appropriate state and federal agencies will be notified.

The Commission office should be contacted for guidance in interpreting and applying the definitions, processes, and other requirements explained below.

1. **Definitions:**

   **General Definition**—A change of ownership requiring the Commission’s prior approval of a transfer of accreditation is any transaction, or combination of transactions, that would result in a change in the control of an accredited school. Control is the ability to direct, or cause the direction, of the actions of a school. Control may be acquired by ownership, agreement, or otherwise.

   **Examples**—Transactions which the Commission considers to be a change of control of an accredited school are:

   - The sale of all, or substantially all, of the school’s assets.
   - The sale or assignment of the controlling interest of the voting stock of a corporation that owns the school or that controls the school through one or more subsidiaries, whether to persons who have not previously owned such stock or between existing stockholders.
   - The merger or consolidation of the school with one or more other schools; or the merger or consolidation of the corporation that owns or controls the school with one or more other corporations.
   - An independent corporation owning a school becomes a subsidiary of another corporation with different ownership.
These examples are illustrative only. Even if a transaction is not described in this list of examples, it will be considered a change of ownership requiring prior Commission approval if it meets the general definition of a change of control stated above.

Exclusions--The Commission is principally concerned with the actual ability to control rather than the form through which control is exercised. Thus, the Commission may not consider the transfer of a school to be a change of ownership if the same parties who had the ability to control the actions of the school retain that ability after the transfer. In addition, the Commission does not consider transfers of ownership interest within an immediate family to constitute a change of ownership. Members of the immediate family for this purpose are parents, spouses, siblings or children of the existing owners. Options, warrants and other rights to acquire ownership interests and debt will not be considered in determining ownership unless accompanied by agreements which substantially affect the ability to control the management and operations of the school.

Public Companies--The Commission recognizes that defining control of companies with stock that is publicly traded in securities markets and registered with the Securities Exchange Commission (SEC) may involve additional considerations. The general definition of a change of ownership still applies, but in applying that definition to public companies that control accredited schools, the Commission will consider a change of ownership to occur if a person or other entity:

• acquires 25% or more of the voting stock of the corporation and has the ability to exercise control over its management and operations;

• holds more than 25% of the voting stock and sells stock such that the person holds less than 25% and loses the ability to exercise control over management and operations; or

• is considered to have acquired or lost control under the securities laws.

A person will be considered to have the ability to exercise control over management and operations if the person is a member of the board of directors, has the ability to elect or
designate members of the board, or is a member of senior management. A change in the
members of the board of directors through the regular exercise of the stockholders’
franchise is not considered to be a change of ownership. In addition to the notification
requirements explained below, public companies must promptly notify the Commission of
filings with the SEC that report significant acquisitions of their stock.

Nonprofit Organizations--Control of a nonprofit organization rests with its members if it is
a membership organization and the members have the right to elect the board of directors.
Control of a nonprofit organization rests with the board of directors if it is a non-
membership organization. In addition to the application of the general definition and the
examples listed above, a nonprofit organization will be considered to have a change of
ownership if fundamental changes are made to its governance structure.

2. Notification

In accordance with the general requirements pertaining to notification in this
Accreditation Reviews section, a school must notify the Commission of ownership and
management changes and contractual agreements that affect control of the school even if
these changes or agreements do not constitute a change of ownership under the definitions
explained above. These notification requirements include all sales or assignments of
ownership interests of 10% or more, changes in the chief executive officer of the company
or organization that owns or controls the school and changes to the board of directors
other than in the normal course.

All information supplied to the Commission by a school and its prospective owners as part
of the change of ownership review process will be treated as confidential in accordance
Accordingly, confidentiality or non-disclosure agreements between the parties to a
proposed change of ownership will not excuse non-compliance with the Commission’s
requirements on changes of ownership.
3. Process

The transfer of accreditation that would result from a change of ownership must be approved by the Commission prior to the date of the change of ownership closing of the transfer or change of control. A school seeking to change ownership must submit a Change of Ownership Report Part-I must be filed—at least 30 days prior to the proposed date of the change of ownership.

The report is incomplete if disclosures as to the proposed new owners are not provided, certifications from current and proposed owners are not executed, or attachments are omitted. The school must also provide sufficient information to allow an assessment of its financial stability and responsibility under the proposed new ownership by explaining the financing for the proposed transaction and providing financial projections for the school on which the financing is based. If the report is incomplete or requires additional consideration, the school will be informed of the reasons and will be provided with an opportunity to respond and to submit additional information in support of the proposed transfer of accreditation. Additional consideration may be required if the background of proposed owners or managers raises questions as to their qualifications, the proposed ownership change raises concerns as to the soundness of the financial structure of the school or other concerns appear as to the school’s compliance with accrediting standards.

The Commission will then approve the transfer of accreditation, deny the transfer of accreditation, defer the matter for further consideration or take any other action which it deems appropriate. A proposed transfer of accreditation will be approved only if it is determined that the proposed new owners and managers have records of integrity and the capability to own and operate a school in accordance with the Standards of Accreditation, the financial structure of the school will remain sound with sufficient resources for the operation of the school and discharge of obligations to students, and the school will otherwise remain in continuous compliance with accrediting standards.
Failure to obtain approval of the transfer of accreditation in advance of the change of ownership may result in the removal of the school from the ACCSCT list of accredited institutions as of the date that the change of ownership occurred. A denial of a transfer of accreditation, or a withdrawal of accreditation because of an unapproved change of ownership, may be appealed in accordance with the procedures set forth in Appeals Panel, Process and Procedures.

Schools which receive Commission approval for the proposed transfer of accreditation must file a Change of Ownership Report Part-II within 30 days after the consummation of the change of ownership. Generally, the Change of Ownership Report Part-II will be reviewed within 30 days from receipt of the report and may either be approved or the school may be notified that the report is incomplete or that the matter requires additional consideration.

An on-site evaluation visit to of the school shall be conducted within six months of the date that the ownership change occurred by, at a minimum, an ACCSCT Management Specialist and Commission representative. A visiting team An on-site evaluation report shall be prepared and provided to the school for a response. Upon a review of the Change of Ownership Visit Team Summary Report, and the school’s response to that report, the Commission will vote either to either accept the report, with or without stipulation or to, continue the school’s accreditation under the new ownership, defer the matter for further consideration, or take any other action which it deems appropriate. If an institution fails to demonstrate that it is operating in compliance with accrediting standards under the new ownership, the Commission may vote to remove the school from the list of ACCSCT accredited institutions or take other appropriate action.

If warranted, the Commission may require the school, and any separate facilities, to undergo a total reevaluation of the school and any separate facilities. A total reevaluation of the school will require the school’s director to attend the next scheduled Accreditation
Workshop; the submission of an Application for Renewal of Accreditation and Self-Evaluation Report; the submission of all required fees; and a full-team on-site evaluation as prescribed by accrediting standards and as set forth at the Accreditation Workshop for schools applying for renewal of accreditation.

*Schools which undergo a change of ownership may not relocate beyond 25 miles within a two year period from the date that the ownership change occurred. Schools which relocate beyond 25 miles may not apply for a change of ownership for a period of two years from the date that the Commission approved the relocation. Additionally, schools which undergo a change of ownership may not apply for accreditation of any type of separate facility within one year from the date that the transfer of accreditation is approved.*

The Commission does not consider the transfer of stock or voting interest within an immediate family to constitute a change of ownership resulting in a transfer of accreditation.

The Commission must be notified by letter of all transfers of equity (name, title, percentage of ownership) in excess of 10 percent that do not result in a change of control and transfer of accreditation.

The proposed transfer of accreditation resulting from the proposed change of ownership will be approved within 30 days of the Commission’s receipt of the Change of Ownership Report-Part I unless the school is notified that the report is incomplete or that the matter requires additional consideration. If the matter requires additional consideration, the school will be informed of the reasons for further consideration and will be provided with an opportunity to respond and to submit additional information in support of the proposed transfer of accreditation. The Commission may then act to either approve the transfer of accreditation, deny the transfer of accreditation, defer the matter for further consideration, or take any other action which it deems appropriate. A proposed transfer of accreditation will be approved only if it is determined that there is a substantial likelihood that the
change of ownership will result in continuous compliance with accrediting standards and that the proposed new owner(s), managers or persons in control of the school have past records of integrity as well as records indicating a likelihood of compliance with accrediting standards and are properly qualified for their particular roles in the school as required by the Standards of Accreditation.

A school which is denied approval of a proposed transfer of accreditation may appeal in accordance with the procedures set forth in Appeals Panel, Process and Procedures.

Complaints

Accredited schools must have a published procedure and operational plan for handling student complaints. The school’s written procedure must contain all items of the Student Complaint Exhibit. If a student is concerned that the school has not adequately addressed a complaint, the student may consider contacting the Commission. All complaints considered by the Commission must be in written form, with permission from the complainant(s) for the Commission to forward a copy of the complaint to the school for a response. An initial review of the complaint and the school’s response is conducted by the Commission staff to determine possible violations of accrediting standards. If the response to the complaint indicates that the school may be in violation of accrediting standards, the matter is forwarded to the Commission for appropriate action. The complainant(s) will be informed as to the status of the complaint as well as the final resolution by the Commission.

The issues raised by a complaint that have been resolved by the Commission will not be subject to further review or reconsideration unless subsequent complaints against the school raise new issues or suggest a pattern of significant noncompliance with accrediting standards not evident from the consideration of the previously resolved complaint. Please refer to the Student Complaint Exhibit for the Commission’s procedures for handling complaints.
### Accreditation Fees

**Accreditation Workshops**
- **Member / $425**
- **Non-member / $475**
- **Consultants / $1,000**

**Appeals Transcript / Actual Cost**

**Applicant Orientation Visit / **

**Application for Accreditation**
- **Initial / $1,800**
- **Renewal / $1,250**

**Application for Appeal of Commission Decision / $5,000**

**Application for Approval of a Degree Program / $1,500 **

**Application for a Branch-Part I / $2,500**

**Application for a Branch-Part II /**

**Application for Clock Hour to Credit Hour Conversion / $500**

**Change of Location Report-Part I / $750**

**Change of Location Report-Part II / **

**Change of Name Report-Part I / $500**

**Change of Ownership Report-Part I / $1,750 **

*Consortium/ Partnership Report / $500*

**Distance Education Report / $500**

**Facility Expansion Report / No charge**

**Late Fee / * / $250**

**New Program Report-Related Program / $500**

*New Program Report-Unrelated Program / $500**

**Program Modification Report for Substantive Changes / $500**

**Program Completion Report for Non-Substantive Changes / No Charge**

**Satellite Location Report / $750 **

**Substantive Change Report-Part I / $500 **

**Substantive Change Report-Part II / $500**

**Substantive Change Report-Part III Change of Mission or Educational Objectives / No charge**