**Each ACCSC-accredited school intending to change ownership or control must submit this at least45 days prior to the proposed change of ownership or control. Schools are reminded that the application must be reviewed by the Commission, thus applications received too late to be considered at the next scheduled Commission meeting may be delayed. To ensure consideration of the application at the next scheduled meeting, see the** **Substantive Changes – Level II schedule, which is available on the ACCSC website.**

**Schools seeking to change control must obtain prior approval from the Commission before completing the transaction or the accreditation of the school will not transfer to the new owner.Failure to obtain approval prior to the change of control transaction will result in the loss of the accreditation as of the date of unapproved transaction (*Section IV (E)(2), Rules of Process and Procedure, Standards of Accreditation*).**

**The submission of this application does not constitute approval by the Commission.**

**GUIDELINES FOR SUBMISSION - PLEASE REVEW PRIOR TO SUBMISSION:**

1. The school must ensure that the **Payment Submission Form** of this application is included and identifies the correct fee amount, check information, and indicates the correct and applicable school(s).

2. The school must provide a response and all appropriate supporting documentation to all items below. The Commission may not process the application and may require a new submission from the school if the application is found to be incomplete.

3. The completed application should not exceed **100 pages** total and should include only the required information. Do not provide copies of the school catalog or information that does not pertain to the items in this application.

4. Prior to final submission of this application, review the entire submission to ensure that all required information is provided, that all intended attachments are included, and that the submission is free of errors and typos.

**ELECTRONIC SUBMISSION FORMAT REQUIREMENTS:**

1. Electronic Submissions may not be transmitted to the Commission via e-mail.
2. The school’s response must be prepared in accordance with ACCSC’s [Instructions for Electronic Submission](http://www.accsc.org/UploadedDocuments/Instructions%20for%20Electronic%20Submission%204%201%202014%20web.docx) (e.g., prepared as one Portable Document Format (“PDF”) file that has been prepared using Adobe Acrobat software (version 8.0 or higher) and which has a .pdf extension as part of the file name). The school will receive an e-mail confirmation that the file has been received within 24 hours of the submission.
3. Please visit the ACCSC website for specific resources and guidance regarding how to successfully complete this application: [Forms and Reports](https://www.accsc.org/Forms-and-Reports/Forms-And-Reports.aspx)-Guidance/Sample Applications.ACCSC encourages the school to review this module prior to submitting this application.
4. Additionally, **do not copy and paste** answers from previous applications.

**I have read and understand the Guidelines for Submission and the Electronic Document Format Requirements set forth above and I further understand that a failure to adhere to these guidelines and requirements will result in either a delay in the processing of or return of this application.**

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| --- | --- | --- | --- |
| **Name** | **Signature** | **Title** | **Date** |
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| --- | --- | --- | --- |
| **School #** | **School Name** | **Type** | |
|  |  | Main: | ☐ |
| Branch: | ☐ |

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| --- | --- |
| **Address** | **City, State** |
|  |  |

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| --- | --- | --- |
| **Current School Director** | **Phone** | **Email** |
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|  |  |  |
| **Contact Person** | **Phone** | **Email** |
|  |  |  |

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| --- | --- |
| **Date of Proposed Transfer of Control/Ownership:** |  |
| **Current Student Enrollment:** |  |

**DISCLOSURES PERTAINING TO PROPOSED NEW OWNERSHIP/GOVERNING ENTITY†**

| **Disclosures Pertaining to Proposed New Ownership/Governing Entity:** | | **Select One (✓)** | |
| --- | --- | --- | --- |
| **Yes** | **No** |
| 1. | Has any proposed new owner, board member, or manager been directly or indirectly employed or affiliated with any school which has lost or been denied accreditation by any accrediting agency during that individual’s period of employment or affiliation? If the answer is **YES**, please attach a statement to this application which details the facts and circumstances surrounding that school’s loss or denial of accreditation. |  |  |
| 2. | Has any proposed new owner, board member, or manager been directly or indirectly employed or affiliated with any school that has closed or entered into bankruptcy? If the answer is **YES**, please attach a statement to this application which details the facts and circumstances surrounding that school’s closure, bankruptcy or both as applicable. |  |  |
| 3. | Has any proposed new owner, board member, or manager been directly or indirectly employed or affiliated with any school that has lost or been denied eligibility to participate in Federal Student Financial Aid (Title IV) programs? If the answer is **YES**, please attach a statement to this application which details the facts and circumstances surrounding the loss or denial of Title IV eligibility. |  |  |
| 4. | Is any action pending (e.g. court action, audit, inquiry, review, administrative action), or has action been taken, by any court or administrative body (e.g. federal or state court, grand jury, special investigator, U.S. Department of Education, or any state or federal regulatory or law enforcement agency) with regard to any proposed new owner, board member, or manager or with regard to any institution with which any proposed new owner, board member, or manager has previously been affiliated? If the answer is **YES**, please attach a statement to this application which gives full disclosure of the person(s) and the matters involved. Include a statement of the facts and circumstances surrounding the action identifying the owner or manager and the school involved. If the matter is not yet final, please describe the procedural status of the matter (i.e., still under investigation, preliminary decision under appeal, etc.) and the position taken by the proposed new owner, board member, or manager involved. If the matter is final, provide a copy of the final action documentation. |  |  |
| 5. | Has any proposed new owner, board member, or manger served in a similar capacity in any other school where either that individual or the school has been charged or indicted in a civil or criminal forum or proceeding alleging fraud, misappropriation, or any criminal act? If the answer is **YES**, please attach a statement to this application which gives full disclosure of the person(s) and the matters involved. Include a statement of the facts and circumstances surrounding the action identifying the owner, board member, or manager and the school which is involved. If the matter is not yet final, please describe the procedural status of the matter (i.e., still under investigation, preliminary decision under appeal, etc.) and the position taken by the proposed new owner, or board member, or manager involved. If the matter is final, provide a copy of the final action documentation. |  |  |

**†**With regard to these required disclosures, “owner” means any individual who holds 1% or more of the ownership interest and “manager” means any individual who has the authority to direct or oversee any of school’s operations or policy development.

**CERTIFICATION AND ATTESTATION**

* I certify that to the best of my knowledge and belief, the information herein and attached hereto is accurate and correct.
* I certify that I understand that it is the school’s responsibility to demonstrate compliance with the Standards of Accreditation and that the Commission’s deliberations and decisions are made on the basis of the written record and are therefore dependent on the forthrightness of the school in disclosing all information that the Commission has requested on this application.
* I certify that the proposed owner, governing entity (i.e., board), and management have reviewed the ACCSC *Standards of Accreditation* and supporting materials of the Commission and that under the proposed new owner, governing entity (i.e., board), and management, the school will continue to operate in accordance with the standards published by the Commission.
* I certify that the proposed owner, governing entity (i.e., board), and management have reviewed the current Annual Report, the list of programs approved with the school’s scope of accreditation, the last Self-Evaluation Report, and the most recent Commission action pertaining to the school and understand the information contained within those documents.
* I certify that the proposed owner, governing entity (i.e., board), and management will assume all responsibility and liability for contractual and refund obligations to all students, past and present, unless otherwise provided by the contract of sale.
* I understand that the Commission may seek assistance from external resources such as legal counsel to review the structure of the proposed transaction and that the school will be financially responsible for the expenses incurred in such review. The Commission will invoice the school for such expenses and the school must pay these expenses before the Commission will approve the application, but in any event within 90 days from the date that the Commission invoices the charges to the school.
* I certify that the individual identified below is allowed access to ACCSC records regarding the Change of Control process, if applicable (e.g., attorney, individual from purchasing school, etc.).

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| **Additional Individual:** | | | |
| Name: |  | Title: |  |
| Signature: |  | Date: |  |

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| **Current Owner and/or Chief Executive Officer:** | | | |
| Name: |  | Title: |  |
| Signature: |  | Date: |  |

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| **Proposed Owner and/or Chief Executive Officer:** | | | |
| Name: |  | Title: |  |
| Signature: |  | Date: |  |

**APPLICATION PROCESSING FEE**

Submit the Processing Fee of $4,000 Main / $2,500 Branch for transactions $5 million or less; $6,000 Main / $2,500 Branch for transactions of $5 million to $10 million; $8,000 Main / $2,500 Branch for transactions greater than $10 million.

* **NOTE**: In addition to the Commission’s processing fee, if the Commission seeks external counsel or assistance with the review of the application, the school is responsible for any additional costs associated with the external review of this application.
* **NOTE**: Should an application be deemed incomplete, the school will receive a request for additional information. If, upon review of the additional information, the application is still incomplete, the school will receive a deferral letter requesting additional information and the school will be assessed a **$500** **application deferral fee** for the submission of the additional information, which must be paid upon the submission of the additional information response.
* If you choose to pay by check, please mail a check directly to ACCSC for the processing fee and include a statement identifying the corresponding application(s). **Note**: please ensure that the **Payment Submission** **Form** for this application is included.

**APPLICATION ATTACHMENTS**

1. Request for Good Cause:

If the school proposing to undergo a change of control is subject to a Warning or Probation Order, then provide a [Request for Good Cause Showing](https://www.accsc.org/UploadedDocuments/1991%20Website/Request%20for%20Good%20Cause%20Showing%20rev%207.2016.docx) as part of this application. The request must make a clear and convincing showing of good cause from the proposed new owner that the change of control will substantially resolve the issues that led to the Warning or Probation Order.

**NOTE:** If the Commission determines that such a showing has been made and permits the transfer of accreditation, the school will still be required to respond to the pending Warning or Probation Order and demonstrate that the school has come into compliance such that the Warning or Probation Order can be lifted (*Section IV (E)(2)(r)(iv), Rules of Process and Procedure of Process and Procedure, Standards of Accreditation*).

1. A detailed description of the control structures that include:

a. A description and diagram that sets forth the precise breakdown of the **current** control structure (e.g., sole proprietorship, partnership, corporation, non-profit corporation, publicly owned entity, board, family trust, etc.) including the percentage of ownership (as appropriate) of each entity in the chain of control, up to and including the individual(s) who are the ultimate owners or members of the governing entity (i.e., board) and

b. A description and diagram that sets forth the precise breakdown of the **proposed new** control structure (e.g., sole proprietorship, partnership, corporation, non-profit corporation, publicly owned entity, board, etc.) including the percentage of ownership (as appropriate) of each entity in the chain of control, up to and including the individual(s) who are the ultimate owners or members of the governing entity (i.e., board).

The ownership descriptions/breakdowns must include **all** individuals, partnerships, LLCs, corporations, trusts, boards, or other forms of ownership and/or governing entity (for publicly traded corporations, this includes shareholders that directly own 10% or more of the stock as of the date of the application).

1. A list of all board members, managers, and/or partners affiliated with each entity disclosed in the organization structure that is proposed to acquire the school that includes a description as to how each individual’s experience and background prepares them to oversee the operation of an accredited school and assures the likelihood that the school will remain in compliance with accreditation standards after the ownership changes (*Section IV (E)(2)(c), Rules of Process and Procedure, Standards of Accreditation*). For **non-profit organizations**, provide documentation to demonstrate that no individual/entity/group (owner or manager) that has a financial interest in the non-profit organization is a board member, has a board seat, or is a member of the non-profit corporation (*Section IV (E)(2)(e)(ii), Rules of Process and Procedure, Standards of Accreditation*).
2. If any owner, board member, manager, and/or partner is currently affiliated with any other school, provide the following:
   1. A list of each affiliated school;
   2. A copy of each affiliated school’s current state(s) license(s) or approval(s) which provide authority to operate; and
   3. A copy of each affiliated school’s current accredited status.
3. A *pro forma* balance sheet reflecting the expected financial condition of the school as of the date of transaction. The balance sheet must, at a minimum, break down current assets, fixed assets, other assets (if appropriate), current liabilities, long-term liabilities, and equity. The *pro forma* balance sheet must also reflect the estimated outstanding unearned tuition as of the date of the sale of the school.
4. The most recent fiscal year-end audited financial statement for the school undergoing the change of control prepared in accordance with the ACCSC Instructions for the Preparation & Submission of Financial Statements and Related Information.
5. Audited financial statements for the proposed owner, prepared in accordance with the ACCSC Instructions for the Preparation & Submission of Financial Statements and Related Information as follows:

Level 1: Regardless of the type of entity (corporate, individual, trust, etc.), the proposed Level 1 controlling owner must provide audited financial statements for the most recent fiscal year end.

Level 2 and Above: For each corporate/trust entity at these levels up to the ultimate parent corporation/trust, the proposed controlling owner must provide audited financial statements for the most recent fiscal year end.

Newly Formed Level 1 Owner:When a newly formed corporation with no previous history seeks to acquirea school, submit personal financial statements for each person that will, directly or indirectly, own or control a significant amount of equity in the new controlling entity (i.e., 10% or more equity) and/or will provide funds to support the transaction or to support the operation of the new controlling entity.

**NOTE:** Individuals with ownership interest of the parent corporation are not generally required to provide audited personal financial statements; however, the Commission may request audited or reviewed personal financial statements as necessary to demonstrate the financial soundness of the proposed new ownership structure (see also the Note to follow).

1. Internally prepared financial statements for the proposed new owner, as follows:

a. If the application is submitted within the first 90 days of the current fiscal year, then no internally prepared financial statements are required;

b. If the application is submitted within 91 through 180 days of the current fiscal year, then provide internally prepared financial statements for the first quarter of the fiscal year;

c. If the application is submitted within 181 through 270 days of the current fiscal year, then provide internally prepared financial statements for the first and second quarters of the fiscal year; or

d. If the application is submitted within 271 through 365 days of the current fiscal year, then provide internally prepared financial statements for the first, second, and third quarters.

1. All pertinent conditions of the transfer, including the date of sale. This may be in the form of a copy of the proposed sales contract or, if there is no contract, a letter of intent or similar document, or other description of the terms of the agreement that is signed by both parties. If the transfer involves any form of debt financing that will impact the financial condition of the new owner, please provide copies of the promissory notes and any security agreements involved in the transfer. In instances where the governing entity is a board, provide a copy of the by-laws, including a description of the terms of service of board members and the process to elect and replace board members. If the change of control involves changes to the entity’s bylaws, please provide a redlined copy of the new bylaws showing the anticipated changes.
2. A disclosure and description of all inchoate rights associated with the transaction, if any, highlighting those that could result in a future change of ownership and/or control for the school if enacted or exercised. Provide references to the applicable sections of the transaction documents that set forth such rights.
3. A report on all changes that are being contemplated, for the remainder of the school’s accreditation cycle,include those concerning (a) educational objectives; (b) programs and curricula; (c) degree programs *(if applicable);* (d) faculty; (e) student services; (f) student progress; (g) admission policies and practices; (h) student recruitment; (i) management; and (j) separate facilities. Provide a description as to how the new governing entity will ensure the adequate infrastructure, management, and administrative capacity to enact such changes and to maintain compliance with accreditation standards.
4. Evidence that the school has either begun or completed the pre-acquisition application process with the U.S. Department of Education as required for schools that participate in any Title IV federal student financial aid program. If the pre-acquisition application process is not completed, please provide a copy of the school’s pre-acquisition application and all correspondence between the school/proposed new owner and the U.S. Department of Education. If the pre-application process is completed, provide the corresponding notice from the U.S. Department of Education.

**NOTE:** Please ensure that the ownership structure submitted in the Pre-Acquisition Application matches the provided ownership structure as described in the ownership diagram provided for item (4.a.) of this application.

1. A description of the capacity and experience of the proposed new owner or governing entity (i.e., board) that demonstrates the substantial likelihood that the school will operate in compliance with ACCSC *Standards of Accreditation* and that supports the disclosures presented in Attachments #2 and #3 of this application.
2. Any other information that is relevant to or may assist the Commission in its review of the change of control and the information set forth in response to this application.

**NOTE:** The approval of a change of control expires if the transaction is not completed within 90 days from the date disclosed in the Application for a Change of Control-Part I. Once expired, the school must submit a new Application for a Change of Control-Part I, to include the application processing fee.

**SUBMIT TO: Executive Director**

**Accrediting Commission of Career Schools and Colleges**

**2101 Wilson Boulevard / Suite 302**

**Arlington, Virginia 22201**

**INSTITUTIONAL DEVELOPMENT: PAYMENT SUBMISSION FORM FOR APPLICATION SUBMISSIONS**

|  |  |  |  |
| --- | --- | --- | --- |
| **School(s) #** | **School(s)**  *(Please list all schools applicable to payment)* | **City** | **State** |
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| --- | --- |
| **Application Type(s)**  \**Please refer to attached list for application types* | **Payment Amount(s)**  *(Enter payment amount for each application type)* |
|  |  |

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| **Total Payment Amount** | C**heck Number** |
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| --- | --- | --- | --- |
| **Name of contact person(s)** | **Title(s)** | **Contact phone number(s)** | **Contact email(s)** |
|  |  |  |  |

* **Please submit this payment form with each check payment**.

**Submit To: Operations Department**

**Accrediting Commission of Career Schools and Colleges**

**2101 Wilson Boulevard, Suite 302**

**Arlington, VA 22201**

|  |  |  |
| --- | --- | --- |
| **\*Application Type(s)** | | |
| Application of Hours for Clock Hour Programs | Application for Continuing Education and Avocational Courses | Application for Approval of a Baccalaureate Degree |
| Application for Approval of an Academic Associates Degree | Application for Approval of a Master’s Degree | Application for Approval of an Occupational Associates Degree |
| Application for a Branch Part I | Application for a Branch Part II | Application for a Branch Realignment, Part I |
| Application for a Branch Realignment, Part II | Application for a Change of Location Part I | Application for a Change of Location Part I |
| Application for a Change of Name Part I | Application for a Change of Control Part I | Application for a Change of Control Part II |
| Application for Clock to Credit Hour Conversion | Application for a Distance Education Facility | Application for Initial Distance Education |
| Application for Expansion of Distance Education Approval | Application for a Change of Mission | Application for English as a Second Language Courses |
| Application for a Non-Degree Program | Application for a Satellite Location | Application for a Substantive Program Modification |
| Application for a Substantive Program Modification Addition of Concentration | Modification of Ownership Report | Consortium Partnership Report |
| Distance Education Consortium Partnership Agreement | Facility Expansion Report | Program Modification Report Non-substantive Modification |
| Application for a Baccalaureate Degree – Affiliated | Application for an Associate Degree – Affiliated | Application for a Non-Degree Program – Affiliated |
| Application for a Substantive Program Modification – Affiliated | Application for a Clock to Credit Hour Conversation – Affiliated | Program Modification – Non Substantive Modification – Affiliated |
| Application for use of “University” in the School Name Part – I | Application for use of “University” in the School Name Part – II | Application for a Change of Name Part II |
| Application for a Non-Degree Program with Expansion of Distance Education | Application for Approval of an Associate Degree Program with Expansion of Distance Education |  |