

## ***Contractual Relationships with Organizations Not Regionally Accredited Policy***

No higher education institution accredited by the Northwest Commission on Colleges and Universities can lend the prestige or authority of its accreditation to authenticate courses or programs offered under contract with organizations not regionally accredited unless it demonstrates adherence to the following principles:

a. The primary purpose of offering such a course or program is educational. (Although the primary purpose of the offering must be educational, what ancillary purposes also provide the foundation for the program or course, such as auxiliary services, anticipated income, and public relations?)

b. Any course offered must be consistent with the institution's educational mission and core themes as they were at the time of the last NWCCU evaluation. If the institution alters its mission and core themes, the Commission must be notified and the Commission's policy on substantive change applied. (How does the institution define the specific relationship between the primary and ancillary purposes and the contracted service, and how does it demonstrate its capability to attain these objectives?)

c. Courses to be offered and the value and level of their credit must be determined in accordance with established institutional procedures and under the usual mechanisms of review. (What evidence exists that established institutional procedures have been followed?)

d. Courses offered for credit must remain under the sole and direct control of the sponsoring NWCCU accredited institution which exercises ultimate and continuing responsibility for the performance of these functions as reflected in the contract, with provisions to ensure that conduct of the courses meets the standards of its regular programs as disclosed fully in the institution's publications, especially as these pertain to:

- 1) recruitment and counseling of students;
- 2) admission of students to courses and/or to the sponsoring institution where credit programs are pursued;
- 3) instruction in the courses;
- 4) evaluation of student progress;
- 5) record keeping;
- 6) tuition and/or fees charged, receipt and disbursement of funds, and refund policy;
- 7) appointment and validation of credentials of faculty teaching the course;
- 8) nature and location of courses; and
- 9) library and information resources.

Additional data needed would include course outlines, syllabi, copies of exams, records of students, and evidence of equivalencies with established programs.

## Requirements for Contractual Arrangements

In establishing contractual arrangements with organizations not regionally accredited, institutions are expected to demonstrate that the following requirements have been met. The not-for-profit institutions should establish that their tax exempt status, as governed by state or federal regulations, will not be affected by such contractual arrangements with a for-profit organization.

### a. The Contract:

- 1) should be executed only by duly designated officers of the institutions and their counterparts in the contracting organization. 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) should establish a definite understanding between the institution and contractor 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) should clearly vest the ultimate responsibility for 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 provisions for review and approval of work performed by the contractor in each functional area.
- 4) should clearly establish the responsibilities of the institution and contractor 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.

## b. Enrollment Agreement

- 1) The enrollment agreement should clearly outline the obligations of both the institution and the student, and a copy of the enrollment agreement should be furnished to the student before any payment is made.
- 2) The institution should determine that applicants are fully informed about the nature of the obligation they are entering into, and their responsibilities and rights under the enrollment agreement before they sign it.
- 3) No enrollment agreement should be binding until it has been accepted by the authorities of the institution vested with this responsibility.

## c. Tuition Policies

### 1) Rates

- a) The total tuition for any specific given course should be the same for all persons at any given time. Group training contracts showing lower individual rates may be negotiated with business, industrial, or governmental agencies.
- b) Tuition charges in courses should be bona fide, effective on specific dates, and applicable to all who enroll thereafter or are presently in school, provided the enrollment agreement so stipulates.
- c) All extra charges and costs incidental to training should be disclosed to prospective students before they are enrolled.
- d) The institution should show that the total tuition charges for each of its courses are reasonable in the light of the service to be rendered, the equipment to be furnished, and its operating costs.

### 2) Refunds and Cancellations

- a) The institution should have a fair and equitable tuition refund and cancellation policy.
- b) The institution should publish its tuition refund and cancellation policy in its catalog or other appropriate literature.

### 3) Collection Practices

- a) Methods used by an institution in requesting or demanding payment should follow sound and ethical business practices.
- b) If promissory notes or contracts for tuition are sold or discounted to third parties by the institution, enrollees or their financial sponsors should be aware of this action.

## d. Student Recruitment

### 1) Advertising and Promotional Literature

- a) All advertisements and promotional literature used should be truthful and avoid leaving any false, misleading, or exaggerated impressions with respect to the school, its personnel, its courses and services, or the occupational opportunities for its graduates.
- b) All advertising and promotional literature should clearly indicate that education, not employment, is being offered.
- c) All advertising and promotional literature should include the correct name of the school. So-called “blind” advertisements are considered misleading and unethical.

## 2) Field Agents

- a) An institution is responsible to its current and prospective students for the representations made by its field representatives (including agencies and other authorized persons and firms soliciting students), and therefore should select each of them with the utmost care, provide them with adequate training, and arrange for proper supervision of their work.
- b) It is the responsibility of an institution to conform to the laws and regulations of each of the states in which it operates or solicits students and in particular to see that each of its field representatives working in any such state is properly licensed or registered as required by the laws of the state.
- c) If field representatives are authorized to prepare and/or run advertising or to use promotional materials, the institution should accept full responsibility for the materials used and should approve any such promotional materials in advance of their use.
- d) When field representatives are authorized to collect money from an applicant for enrollment, they should leave with the applicant a receipt for the money collected and a copy of the enrollment agreement.
- e) No field representative should use any title, such as “counselor,” “advisor,” or “registrar” which may indicate that they have other duties and responsibilities.
- f) No field representative should violate, orally or otherwise, any of the standards applicable to advertising and promotional materials.