

## 15. Policy on Institutions Participating in Title IV Programs

This sets forth the Accrediting Commission’s policies and implementing procedures for the accreditation of distance education institutions that participate in, or seek to establish eligibility to participate in, Federal student financial assistance programs administered by the U.S. Department of Education under Title IV of the Higher Education Act of 1965, as amended (“Title IV programs”). In addition, the policy expands on and supplements the basic DETC Accreditation Standards for DETC accredited institutions. Institutions that participate in, or seek to establish eligibility to participate in, Title IV programs must meet all of the basic Accreditation Standards in addition to the requirements listed in this Policy.

### Overview

To provide direction and to protect future distance education students and their respective institutions as they seek to participate in Federal student aid assistance programs, the Commission believes it is prudent to provide additional policies, standards, and guidance for its member institutions in connection with the published Federal guidelines and requirements for participation in Federal Student Assistance (FSA) Title IV programs.

These include percentage of revenue received from Federal student assistance programs in the first year of authorized participation, the adoption of FSA Appendix D default reduction methods at inception, and additional required controls over student loan default levels for any institution that in any published cohort year has a default rate greater than 20%. The position of the Commission regarding these additional areas of oversight provides a level of preventative action where the process review is more stringent than the published Federal policies and provides the Commission with additional control over institutions it accredits that elect to participate in FSA Title IV programs.

It is the Commission’s expectation that any DETC-accredited institution electing to participate in Federal student assistance programs will meet *all* of its Federal program responsibilities under Title IV of the Higher Education Act, as amended, without exception. In cases where DETC standards and Federal law and regulations should differ, the more stringent rules (and conversely, the more liberal to students) will apply.

For each institution that participates in Federal student assistance programs, the Commission will examine the record of the institution’s compliance with its Federal program responsibilities under Title IV, based on the most recent “official cohort default rates” published by the U.S. Department of Education; the results of its audited financial statements; and its compliance audits, any program reviews conducted, and any other information that the Department of Education may provide to DETC. The Commission will take action, as appropriate, when any of the information suggests that the institution may be failing to meet DETC’s standards.

Institutions found by either DETC or the appropriate Federal authorities to be in significant non-compliance with its Title IV program responsibilities or requirements will jeopardize the institution’s accredited status with DETC.

### Scope of Activity

The Accrediting Commission reviews only those institutions that offer programs that have generally accepted and understood objectives, course learning outcomes, and which are offered primarily through distance study instruction.

The Commission’s scope of recognition granted by the U.S. Secretary of Education extends through the Professional Doctoral degree level.

All of the distance learning programs offered by the institution must be reviewed and approved by the Accrediting Commission. All of the distance study divisions, courses, and/or subsidiaries of the institution offering distance study instruction must be accredited by DETC and must be included in the scope of DETC accreditation extended to the institution. The institution may elect to become a Title IV eligible institution and *not participate* in any Title IV programs, or it may elect to have selected degree-granting programs made eligible for Title IV. Any programs selected for Title IV participation must be able to meet the Federal minimum requirements for program eligibility as well as the requirements of this Policy.

*(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 DETC to establish eligibility to participate in Federal student assistance programs must first qualify as a “distance study institution” under the formal definition established by the Accrediting Commission.

For the purposes of qualifying institutions to participate in the Federal student assistance programs, any DETC institution that intends to apply 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 Federal student assistance program participation.

Any course or program length requirements, or minimum instructional schedule requirements, established by Federal regulation must also be met. Any programs selected by the institution to be Title IV eligible must have existed in substantially the same length and subject matter as the institution provided during the 24 months prior to the date it applies for eligibility with the Department of Education.

The predominant mode (i.e., more than half of the instructional program) of delivering instruction must be via distance education.

For proprietary or for-profit institutions, only those offering degree programs at the Associate’s, Bachelor’s, Master’s, first professional degree level, or professional doctoral degree level will be eligible to apply for participation in FSA Title IV programs by virtue of the institution being accredited by the Commission. Certificate programs are not included.

### **Certification of the Institution by DETC**

Those institutions that have, or seek to have, their accreditation with the Commission as a basis to establish eligibility for FSA Title IV programs must apply to the Commission for approval of all the distance education programs offered by the institution.

**Only programs leading to the award of an accredited degree will be eligible for participation in FSA Title IV programs.**

**Prior to** an accredited institution filing an application to the Department of Education to be either a participating institution or a deferment institution in Title IV programs, it must inform DETC of its intention to be evaluated and

“certified” by DETC for compliance with the provisions of this *Policy*, and must be found in compliance with the requirements set forth within this *Policy*.

An accredited DETC institution may not participate in any Title IV FSA funding program, nor may it seek to be a “deferment” institution, until and unless it is certified by DETC. An on-site visit to the institution is required in all cases.

Although institutions accredited by other accrediting agencies are free to apply to the Department of Education for Title IV status directly, without first being certified by the agency, the Department of Education has held DETC to the highest standards in enforcing the certification policy DETC has adopted. Violation of any provisions of Policy C.15. to include applying to the Department of Education without first seeking and receiving DETC certification, may subject a school to corrective action, a special visit, or loss of accreditation.

### **Licensure**

The institution that uses, or seeks to use, accreditation by DETC to establish eligibility to participate in Federal student assistance programs must have a charter, license, or formal authority from the appropriate governmental bodies to offer all of the programs or courses it offers, when such authority is available or required. The loss of state licensure or required authority to operate will result in the contemporaneous loss of DETC accreditation and Federal aid eligibility.

### **First Year Limit on Participation and Significant Growth Triggers**

Revenue from all Title IV Federal student assistance programs by eligible institutions may not comprise more than 50% of an institution’s total revenue during its first 12 months of eligibility for Federal student aid program participation, and not more than 75% of its revenue for the second 12 months and subsequent years of participation. “Revenue” is defined as total receipts from all of the institution’s distance education students—regardless of whether they received Federal student assistance Title IV program funds—for tuition, books, fees, and all institutional charges, excluding refunds made.

Students who enrolled in an institution’s programs prior to the date in which Title IV eligibility is granted and who subsequently elect to receive Title IV aid will not be included in the institution’s Title IV revenues. [

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

### **Certification Report for Title IV**

As stated earlier, a DETC institution may not participate in any Title IV FSA funding program or seek to be a “deferment” institution unless it is certified by DETC. An on-site visit is required. Prior to the on-site visit, the institution must submit 3 copies of a Certification Report for Title IV documenting that it is in compliance with all the requirements as stated in this *Policy*. The institution must address the following statements and provide documentation as evidence:

**Standard I. Institutional Mission and Objectives**

1. The institution offers at least one academic degree program accredited by DETC.
2. The learning outcomes/objectives of any degree programs offered by the institution are comparable to those of similar programs offered by institutions accredited by an agency recognized by the U.S. Secretary of Education and/or the Council for Higher Education Accreditation (CHEA), or an accepted foreign equivalent that is listed in the *International Handbook of Universities* (hereafter referred to as “appropriately accredited institutions”).
3. There is evidence that any degree program offered by the institution is in a subject area/field in which the institution has demonstrated its competence and strength.
4. The institution has at least one program that meets the Department of Education’s definition of “distance education” and that program is substantively the same length and subject matter as the program that the institution has offered for at least 24 months.

**Standard II. Educational Program Objectives, Curricula, and Materials**

1. The educational objectives for any degree program the institution offers address the skills, knowledge, and abilities a student is expected to acquire by completing the program, and are comparable to those of similar degree programs offered by appropriately accredited institutions.
2. The curriculum of any degree program approved and offered by the institution is sufficiently comprehensive for students to acquire the appropriate skills, knowledge, and abilities that reflect the level of the degree or program offered.
3. For each degree program or group of similar programs that it offers, the institution (1) establishes an Advisory Council, consisting of practitioners in the field for which the program prepares students, (2) that meets at least annually and (3) provides the institution with advice on the current level of skills, knowledge, and abilities individuals need for entry into the occupation, (4) as well as the adequacy of the institution’s educational program objectives, its curriculum, and its course materials.
4. The “length” of any degree program offered by the institution is measured in semester or quarter credit hours (see C.9 – Policy on Degree Programs for a definition of credit hour).
5. The length of the degree program is comparable to the length in credit hours of similar programs offered by appropriately accredited institutions.
6. The degree programs meet Federal minimum length of time requirements.
7. The institution’s assessment of the acquisition of the appropriate skills, knowledge, and abilities by students enrolled in any program offered by the institution is (1) formal, continuous and (2) includes graded examinations and other academic assignments, as well as any other assessment techniques appropriate to the subject matter being taught.
8. An adequate number of proctored examinations are administered at the appropriate points throughout the degree program.

**Standard III. Educational Services**

1. When technology is used for any part of a degree program, the institution provides adequate training and support in the use of that technology to students, faculty, and involved participants.
2. The institution publishes and makes available to all students receiving Federal assistance, the faculty, and any involved participants, a policy that defines “satisfactory academic progress.” At a minimum, the published policy complies with all Federal student assistance requirements as stated in current Federal regulations.
3. The institution monitors satisfactory academic progress in accordance with its policy.
4. The institution has established procedures that effectively ensure that the person who is awarded a degree from the institution is in fact the same person who enrolled in the program. (See Policy C.9.)
5. The institution provides for regular and substantive interaction between students and instructors, synchronously or asynchronously.

**Standard IV. Student Services**

1. For each degree program offered, the institution provides students with complete and accurate information regarding the skills, knowledge, and abilities that the program provides to its students.
2. The institution makes available to students, upon request, career counseling related to their program of study.
3. The institution makes available **financial aid counseling** available to all students in need of financial assistance, students that are applying for financial assistance, and other persons seeking additional information regarding the process for applying and receiving Title IV financial assistance. Such counseling may take place via a variety of media sources and communications methods.
4. Upon the request of the student, the institution will provide personal assistance on questions related to the application and delivery of financial aid.
5. The institution, through the financial aid office and the use of available media, encourages repayment of any Title IV Federal student loan funds that were obtained for payment of the tuition and other costs associated with the student’s attendance and enrollment in the institution’s academic programs.
6. The institution conducts entrance and exit loan counseling that encourages Title IV Federal student loan repayment.
7. The institution has a default management plan that addresses areas such as the student loan information (borrower’s rights and responsibilities, information regarding repayment and consolidation of student loan debt, communications with lenders and loan servicing agents, and the consequences of default), advising and monitoring, cooperation with lenders, and collection information to facilitate location of borrowers.
8. The institution documents implementation of the default management program and regularly conducts an evaluation of the effectiveness of its efforts as part of its self-study program.

**Standard V. Student Achievement and Satisfaction**

1. The institution has in place an on-going program to assess student achievement with respect to the stated degree program objectives.
2. The institution demonstrates how this on-going program has been used to enhance program offerings and services.
3. The institution demonstrates that graduates of its degree programs have attained the required skills, knowledge, and abilities specified in the educational program objectives for the program.

**Standard VI. Qualifications of Institution, Owners, Governing Board Members, Administrators, Instructors/Faculty, and Staff**

1. The names of the institution, institution's owners, governing board members, and principal administrators **do not** appear on the Federal government's list of individuals debarred or suspended from participation in Federal student assistance programs.
2. The institution's owners, governing board members, and principal administrators should not have been previously affiliated with an institution that has lost or been denied accreditation, entered into bankruptcy, or closed.
3. The institution employs a capable individual(s) to be responsible for administering all Federal student assistance programs in which it participates, and for coordinating those programs with the institution's other financial assistance programs.
4. The institution employs other individuals, as needed, to assist in the administration of the Title IV programs.
5. At least one institution staff member must attend DETC-sponsored workshops on Title IV Aid Administration when they are offered and is certified by DETC prior to the institution's participation in any Title IV program.
6. Institutional personnel involved in the recruitment of students as their principal activity do not have final decision-making authority in the approval or awarding of Federal student financial assistance.

**Standard VII. Admissions Practices and Enrollment Agreements**

1. The institution has a formal, written, and fairly administered admissions policy. The institution determines, with reasonable certainty, prior to the acceptance of the applicant, that the applicant has the appropriate prior education and program prerequisites required to succeed in the degree program.
2. If programs have prerequisites, they conform to the institution's degree requirements, program objectives and course learning outcomes.
3. Students accepted for enrollment in degree programs must possess a high school diploma or its equivalent.
4. For each student enrolled in an undergraduate degree program, the institution maintains an official high school transcript or its high school diploma equivalent.

5. For graduate degree-seeking students, the institution maintains an official transcript and evidence of any required academic degrees for admission to graduate level programs and any other documentation needed to verify the student's qualifications for admission.
6. As part of its admissions policy, the institution takes reasonable measures to address and resolve any limitations that prospective students may have that would hinder or prevent them for successfully completing the intended program of study. Such measures may be: 1) the publication of a clear description of any physical handicaps or disabilities that might prevent successful completion, 2) the inclusion of an appropriate question or questions on the admissions application that would alert the institution to a potential problem and would trigger further action by the institution, and 3) the requirement of a doctor's statement in questionable cases. The institution's assessments will normally be conducted at a distance as a regular part of the institution's admissions procedures.
7. An institution that participates in Federal student assistance programs is aware of, and complies with, all U.S. Department of Education regulations and restrictions on methods of compensation that pertain directly or indirectly to the success in student recruiting or admissions activities or in making financial aid decisions.
8. The institution makes available, or provides as required, the student consumer information as required by Federal statute and regulations.

### **Standard VIII. Advertising, Promotional Literature, and Recruitment**

1. Any statements the institution makes in any advertising, promotional literature, or other materials are complete and accurate about (1) its eligibility or participation in Title IV programs, (2) its efforts to become certified to participate in such programs, and/or (3) the availability of Federal student financial assistance to students who enroll at the institution.
2. The institution **will not** use the availability of Federal financial assistance to students as the *primary* inducement or rationale for students to enroll in a program.
3. The institution describes and discloses itself consistently to each accrediting agency, state agency, and Federal agency with regard to identity, mission, purpose, governance, educational programs, credentials awarded, personnel, finances, and constituents served. It also keeps each agency apprised of any changes in its status.
4. Any promotional literature, catalogs, web sites, or other materials that describe the financial assistance available to students, including any Federal student financial assistance that might be available, state that the assistance is available *only* to those students who qualify, and include the Federal and institutional requirements students must meet in order to qualify for and maintain eligibility for such assistance.

### **Standard IX. Financial Responsibility**

1. The institution must submit to DETC a copy of its annual, comparative (covering two most recent fiscal years) independently audited Financial Statement and its Federal compliance audit for its most recent fiscal year within 10 days of these audits being submitted to the U.S. Department of Education.
2. The comparative Financial Statements covering each of the institution's two most recent fiscal years must be audited by an independent, certified public accountant.

3. The covering “Opinion Letter” for the audited statement must not contain language from the institution’s independent CPA expressing any doubt about the institution’s ability to continue as a “going concern.”
4. The statements must be accompanied by a signed “Letter of Financial Statement Validation” certifying that the CEO and CFO believe, to the best of their knowledge, that the financial statements are accurate. (See C.10. Policy on Financial Statements.)
5. For each year of its Federal financial assistance participation, the institution meets each of the financial performance tests and other qualitative measures mandated by the U.S. Department of Education for participation in and maintaining eligibility in Federal student assistance programs.
6. An institution that files for Federal bankruptcy protection contemporaneously and immediately forfeits its DETC accredited status and Federal student aid eligibility.
7. The published cohort rate for the institution for any cohort year—where 30 or more borrowers enter repayment—cannot exceed the allowable rate as prescribed by the U.S. Department of Education. Institutions that receive a published rate greater than 25% are required to implement and adhere to a default reduction plan that specifically outlines the means by which the institution will provide services and contacts to the borrowers in an attempt to reduce the cohort default rate.
8. The institution notifies DETC in writing within 10 days of having undergone any program reviews, inspections, or other reviews of its participation in Title IV by the U.S. Department of Education. The institution also provides complete copies of any reports (both preliminary and final) of these reviews, and provides any available compliance audits, within 10 days of its receipt of these documents.
9. The institution meets the financial responsibility and administrative capability rules for Federal financial aid participation required by Federal statute and regulation.

#### **Standard X. Tuition Policies, Collection Procedures, and Refunds**

1. The institution has and applies a tuition refund policy that meets all relevant state and Federal requirements and which conforms to the DETC minimum refund policy found in III.C.3. of the DETC Business Standards.
2. At a minimum, the institution’s policy states (1) how refunds will be calculated, (2) the date from which refunds will be calculated (i.e., the date of determination of withdrawal or termination), and (3) the time frame during which refunds will be made.
3. The refund policy states how a student withdraws and what office/person he/she contacts.
4. The refund policy is clearly stated on the institution’s enrollment agreement and its catalog and web site. For online enrollees, the institution must demonstrate that prospective students have been exposed to the refund policy.
5. The institution will also comply with the Return of Title IV Aid requirements when a student withdraws from a school and is a Federal student financial aid recipient.
6. The institution pays all refunds within 30 days of the determination of the student’s withdrawal date.

**Standard XI. Plant, Equipment, and Record Protection**

1. The institution keeps accurate and complete academic and administrative records in accordance with Federal requirements.
2. Student records are useable in electronic media.

**Standard XII. Research and Self-Improvement**

- As an on-going part of its self-study, strategic planning, and outcomes assessment programs, the institution regularly examines all aspects of its performance in Federal student assistance programs to determine if any changes are needed to improve its compliance with its program responsibilities.

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