
Policy on Contractual Relationships with Non-Accredited Organizations

January 2024

Background

An institution accredited by the Commission is responsible for ensuring the quality and integrity of all activities conducted in its name, including educational programming contracted to non-accredited organizations. This policy is intended to ensure that the Commission receives appropriate assurances and sufficient information and documentation to assure whether such institutions comply with the Eligibility Requirements, Accreditation Standards, and Commission policies (together Commission's Standards).

Policy

When an institution contracts certain educational programming that results in the awarding of credit under the auspices of the member institution to a non-accredited entity, the institution is responsible to the Commission for evaluating all significant matters and relationships that may affect accreditation requirements and decisions. Although a non-accredited organization may affect an institution's ongoing compliance with the Accreditation Standards, the Commission will review and hold responsible only the applicant, candidate, or accredited institution for compliance with the Accreditation Standards. The Commission will protect the confidential nature of all information submitted by the institutions or by the non-accredited entities except as otherwise required by law or other Commission policies.

The accredited institution's obligation to report any changes in control, legal status or ownership through its substantive change process also applies to non-accredited organizations.

Guidelines for Good Practice in Contracting with Non-Accredited Organizations

The Contract should:

1. Be executed only by duly designated officers of the institution and their counterparts in the non-accredited entity. While other faculty and administrative representatives will undoubtedly be involved in the contract negotiations, care should be taken to avoid implied or apparent power to execute the contract by unauthorized personnel.
2. Establish a definite understanding between the institution and the non-accredited organization regarding the work to be performed, the period of the agreement, and the conditions under which any possible renewal or renegotiation of the contract would take place.
3. Clearly vest the ultimate responsibility for the quality and academic integrity of the performance of the necessary control functions for the educational offering with the accredited institution granting credit for the offering. Such performance responsibility by the credit-granting institution would minimally consist of adequate provision for review and approval of work performed in each functional area by the non-accredited

organization, and provisions for ending the contract if the work performed does not meet the institution's requirements, which should include adherence to all the Commission's Standards, federal laws and regulations.

4. At a minimum, clearly establish the responsibilities of the institution and the non-accredited organization regarding:
 - a. Indirect Costs
 - b. Approval of Salaries
 - c. Equipment
 - d. Subcontracts and Travel
 - e. Property ownership and Accountability
 - f. Inventions and Patents
 - g. Publications and Copyrights
 - h. Accounting Records and Audits
 - i. Security
 - j. Termination Costs
 - k. Tuition Refund
 - l. Student Records
 - m. Faculty Facilities
 - n. Safety Regulations
 - o. Insurance Coverage
5. Be formally reviewed by the Commission's Committee on Substantive Change prior to execution if in the contractual relationship, more than 25% of one or more of the accredited institution's educational programs is to be offered by the non-accredited organization (34 C.F.R. § 602.22(2)(vii)).

Non-accredited organizations are those which are not accredited by an agency recognized by the Secretary of the U.S. Department of Education (34 C.F.R. § 602.1-602.3).

Adopted March 1973; Revised June 2003, January 2012; Edited August 2012; Revised June 2018; Edited May 2019; Edited January 2024.

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