

ACAOM COMPREHENSIVE STANDARDS AND CRITERIA

STANDARD 9: INSTITUTIONAL AND PROGRAM RESOURCES

Criterion 9.01: FINANCIAL MANAGEMENT..... 1

Criterion 9.02: GENERAL SUFFICIENCY AND STABILITY OF RESOURCES..... 2

Criterion 9.03: FINANCIAL RESPONSIBILITY..... 2

Criterion 9.04: FINANCIAL PLANNING AND CONTROL..... 3

Criterion 9.05: FINANCIAL AID OPERATION 4

Criterion 9.06: COHORT DEFAULT RATE 4

Criterion 9.07: REFUND POLICY 4

Criterion 9.08: CAMPUS AND PROGRAM FACILITIES 5

Criterion 9.09: LEARNING RESOURCES SYSTEM (LIBRARY)..... 5

Criterion 9.10: TECHNOLOGICAL RESOURCES 6

Criterion 9.01: FINANCIAL MANAGEMENT	
<i>Related Policies:</i>	
<i>References:</i>	

INSTITUTIONAL COMPONENTS

- A. The institutional financial management system must support full audits and review by an independent certified public accountant.
- B. Each year, at minimum, a reviewed institutional financial statement must be prepared that describes the current state of institutional finances.
- C. The institution must utilize an accrual basis of accounting.
- D. Institutions organized as sole proprietorships must have and maintain financial records, management systems, and bank accounts separate and distinct from any other enterprise owned by the proprietor.

PROGRAMMATIC COMPONENTS

There are no programmatic components for this criterion.

Criterion 9.02: GENERAL SUFFICIENCY AND STABILITY OF RESOURCES	
<i>Related Policies:</i>	
<i>References:</i>	Federal Student Aid Handbook

INSTITUTIONAL COMPONENTS

The institution must be financially stable with resources sufficient to: ensure long-term viability; support its mission; fund its programs, commitments and priorities; and, respond to financial emergencies as evidenced by:

- A. a full independent institutional audit with management letter by a licensed CPA for the most recent year. The audit must provide a detailed, accurate picture of the institution's financial status, and must include a classified balance sheet statement, the statement of revenue and expenditures, changes in fund balance and/or financial position, and a Financial Responsibility Composite Score (see criterion 9.03). Audit must confirm financial viability with evidence of follow-up on any concerns cited in management letter;
- B. at minimum, a financial review for all other years during the last accreditation cycle;
- C. a reviewed and approved annual budget which must include assumptions and three-year projections;
- D. adequate financial resources to meet debt-service requirements of short-term and long-term indebtedness without adversely impacting the institution; and
- E. a detailed explanation and a realistic plan for eliminating any accumulated deficit.

PROGRAMMATIC COMPONENTS

ALL PROGRAMS

The program’s resources must be aligned with, and sufficient to support, its educational purpose, goals, and learning outcomes, as evidenced by:

- A. an approved, annual program budget that includes a realistic projection of program revenue and expenditures;
- B. documentation of revenues and expenditures for the immediate prior, and current years; and
- C. projected revenues and expenditures for the next fiscal year.

Criterion 9.03: FINANCIAL RESPONSIBILITY	
<i>Related Policies:</i>	
<i>References:</i>	Federal Student Aid Handbook

INSTITUTIONAL COMPONENTS

The institution’s financial systems, ratios, outcomes, indicators, policies, and procedures must maintain standards of financial responsibility as demonstrated by the Financial Responsibility

Composite Score utilized by the US Department of Education (See *Federal Student Aid Handbook, Volume 2 – School Eligibility and Operations, Chapter 11 – Financial Standards*, specifically referenced and incorporated herein) or other ACAOM-approved metric.

PROGRAMMATIC COMPONENTS

There are no programmatic components for this criterion.

Criterion 9.04: FINANCIAL PLANNING AND CONTROL	
<i>Related Policies:</i>	
<i>References:</i>	

INSTITUTIONAL COMPONENTS

- A. The institution must demonstrate resource planning and development that includes realistic budgeting, enrollment management, and diversification of revenue sources. Resource planning must be integrated with all other institutional planning.
- B. The process by which the institution's annual budget is established, and resources allocated, must be clearly defined and consistently implemented.
- C. The budget must be reviewed and approved by the institution's governing body.
- D. The institution's annual budget must provide a realistic projection of the institution's annual revenue and expenditures.
- E. The institution must project its anticipated expenditures and revenues for at least a three (3) year period.
- F. The institution's budget must include notes, when necessary, that explain the assumptions on which the projected figures are based.
- G. The institution must have control of its financial resources and budgetary process and be free of undue influence or pressure from owners, shareholders, external funding sources or agencies.

PROGRAMMATIC COMPONENTS

ALL PROGRAMS

- A. The program budget must be developed based on resource planning and development that includes realistic budgeting, enrollment management, and diversification of revenue sources.
- B. The process by which the program's annual budget is established and approved, and resources allocated, must be clearly defined and consistently implemented.
- C. Program leadership must have input into the annual programmatic budgeting process.
- D. Program leadership must have sufficient control of the program budget.

Criterion 9.05: FINANCIAL AID OPERATION	
<i>Related Policies:</i>	
<i>References:</i>	Federal Student Aid Handbook ; Legal and Regulatory Checklist

INSTITUTIONAL COMPONENTS

The financial aid operation must meet all federal aid requirements and be capably administered, as documented by the appropriate Department’s compliance audit, financial statement audit, and/or the Office of the Inspector General (OIG) when there is concern over an institution’s administration of federal student aid programs.

PROGRAMMATIC COMPONENTS

ALL PROGRAMS

The parent institution's financial aid operation must meet all federal aid requirements and be capably administered, as documented by the appropriate Department’s compliance audit, financial statement audit, and/or the Office of the Inspector General (OIG) when there is concern over an institution’s administration of federal student aid programs.

Criterion 9.06: COHORT DEFAULT RATE	
<i>Related Policies:</i>	
<i>References:</i>	

INSTITUTIONAL COMPONENTS

Institutions must closely monitor student borrowing and implement effective default prevention programs as soon as possible so as not to face Department sanctions for high cohort default rates and lack of administrative capability.

PROGRAMMATIC COMPONENTS

There are no programmatic components for this criterion.

Criterion 9.07: REFUND POLICY	
<i>Related Policies:</i>	
<i>References:</i>	

INSTITUTIONAL COMPONENTS

Institutions must clearly define, publish, and follow a fair and equitable refund policy for unearned tuition that complies with applicable state and federal laws and regulations.

PROGRAMMATIC COMPONENTS

There are no programmatic components for this criterion.

Criterion 9.08: CAMPUS AND PROGRAM FACILITIES	
<i>Related Policies:</i>	
<i>References:</i>	

INSTITUTIONAL COMPONENTS

- A. Campus facilities must be sufficient to meet the institutional mission, and to support its academic programs, faculty, students, internal and external commitments, and priorities.
- B. General provisions must be made for the cleaning, repair, and maintenance of the institution's buildings and grounds.
- C. Responsibilities for care of grounds, security, fire protection, utilities, and facilities upkeep must be appropriately assigned.

PROGRAMMATIC COMPONENTS

ALL PROGRAMS

- A. Program facilities must be sufficient to meet the program's statement of purpose, and to support its faculty, students, goals and learning outcomes.
 - 1. Clinical facilities must have adequate space and equipment to provide for safe patient care, appropriate maintenance of equipment, storage of supplies and records, intern work areas, and waste management.
- B. The program must ensure provision for cleaning, repair, safety, and maintenance of facilities used by the program.

Criterion 9.09: LEARNING RESOURCES SYSTEM (LIBRARY)	
<i>Related Policies:</i>	
<i>References:</i>	

INSTITUTIONAL COMPONENTS

- A. An institution's learning resource system must be sufficient to meet the institution's mission and support its instructional programs and degree level(s) offered.
- B. The learning resource system must include appropriate materials in sufficient quantity and scope to meet the purpose, goals, and expected student learning outcomes of each program, with particular emphasis on information literacy, and include such elements as: relevant and current texts and periodicals; research journals and databases; standard works of reference; multi-media and/or electronic resources; electronic library resource technologies; and other resource materials necessary to adequately serve the student body.
- C. The learning resource system must be managed by dedicated, qualified personnel with sufficient experience to provide oversight and sufficient availability to support faculty and student access to learning resources.

- D. An institution must have written policies and procedures for the ongoing development of its learning resource system as part of its institutional improvement program.
- E. An institution must demonstrate sufficient support and budgetary allocations for the learning resource system.
- F. The learning resource system must have adequate space and access time, appropriate to the number of potential users.

PROGRAMMATIC COMPONENTS

ALL PROGRAMS

- A. The parent institution’s learning resource system must be sufficient to support the program’s purpose, goals, and learning outcomes for the degree level(s) offered.
- B. The learning resource system must include appropriate materials in sufficient quantity and scope to meet the purpose, goals, and expected student learning outcomes of the program, with particular emphasis on information literacy, and include such elements as: relevant and current texts and periodicals; research journals and databases; standard works of reference; multi-media and/or electronic resources; electronic library resource technologies; and other resource materials necessary to adequately serve the student body.
- C. The learning resource system must be managed by dedicated, qualified personnel with sufficient experience to provide oversight and sufficient availability to support faculty and student access to learning resources.
- D. The parent institution must demonstrate sufficient support and budgetary allocations for program-specific resources within the learning resource system.
- E. The learning resource system must have adequate space and access time, appropriate to the number of potential users.

Criterion 9.10: TECHNOLOGICAL RESOURCES	
<i>Related Policies:</i>	
<i>References:</i>	

INSTITUTIONAL COMPONENTS

Information technology resources must be sufficient to meet the institution’s mission, to support its academic programs, commitments, and priorities.

PROGRAMMATIC COMPONENTS

ALL PROGRAMS

Information technology resources must be sufficient to support the program goals and expected student learning outcomes.