

## 18. Policy on Annual Reports

In an effort to ensure that there is *consistent and continuous* compliance with its standards, policies, and procedures, the DETC Accrediting Commission rigorously monitors the activities of each institution during the period of its accreditation.

While DETC accreditation for U.S. institutions is on a five-year cycle (except for initial accredited institutions, which are reviewed again in three years), and while institutions must submit for DETC subject matter specialist evaluation any new programs developed between three/five-year reviews, the Commission’s continuous monitoring of institutions is also a key component of the overall culture of “trust but verify” that characterizes effective voluntary accreditation today.

In addition to a three/five-year cycle of accrediting reviews and subject specialists’ evaluations of every new program, continuing Commission monitoring occurs on a three-part basis. First, institutions are required to advise the Commission whenever significant changes occur in their operations. Second, they must report any governmental investigations, lawsuits, or major change in financial condition. Third, Commission monitoring and oversight is exercised through submission of Annual Reports by institutions and their subsequent analysis by the Accrediting Commission. (10/11)

Due on January 31st, these Annual Reports follow the format set out in Appendix E.6. of the *DETC Accreditation Handbook*. Institutions report on six different areas concerning current operations: (1) courses and programs offered; (2) certification of compliance with Commission requirements; (3) changes in educational and student services; (4) student satisfaction, as shown by responses to Commission-mandated survey questions; (5) completion and graduation rates; (6) financial condition, and (7) future plans. For future plans, institutions report on planned changes in the areas of course offerings, marketing, management, *overseas activities*, or location. (10/11)

Annual Reports are due on January 31<sup>st</sup> each year. The institution will be charged a \$500 late fee (see E.1. III. C.) if its complete and fully executed Annual Report is not received by DETC no later than the second Friday following January 31<sup>st</sup>. Failure to submit an Annual Report on a timely basis will also be cause for a special accreditation examination being directed (see C.16. Policy on Special Visits).

If an institution is “certified” by DETC to be eligible for participation in Title IV Federal Student Aid programs, it must annually file E.7. Annual Report with Title IV. In addition to the items listed above, the institution must complete section VI on Title IV Participation.

### Action (10/11)

- **Significant Growth or Decline in Enrollments:** Institutions are required to report and explain the reasons for any significant growth or decline in enrollments (Section III. 2. of the Annual Report form). DETC identifies significant growth in enrollments to be the following:

If in a calendar year an institution reports:

- fewer than 300 new students, more than 100% increase;
- between 300-1,000 new students, more than 75% increase;
- between 1,000-9,000 new students, more than 50% increase; and
- more than 9,000 new students, more than 25% increase.

If an institution reports “significant growth in enrollments,” it must explain in detail in its Annual Report the reason(s) for the growth and what additional staff, faculty, administrators, educational and student support services, and financial resources and marketing plans have been employed to meet the needs for the new level of students to be served. The institution must also specify which programs had the most growth (indicating the percent of growth since last year), the reasons for the growth in those programs, and how the institution is accommodating the growth.

DETC identifies a “significant decline in enrollments” to be when an institution’s new enrollments drop 25 percent or more in one year. If this happens, the institution must explain the reason(s) for the decline and the impact it has had on staff, faculty, administrators, educational and student support services, and financial resources and marketing plans.

- **Significant Growth or Decline in the Number of Programs:** Institutions are required to report and explain the reason for any significant growth or decline in the number of programs offered (Section III. 3. of the Annual Report form). DETC identifies significant growth in the number of programs as the following:

If in one calendar year an institution has—

- 1-3 programs; it adds more than 2 new programs
- 4-10 programs; it adds more than 3 new programs
- 11-20 programs; it adds more than 4 new programs
- 21-and above programs; it adds more than 6 new programs

A “program” is a vocational or certificate program (non-degree), such as medical billing and coding, OR a degree program, such as an Associate of Science in Criminal Justice. Concentrations or specializations within programs, such as a Master of Business Administration with concentrations in Human Resource Management, Management, Marketing, Health Care Management, etc. count as one “program.” For degree certificate courses, if the courses are the same as what is offered in a degree program, they do not count.

Please note: all institutions must follow the instructions in C.5. Policy on Course/Program Approval whenever adding, revising, or changing any program.

If an institution reports “significant growth in the number of programs,” it must explain in detail the reason(s) for the growth and what additional administrators, faculty, educational and student support services, and financial resources and marketing plans it has employed to meet the needs for the new level of programs to be served.

DETC identifies a “significant decline in the number of programs” to be the same as defined above for significant growth except instead of “adds” it “drops” programs. If an institution reports a “significant decline in the number of programs,” it must explain in detail the reason for the decline and the impact it has had on staff, faculty, administrators, educational and student support services, other course/programs offerings, and financial resources and marketing plans.

- **Analyzing Financial Information:** Institutions are required to report and explain the reason for any significant changes in financial conditions (Section VI. of the Annual Report). If an institution shows a loss in its Net Income, Working Capital or Total Equity/Fund Balance under Section VI. Report on Financial Condition on its Annual Report form, it must submit the appropriate financial statement (see C.10. Policy on Financial Statement). The Commission will review the financial statements and make a judgment as to whether further reporting is required or take other appropriate action.

- **Title IV Institutions:** Institutions participating in Title IV programs must report addition information describing their participation in Title IV aid programs in E.7. – 2011 Annual Report – with Title IV.

### **Commission Review and Follow-Up Action**

The DETC Staff will acknowledge receipt of each Annual Report and request any follow-up information needed within 30 days of January 31st. All Reports will be reviewed and summarized, and any substantive/significant changes that are reported will be noted, such as significant growth or changes in financial status as mentioned above, and presented to the Commission. Annually, at its mid-year meeting, the Commission will consider any significant, salient items that were reported by institutions and initiate any further follow-up actions that may be necessary. If after reviewing reports on significant growth in enrollments or growth in specific programs, or significant growth in the number of new programs, the Commission may place limits on future growth if it has going concerns regarding compliance with accreditation requirements. If an institution reports significant declines in these areas additional reporting may be required. (10/11)

Staff will also notify institutions of their compliance with Standard V on Student Achievement and Satisfaction. If the student satisfaction rate falls below 75%, or if course completion and program graduation rates are not within 15 percentage points of the mean rate for those in the institution's assigned cohort group, an explanation must be provided and any corrective action described (see C.14. Policy on Student Achievement and Satisfaction). The institution's response will be reviewed by the Commission and the institution will be notified if further action is required. (10/11)

Information provided by Title IV institutions will be reviewed for compliance with C.15. Policy on Institutions Participating in Title IV 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 or others 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 and reserves the right to investigate the allegations. The Commission is obligated under Federal regulations [CF 602.27(a)(6)] to report to the Secretary of Education any institution it has reason to believe is failing to meet its Title IV program responsibilities or is engaged in fraud and abuse.

Institutions must be in compliance with C.1. Policy on Substantive Change and Notification.

The Accrediting Commission reserves the right to order a comprehensive review of the institutions at any time it has concerns that the institution is not in compliance with the DETC's standards, policies, and/or procedures. (10/11)

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