

ENGAGING in FEDERAL STUDENT ASSISTANCE TITLE IV PROGRAMS

Substantive Change Application

# INSTRUCTIONS for SUBMISSION

**General Instructions:** Complete the following Engaging in Federal Student Assistance Title IV Programs Application. Submit the completed application and supporting documentation following DEAC’s Guidelines *for Electronic Submission*.

After the proposed substantive change is received by DEAC, the institution undergoes an on-site visit within six to 12 months of implementation. The institution shall submit a report on the effect of the substantive change on the institution’s compliance with DEAC accreditation standards at least five week prior to the scheduled on-site evaluation.

**SECTION 1:** Complete the locations chart, including all locations (e.g., domestic and international). Provide contact information for an individual who is physically located at each location and able to answer location-specific questions.

**SECTION 2:** Provide requested responses regarding the proposed engagement in federal student assistance Title IV programs.

**SECTION 3:** Provide requested enrollment information.

**SECTION 4:** Review and acknowledge each institutional affirmation by marking the check box to the left.

**SECTION 5:** Provide the identified supporting documentation following DEAC’s *Guidelines for Electronic Submission*.

**SECTION 6:** The president/CEO certifies that all information and documentation provided is true and accurate.

Distance Education Accrediting Commission

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# ENGAGING IN FEDERAL STUDENT ASSISTANCE TITLE IV PROGRAMS – APPLICATION

The following procedures and guidance are applicable to institutions which seek to participate in or are already participating in Federal Student Assistance (FSA) Title IV programs. The procedures and guidelines below are aligned with but do not replace the published federal requirements for participation in Federal Student Assistance (FSA) Title IV programs. Where a DEAC requirement is more stringent than a corresponding federal requirement, the institution should comply with the DEAC requirement. In no event, however, should institutions comply with a DEAC requirement if such compliance would make the institution non-compliant with a federal requirement; any institution encountering such a potential conflict should promptly notify DEAC’s Director of Accreditation.

DEAC limits the percentage of revenue received from federal student assistance programs in the first year of authorized participation and requires the adoption of FSA default reduction methods at inception of participating in Title IV programs. DEAC conducts additional oversight of student loan default levels of any institution that, in any published cohort year, has a cohort default rate greater than 30 percent. The DEAC’s requirements are more stringent than the published federal policies, giving DEAC additional insight into the institutions it accredits that participate in Federal Student Assistance (FSA) Title IV programs.

It is DEAC’s expectation that any accredited institution electing to participate in FSA Title IV programs will comply with all federal program responsibilities under Title IV of the Higher Education Act, as amended, without exception.

For each institution that elects to participate in Federal Student Assistance Title IV programs, DEAC examines (a) the record of the institution’s compliance with its federal program responsibilities under FSA Title IV regulations, based on the most recent “official cohort default rates” published by the U.S. Department of Education; (b) the results of its audited financial statements; and (c) the institution’s compliance audits, any program reviews conducted by the US Department of Education, and any other information that the U.S. Department of Education may provide to DEAC. DEAC takes action, as appropriate, when any of the information suggests that the institution may be failing to meet DEAC’s standards.

An institution jeopardizes its accredited status with DEAC if it is found by DEAC or the appropriate federal authorities or a relevant state authority to be in significant noncompliance with its FSA Title IV program responsibilities or requirements.

**Scope of Activity:** The institution may elect to become an FSA Title IV program eligible institution and not participate in any Federal Student Assistance Title IV programs. Any programs selected for FSA Title IV program participation must meet the federal minimum requirements for program eligibility, as well as meeting DEAC’s requirements. (Note: The U.S. Department of Education considers an eligible institution to be the “sum of its eligible programs.”)

**Eligibility:** The institution that uses, or seeks to use, accreditation by DEAC to establish eligibility to participate in FSA Title IV programs must first offer “distance education” courses as defined under the formal definition established by the U.S. Department of Education.

Any programs the institution selects to be FSA Title IV program eligible must have been offered in substantially the same length, covering substantially the same subject matter, during the 24 months prior to the date the institution applies for Title IV eligibility certification from DEAC.

Any DEAC institution that intends to seek certification of Title IV eligibility from DEAC must meet all eligibility requirements, including the minimum program length requirements, expressed in weeks and academic credits, as set forth in the law and regulations for FSA Title IV program participation.

**Academic Units of Measurement:** DEAC reviews the institution’s policies and procedures for determining the credit hours as defined in 34 CFR 600.2. DEAC evaluates the process an institution uses to award credits for courses and programs and makes a reasonable determination whether the institution’s assignment of credit hours conforms to commonly accepted practices in higher education.

**Licensure:** The institution that uses, or seeks to use, accreditation by DEAC to establish eligibility to participate in FSA Title IV programs must have a charter, license, or formal authority from all appropriate government bodies to offer its programs or courses, when such authority is available or required. The loss of state licensure or required authority to operate results in the simultaneous loss of DEAC accreditation and Title IV eligibility.

**Limit on Participation and Significant Growth Triggers:** Revenue from all FSA Title IV programs by eligible institutions may not account for more than 50 percent of an institution’s total revenue during its first 12 months of eligibility for FSA Title IV program participation, and not more than 75 percent of its revenue for all subsequent years of participation until such time that the institution (a) receives renewal of accreditation while participating in Title IV programs and (b) demonstrates that its three-year cohort default rate and financial statement composite score fall within acceptable ranges as prescribed by the U.S. Department of Education. Once the institution documents it meets the aforementioned requirements it may submit a request for the Commission’s approval to exceed 75 percent of its revenue from FSA Title IV programs. The Commission, at its next scheduled regular meeting, will consider this record and the institution’s ongoing compliance with accreditation standards and determine whether to approve the institution to draw the maximum revenue from FSA Title IV programs allowed under applicable Title IV regulations. Institutions must report the percentage of revenues derived from Title IV funds to DEAC using the same calculation methodology that is used when reporting revenues derived from Title IV funds to the U.S. Department of Education and as presented in the Title IV compliance audit.

Revenues received from students who enrolled in an institution’s programs prior to the date on which FSA Title IV program eligibility was granted and who subsequently elect to receive FSA Title IV funds will not be included in the institution’s FSA Title IV program revenues.

An institution that, due to its participation in FSA Title IV programs, experiences annual growth of more than a 50 percent increase in student enrollments and/or has more than a 50 percent increase in annual tuition receipts in any calendar year may be directed to undergo an on-site evaluation, at the discretion of the Commission.

**Certification of the Institution by DEAC:** An institution seeking to participate in FSA Title IV programs is required to be certified by DEAC prior to applying to the U.S. Department of Education. Violation of any provisions of these procedures, including applying to the U.S. Department of Education without first seeking and receiving DEAC certification, may subject an institution to corrective action, special visit, or loss of accreditation.

These are the steps for requesting Commission approval and certification to participate in FSA Title IV programs:

1. A key person from the institution attends the DEAC *Title IV Financial Aid Seminar*. The institution then submits an Eligibility for Federal Student Assistance Title IV Program Application.

The institution must then submit an Eligibility for Federal Student Assistance Title IV Program Report that identifies programs intended for participation in FSA Title IV programs.

1. The institution receives an on-site visit to verify its compliance with federal minimum requirements and DEAC standards and procedures. The institution receives a Chair’s Report and has 30 days to respond with any additional information or documentation necessary to support the substantive change.
2. The Commission reviews the evaluation files for the institution’s application for Title IV eligibility certification and approves or denies the substantive change in accordance with accreditation standards. DEAC notifies the institution in writing within 30 days of the Commission’s action and notifies the U.S. Department of Education and other relevant constituencies in accordance with its notification and information-sharing procedures.

## SECTION 1: INSTITUTION INFORMATION

**Institution Name:** Insert Institution Name

**Former Names:** Insert Former Name(s)

**Provide the address for the institution’s main facility1**

| **Address** | **City** | **State (Country, Province)** | **Zip Code** | **Local Contact** |
| --- | --- | --- | --- | --- |
| Address | City | State | Zip Code | Local Contact |

1Main Facility: A geographic location that houses the headquarters of an institution. The institution provides evidence it is approved in the state for the activity that it conducts at the location.

**Provide information for other locations (if any):** Complete the chart below. Add rows as needed.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Address** | **City** | **State (Country, Province)** | **Zip Code** | **Location Type2** | **Local Contact3** |
| Address | City | State | Zip Code | Choose an item. | Local Contact |
| Address | City | State | Zip Code | Choose an item.  | Local Contact |
| Address | City | State | Zip Code | Choose an item.  | Local Contact |
| Address | City | State | Zip Code | Choose an item.  | Local Contact |
| Address | City | State | Zip Code | Choose an item.  | Local Contact |

2Location Type: Other than a main facility, DEAC institutions can operate:

* Administrative Site: A separate office located geographically apart from the main headquarters location, which typically provides an off-site workplace for the convenience of institution officials who do not live near the headquarters. Neither educational programs nor instructional services to students are offered from an administrative site.
* In-Residence Component (Facility): Instruction that requires in-person delivery of curriculum, learning of certain manual skills, technical proficiency with specialized equipment, access to resources or the application of certain techniques under professional supervision. In-residence components must not exceed 49% of a DEAC-approved program.

3Local Contact: Provide contact information (full name, email address, and phone number) for an individual who is physically located at each location and able to answer location-specific questions.

**Website(s):** Insert Website Link(s)

**Main Telephone Number:** Main Telephone Number

**Institutional Mission Statement:** Insert Mission Statement

**Primary Contact:** Name of President/CEO

**Title:** Title

**Email:** Email

**Telephone:** Telephone Number

**Compliance Officer Contact:** Name of compliance officer

**Title:** Title

**Email:** Email

**Telephone:** Telephone Number

Note: This individual must have already completed the *Preparing for DEAC Accreditation* tutorial.

1. Is the institution and/or any of its programs accredited by any other accrediting organizations (institutional or programmatic)?

[ ]  Yes [ ]  No

If yes, list the name of each accrediting organization, date of original accreditation, and the most recent action by the accrediting organization.

Insert Response

1. Has any owner or manager been directly or indirectly employed or affiliated with any institution that has lost or been denied accreditation by any accrediting organization during that individual’s period of employment or affiliation?

[ ]  Yes [ ]  No

If yes, please provide a statement of the facts and circumstances surrounding the action and identify the owner or manager involved. If the matter is not yet final, please describe the status of the matter (e.g., still under investigation, on appeal, etc.). If the matter is final, provide appropriate documentation.

Insert Response

1. Has the institution ever been denied accreditation, had its accreditation terminated, or voluntarily resigned its accreditation from any accrediting organization, including DEAC?

[ ]  Yes [ ]  No

If yes, please list the organization and date of action and include an explanation of the action taken the accrediting organization.

Insert Response

1. Does the institution have any pending accrediting action by any accrediting organization?

[ ]  Yes [ ]  No

If yes, please include an explanation.

Insert Response

1. Does the institution conduct recruiting, teaching, marketing, or other business-related functions outside the United States or country of domicile?

[ ]  Yes [ ]  No

If yes, please explain the institution’s engagement and activity within the global community.

Insert Response

1. Does the institution contract with any educational entities or agents outside the United States or country of domicile?

[ ]  Yes [ ]  No

 If yes, please explain the institution’s contract with the educational entities or agents.

Insert Response

## SECTION 2: ENGAGING in FEDERAL STUDENT ASSISTANCE TITLE IV PROGRAMS

1. Provide a detailed narrative for the rationale of the proposed engagement in Federal Student Assistance Title IV programs.

Insert Response
2. State whether the institution intends to be a deferment institution or a participating institution.

Insert Response

1. Provide a narrative describing how this substantive change supports the institutional mission.

Insert Response
2. Provide evidence that the programs offered by the institution are in a subject area/field in which the institution has demonstrated competence.

Insert Response
3. Provide a narrative describing how at least one program meets the U.S. Department of Education’s definition of “distance education” and that program(s) is substantively the same length and subject matter as the program(s) that the institution has offered for at least 24 months.

Insert Response

## SECTION 3: ENROLLMENT INFORMATION

1. Provide the number of new enrollments in the last calendar year.

Insert Response

1. Provide the total number of students as of the date of this application.

Insert Response

## SECTION 4: INSTITUTIONAL AFFIRMATIONS

Accreditation is a voluntary, peer review process. The institution assumes the burden of proof in demonstrating that its curricula are within DEAC’s recognized scope of authority and that all policies and procedures meet DEAC accreditation standards.

The president/CEO submits this application for the institution seeking the above noted substantive change and affirms the following:

|  |
| --- |
|[ ]  The institution is properly licensed, authorized, exempted, or approved by all applicable state education institutional authorities (or their equivalent for non-U.S. institutions). The institution is in compliance with all applicable local, state, and federal requirements. Exemptions from state law are supported by state-issued documentation or by express statutory/regulatory language. Should an institution lose its state licensure in its state of domicile for any reason, DEAC accreditation of an accredited institution is automatically withdrawn as of the date of the loss of state licensure. Such a withdrawal of accreditation may be appealed by an institution pursuant to DEAC’s appeal procedures. In any such situation, the institution shall not be entitled to receive any refund of fees already paid to DEAC nor shall DEAC have any liability to the institution associated with the termination of the substantive change application/evaluation process. |
|[ ]  The institution has clearly articulated outcomes for its educational offerings and has an ongoing outcomes assessment program in place designed to measure student achievement and satisfaction. |
|[ ]  The institution documents, through audited comparative or reviewed comparative financial statements that cover its two most recent fiscal years, that it is financially sound and can meet its financial obligations to provide instruction and service to its students. All financial statements submitted to DEAC are prepared in compliance with generally accepted accounting principles in the United States of America (GAAP) or International Financial Reporting Standards. If the financial operations of the institution are supported by a parent company or a third party, audited or reviewed financial statements are provided by the supporting entity to demonstrate that the supporting entity possesses sufficient financial resources to provide the institution continued financial sustainability, as well as the commitment to do so. If the institution’s financial performance is included within the parent corporation’s statements, a supplemental schedule for the individual institution is appended to the parent statement. |
|[ ]  The institution demonstrates that its name is free from any association with any activity that could damage the standing of DEAC or of the accrediting process, such as illegal actions, unethical conduct, or abuse of consumers. |
|[ ]  The institution and the institution’s owners, governing board members, officials, and administrators possess sound reputations and show a record of integrity and ethical conduct in their professional activities, business operations, and relations. The owners, governing board members, officials, and administrators have records free from any association with any misfeasance, including, but not limited to, owning, managing, or controlling any educational institutions that have entered bankruptcy or have closed, to the detriment of the students. Ongoing state, federal or local indictments, enforcement activities, or other censure against an institution, an institution’s owners, governing board members, officials, and administrators must be promptly disclosed by an institution to DEAC regardless of whether initiated before or during the period in which an institution is applying for accreditation or reaccreditation and during any period during which an institution is accredited by DEAC (Section XI.B). The notice should include an explanation from the institution as to the circumstances giving rise to the governmental action and why the governmental action should not result in a declaration of ineligibility under this section and/or a violation of Standard X. Upon receipt of the notice, the Commission may, in its sole discretion, initiate investigative proceedings and/or make a determination that the governmental action places the institution in violation of this eligibility criterion and of Standard X. |
|[ ]  The institution and the institution’s owners, governing board members, officials, and administrators possess sound reputations and show a record of integrity and ethical conduct in their professional activities, business operations, and relations. The owners, governing board members, officials, and administrators have records free from any association with any misfeasance, including, but not limited to, owning, managing, or controlling any educational institutions that have entered bankruptcy or have closed, to the detriment of the students. |
|[ ]  The institution, and its corporate affiliates, are free from any pending or final action brought by a state agency or recognized accrediting agency to (1) suspend, revoke, withdraw, or terminate any one or more of such entities’ legal authority to operate or (2) deny accreditation or renewal of accreditation to one or more of such entities.  |
| *The institution’s owners, governing board members, officials, and administrators understand that, in applying for accreditation, the institution:* |
| [ ]  | Voluntarily submits itself for review and decision by the Distance Education Accrediting Commission of its qualifications. |
|[ ]  Has reviewed the accreditation standards and supporting materials. |
|[ ]  Has the opportunity, as a part of the accreditation process, to demonstrate it meets all accreditation standards and assumes the burden of proof to document this compliance. |
|[ ]  Assumes the obligation to be honest, forthcoming, complete, and accurate in presenting information, answering questions, and providing information to the Distance Education Accrediting Commission and designated evaluators. |
|[ ]  Voluntarily accepts responsibility to comply with the accreditation standards and fulfill all the obligations of an accredited institution. |
|[ ]  Agrees to remain in compliance with all requirements set forth in the *DEAC Accreditation Handbook* and Bylaws. |
| [ ]  | Agrees to cooperate with DEAC in all aspects of the accreditation process, including, as applicable, DEAC’s policies and procedures for conducting on-site or virtual site visits, and in facilitating surveys and inquiries to students, recruiting personnel, state and federal consumer and regulatory agencies, employers of graduates, and other individuals, agencies, or groups that may have an opinion about the institution, its programs, or its services. |
| [ ]  | The institution acknowledges that accreditation information may be shared with other accrediting organizations, government entities, and the public in accordance with DEAC policies and procedures and applicable federal and state laws and regulations. |

The President/CEO submits this substantive change application for the institution and agrees that:

|  |
| --- |
|[ ]  All of the distance education programs offered by the institution have been reviewed and approved by DEAC. |
|[ ]  He/She has read, understands, and will abide by the applicable conditions and requirements discussed in XIX.J. *Engaging in Federal Student Assistance Title IV Programs*.  |
|[ ]  The institution meets all Federal eligibility requirements including the requirements for being a distance education program as stated in the law and regulations for Federal student assistance program eligibility.  |
|[ ]  The institution meets all course or program length requirements and “regular and substantive interaction requirements between faculty and students” as established by Federal regulations. |
|[ ]  The institution agrees to complete the DEAC Certification for Title IV and provide responses and documentation as required in Application Part 2.  |
|[ ]  The institution agrees to not submit an application to the Department of Education for eligibility status until DEAC has verified and confirmed that the institution is eligible to apply.  |
|[ ]  The institution agrees to undergo an onsite visit to verify and validate the responses and documentation provided in Application Part 2.  |

## SECTION 5: DOCUMENTATION

* Non-refundable Engaging in Federal Student Assistance Title IV Programs, Application Fee (see *DEAC Accreditation Fees* document). Provide evidence of payment (scanned copy of check or similar). Insert Date Fee was Mailed
* *DEAC State Authorization Form*
* Documentation of state authorization/licensure for institution’s state of domicile (where the institution maintains its primary facility, as listed in this application).
* Documentation of state authorization/licensure in any other states.
* Audited comparative or reviewed comparative financial statements covering the two most recent fiscal years

**Note:** Financial statements are audited or reviewed and prepared in compliance with generally accepted accounting principles in the United States of America (GAAP) or International Financial Reporting Standards. The institution’s budgeting processes demonstrate that current and future budgeted operating results are sufficient to allow the institution to accomplish its mission and goals. While DEAC will accept reviewed financial statements, the U.S. Department of Education requires audited financial statements.

* Board of Directors or other governing body meeting minutes reflecting the discussion of the need to engage in federal student assistance Title IV programs and approval to pursue Title IV eligibility.

## SECTION 6: CERTIFICATION

I certify that all of the information contained on this application and in the submitted documentation is true and correct, and I understand that, by electronically typing my name in this document, it is considered to have the same legally binding effect as signing my signature using pen and paper.

**Institution’s President/CEO:** Name of President/CEO

**Institution’s President/CEO Signature:** Print Name or Insert Digital Signature

**Date:** Insert Date