

**CHANGE in LEGAL STATUS, CONTROL, or OWNERSHIP
REPORT TEMPLATE**

# Background

The Distance Education Accrediting Commission requires all institutions undergoing a change in legal status, control, or ownership to obtain prior approval from the Commission and undergo an on-site visit. Prior approval serves two main purposes: (1) It provides institutions an opportunity to critically reflect on its operations, processes, and procedures prior to the change in legal status, control, or ownership and (2) it provides the on-site team a comprehensive overview of the institution, its mission, and its processes that are integral to delivering quality distance education.

The Distance Education Accrediting Commission’s accreditation process is grounded on the fundamental principle of peer review that enables faculty and administrative staff from within higher education to make recommendations essential to ensuring the quality of learning and institutional operations for all students. The process is guided by transparent standards that are established collaboratively by professional peers and member institutions.

The on-site visit provides an opportunity for evaluators to meet with key staff members, faculty/instructors, principal managers, outside accountants, governing board members, and advisory council members. The evaluators verify that the institution is meeting its mission and can demonstrate successful student achievement.

This report informs the Commission whether the institution meets, partially meets, or does not meet each of DEAC’s accreditation standards and core components when undergoing a change in legal status, control, or ownership. The report is provided to the institution for response approximately four to six weeks following the on-site visit. Both the report and the institution’s response are submitted to the Commission for review prior to final decision making.

# Instructions

It is the evaluator’s responsibility to review and assess the accuracy of the information presented in the application and during the on-site visit. By completing the following report template, the evaluator presents an overall determination of whether the institution adequately demonstrates that it meets DEAC’s accreditation standards when undergoing a change in legal status, form of control, or ownership.

Findings guidelines:

* **Meets Standard:** The institution demonstrates compliance with the intent of the accreditation standard or core component.
* **Partially Meets Standard:** The institution was able to demonstrate compliance with some, but not all, of the elements contained in the accreditation standard or core component.
* **Does Not Meet Standard:** The institution was unable to demonstrate compliance with a majority of the elements contained in the accreditation standard or core component.

The Chair should provide clear and concise descriptions within the “Comments” section of the report to support each determination that a standard or core component is met, partially met, or not met. If an institution meets the accreditation standard, the Chair may want to consider highlighting within the Comments section the processes and procedures the institution followed that enabled it to demonstrate compliance. If an institution partially meets or does not meet a standard, the Chair needs to adequately describe why the evaluation team reached this decision and refer, as appropriate, to narrative sections and exhibits within the SER that support the determination.

The Chair must also indicate the required actions necessary for the institution to demonstrate compliance with the partially met or unmet accreditation standard. Each required action must be tied back to an accreditation standard or core component.

For required actions, the Chair should begin each statement with, “[Insert Name of Institution] needs to [insert the action necessary by the institution to demonstrate compliance with the accreditation standard.]”

As part of the peer review process, it is important that institutions receive suggestions for improving their educational offerings and support services. The accreditation process allows the institution to benefit from an external review and perspective. The Chair is encouraged to provide suggestions within the report. Suggestions are those recommendations that are not required to meet minimum accreditation standards but are provided to the institution as an opportunity for growth and improvement.

For suggestions, the Chair should begin each statement with, “[Insert Name of Institution] may want to consider [insert the recommendation for improvement.]”

It is the Chair’s responsibility to review the merits and evidence presented for each determination. It is within the Chair’s discretion to choose a finding based on the institution’s response and evidence presented during the on-site visit.

**Report Submission:** The Chair emails the completed report to the director of accreditation four weeks after the on-site visit. Once all information is received, DEAC notifies the Chair to appropriately dispose of all institutional materials.

Helpful Hints

* The report should be objectively written in third person, narrative format using declarative sentences and simple verbs. The report should avoid broad generalities and speculative views.
* The report represents an accurate, concise, factual, and thorough presentation of the findings during the on-site visit.
* When making a determination whether the institution meets, partially meets, or does not meet accreditation standards, the Chair should include evidence of documents reviewed on site or analyzed in the report that led to the finding. Include specific examples.
* The report documents attributes and deficiencies using language found in the accreditation standards and core components. All deficiencies must be documented.
* The report should not require an institution to implement a new program or procedure in order to demonstrate compliance with a partially met or unmet accreditation standard. The report states the required action necessary to provide evidence or demonstrate compliance. The institution bears responsibility for demonstrating compliance with DEAC’s accreditation standards.
* The report accurately presents comments, required actions, and suggestions using direct quotations, references, and data.
* The report does not make recommendations to the Commission concerning the overall accreditation of the institution.

DEAC Change in Legal Status, Form of Control, or Ownership Report (Confidential)

Name of Institution: Name of Institution

Date of On-site Visit: Date of On-site Visit

Submitted By: Evaluator Name

Date of Report: Date of Report

On-site Team Members

Chair

Name
Title
Institution or Affiliation

DEAC Staff Observer

Name
Title

Institution or Affiliation

Onsite Visit Background and Summary

**Purpose of the Onsite Visit (check one):**

[ ]  Change in Legal Status

[ ]  Change in Form of Control

[ ]  Change of Ownership

 **Visit Summary:** Provide an overview of the on-site visit, including how well the institution was prepared.
**Institutional Overview:** Provide an overview of the applicant institution, including founding, organizational structure, target student population, legal form and governance, and status of state authorization.

**Legal Establishment and Levels of Ownership:** Provide an overview of the institution’s legal establishment (e.g., S corporation, C corporation, nonprofit corporation, partnership, publicly traded corporation, proprietorship) and describe the multiple levels of ownership, including the percentage of ownership in the ownership structure up to the parent entity.

# Accreditation Standards Findings

## Standard I: Institutional Mission

1. **Description of the Mission:** The institution’s mission communicates its purpose and its commitment to providing quality distance educational offerings appropriate to the level of study offered. The mission establishes the institution’s identity within the educational community and guides the development of its educational offerings.

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| **Standard I.A. – Meets, Partially Meets, Does Not Meet, or Not Applicable** | Choose a finding. |

**Comments:** Provide comments to support the finding based on the institution’s responses and evidence provided prior to and during the on-site visit.

**Required Actions:** Provide the required actions necessary for the institution to demonstrate compliance with the accreditation standards. Each required action must correspond to an accreditation standard or a core component.

**Suggestions:** Suggestions are those recommendations that are not required to meet minimum accreditation standards but are provided to the institution as an opportunity for growth and improvement.

1. **Review and Publication of the Mission:** The institution’s leadership, faculty, staff, administrators, and other stakeholders regularly review the mission to assure continued institutional quality and viability. The published mission statement is readily accessible to students, faculty, staff, other stakeholders, and the public.

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| **Standard I.B. – Meets, Partially Meets, Does Not Meet, or Not Applicable** | Choose a finding. |

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1. **Implementation of the Mission:** The institution identifies key indicators it uses to demonstrate that it is effectively carrying out its mission. The institution documents the achievement of its mission and shares appropriate information on this achievement with relevant groups (e.g., Advisory Councils, faculty, staff, students, and the public).

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| **Standard I.C. – Meets, Partially Meets, Does Not Meet, or Not Applicable** | Choose a finding. |

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## Standard II: Institutional Effectiveness and Strategic Planning

1. **Strategic Planning:** The institution has a systematic process of planning for the achievement of goals that supports its mission. The institution’s planning process involves all areas of the institution’s operations (e.g., admissions, academics, technology, etc.) in identifying strategic initiatives and goals by evaluating external and internal trends as they affect the future. At a minimum, the strategic plan addresses finances, academics, technology, admissions, marketing, personnel, and institutional sustainability. The strategic plan is reviewed and updated annually using established metrics designed to measure achievement of strategic planning goals and objectives. The plan helps institutions set priorities, manage resources, and set goals for future performance.

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| **Standard II.B. – Meets, Partially Meets, Does Not Meet, or Not Applicable** | Choose a finding. |

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## Standard VI: Academic Leadership and Faculty Qualifications

1. **Academic Leadership:** The institution demonstrates appropriate academic leadership capacity and infrastructure to support the effective distance education delivery of educational offerings. Academic leaders possess the academic credentials, background, knowledge, ethics, and experience necessary to guide the instructional activities of the institution.

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| **Standard VI.A. – Meets, Partially Meets, Does Not Meet, or Not Applicable** | Choose a finding. |

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1. **Chief Academic Officer (CAO) or Educational Director:** The institution designates a chief academic officer, educational director, or other similar oversight position. This individual is responsible for overall administrative of the educational program(s); for the educational, editorial, and research activities within departmental subject fields; and for faculty/instructors. The individual also informs marketing decisions.

Within the context of the institution’s mission:

* 1. The CAO or education director has appropriate academic administrative experience and competence necessary to lead and manage educational offerings in a distance education environment.
	2. The CAO or education director possesses academic credentials that are appropriate for the leadership, supervision, and oversight of faculty, curriculum design, and student achievement expectations.

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## Standard X: Institutional Governance

1. **Owners, Governing Board Members, Officials, and Administrators:** The institution’s owners, governing board members, officials, and administrators possess appropriate qualifications and experience for their positions and ability to oversee institutional operations. The owners, governing board members, officials, and administrators are knowledgeable and experienced in one or more aspects of educational administration, finance, teaching/learning, and distance study. The institution’s policies clearly delineate the duties and responsibilities of owners, governing board members, officials, and administrators. Individuals in leadership and managerial positions are qualified by education and experience.

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| **Standard X.A. – Meets, Partially Meets, Does Not Meet, or Not Applicable** | Choose a finding. |

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1. **Reputation of Institution, Owners, Governing Board Members, Officials, and Administrators:** The institution and its owners, governing board members, officials, and administrators possess sound reputations, a record of integrity, and ethical conduct in their professional activities, business operations, and relations. The institution must promptly notify DEAC of any investigative, enforcement, legal or prosecutorial actions which may be initiated or which are current against the institution, its owners, governing board members, officials and administrators. Such notification shall include an explanation of the circumstances giving rise to such actions and the institution’s response to the same as well as its explanation of why such actions should not be deemed a concern with respect to the integrity of the named persons or institutions.

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## Standard XI: Financial Responsibility

1. **Financial Practices:** The institution shows it is financially responsible by providing complete, comparative financial statements covering its two most recent fiscal years and by demonstrating that it has sufficient resources to meet its financial obligations to provide quality instruction and service to its students. Financial statements are audited or reviewed and prepared in conformity with generally accepted accounting principles in the United States of America 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.

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| **Standard XI.A. – Meets, Partially Meets, Does Not Meet, or Not Applicable** | Choose a finding. |

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1. **Financial Management:** Individuals overseeing the fiscal and budgeting processes are qualified by education and experience. The institution employs adequate administrative staff for effective operations, and at least one person is qualified and able to prepare accurate financial reports in a timely manner. Internal auditing trails and controls are in place to assure that finances are properly managed, monitored, and protected. Adequate safeguards prevent unauthorized access to online and onsite financial information.

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1. **Financial Stability and Sustainability:** The institution maintains adequate administrative staff and other resources to operate effectively as a going concern and is not exposed to undue or insurmountable risk. Any risk that exists is adequately monitored, manageable, and insured. In the event 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.

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| **Standard XI.C. – Meets, Partially Meets, Does Not Meet, or Not Applicable** | Choose a finding. |

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1. **Financial Reporting:** Financial statements are prepared in conformity with generally accepted accounting principles in the United States of America often referred to as “GAAP,” including the accrual method of accounting. An independent certified public accountants (CPA) audit or review report accompanies these statements.
	1. The institution’s financial statements reflect sufficient liquid assets to provide for a staff and faculty.
	2. Annually, the institution has the option of submitting one of these two types of financial statements, unless the Commission directs the institution to submit audited financial statements:
		* + Audited comparative financial statements containing an audit opinion by an independent certified public accountant in accordance with standards established by the American Institution of Certified Public Accountants, or
			+ Reviewed comparative financial statements containing a review report by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

When circumstances raise a concern as to the financial soundness and stability of an institution, the Commission may, in its discretion, require that the institution deliver within a specified period of time (as reasonably determined by the Commission taking into account, for example, the exigency of the concerns and the size of the institution), audited comparative financial statements or such other financial documentation as the Commission may determine will provide information as to the institution’s financial health and status.

* 1. Financial statements submitted must include the institution’s fiscal statement for either the most recent fiscal year end or the date specified by the Commission, the CPA’s opinion letter or review report, and a letter of financial statement validation.

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| **Standard XI.D. – Meets, Partially Meets, Does Not Meet, or Not Applicable** | Choose a finding. |

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1. **Demonstrated Operations:** In all respects, the institution documents continuous sound and ethical operations, including the necessary resources to accommodate demand and assure all learners receive a quality educational experience. The institution’s name is free from any association with activity that could damage the reputation of the DEAC accrediting process, such as illegal actions, fraud, unethical conduct, or abuse of consumers.

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| **Standard XI.E. – Meets, Partially Meets, Does Not Meet, or Not Applicable** | Choose a finding. |

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