

Call for Comments – August 2022

## PROPOSED CHANGES

### Policy on Semi-Autonomous Institutions

Key to Changes: **Delete**, **Add**

The Commission on Accreditation (COA) recognizes a variety of patterns regarding institution sponsorship and organizational structure. These include sponsorships that may range from a local church at one end of the spectrum to a for-profit organization at the other.

~~These arrangements typically involve inherent weaknesses:~~

- ~~1. The facilities of the sponsoring organization may not be altogether suitable for institutional purposes.~~
- ~~2. The board or governing body of the sponsoring organization may spend the majority of its time addressing issues unrelated to the institution.~~
- ~~3. The chief executive officer of the sponsoring organization may lack the administrative gifts and/or knowledge necessary to provide leadership for an institution of higher education.~~
- ~~4. The sponsoring organization's treasurer or financial staff may lack expertise in higher education accounting.~~
- ~~5. The sponsoring organization's library and learning resources, if they exist are typically too small and narrow to support an institution's curriculum.~~
- ~~6. Because a full-time faculty core is often lacking, heavy reliance is placed upon part-time and adjunct professors.~~
- ~~7. The intermingling of assets between two organizations can be problematic. This is especially true when assets are intermingled between a for-profit organization and a not-for-profit organization.~~
- ~~8. The most serious issue, however, is that the institution's welfare is most often heavily dependent upon the welfare of the sponsoring organization. Should the sponsoring organization experience difficulty financial or otherwise the institution may be the first to suffer.~~

~~Despite these potential issues, there is a possibility that an institution sponsored by another organization may have an excellent financial base, a separate governing board for each corporation, a broad base for student recruitment, a full-time core of qualified faculty, a good institutional library, a separate system of financial accounting, and other characteristics that facilitate the achievement of true higher education.~~

#### Required Qualities

The COA's main concerns are for institutional stability and educational excellence. An institution sponsored by another organization, whether for-profit or not-for-profit, is expected to satisfy the

Principle for Accreditation. However, the following institutional qualities are also expected of an institution sponsored by another organization:

### **Organization and Administration:**

1. **Board of control.** Institutions sponsored by another organization should have a separate charter and governing board from that of the sponsoring organization. There may be representatives from the board or stakeholders of the sponsoring organization on the institutional board. However, its board must include others from a broader pool of persons than the sponsoring organization alone. The governing board must give its full attention to institutional matters.
2. **President.** The institutional president must have knowledge of biblical higher education. Should he/she also serve as a chief officer in the sponsoring organization, the president's schedule must either reflect an adequate amount of time to fulfill the obligations of an institutional president's role or a substantial administrative structure, comprised of qualified personnel, must be in place to provide for continuity and stability in the chief administrative function.
3. **Administration.** The institution must have administrators such as a chief academic officer, a chief student-personnel officer, a chief financial officer, and a librarian adequate to serve the needs of the Institution. If these individuals are also qualified to provide instruction, their teaching loads must be limited so that they can adequately fulfill their administrative responsibilities.
4. ~~**Business administration, Development and public relations.** The institution's business and financial management must be separate from that of the sponsoring organization. In the case of any intermingling of assets, the higher education institution's share should be clearly identified in the financial statements. A clear delineation of assets is particularly important where the sponsoring organization is a for-profit corporation.~~ The institution's development and public relations activities should be conducted in such a way as to maximize the effectiveness of efforts in the areas of student recruitment, public relations, and fund raising.
5. **Finance.** The institution must separately document the finances of the educational institution from that of the parent organization. To this end, the following are to be provided along with the audited financial statements:
  - a schedule listing the revenues and expenses specific to the educational institution; and
  - either a report documenting the assets and liabilities specific to the educational institution, or,
  - where assets and/or resources are intermingled, signed agreements documenting that the educational institution has, and will continue to have, access to the resources needed toward the ongoing fulfillment of its mission.

## **Institutional Community:**

1. **Community Life.** The institution should establish a community with an identity separate from that of the sponsoring organization. Students should feel that they are attending an institution of higher education, not participating in an activity of a local church or business operation.
2. **Faculty.** A majority of the teaching must be accomplished by a faculty that receives compensation from the institution commensurate with their responsibilities. Faculty members must possess qualifications appropriate to their instructional responsibilities. The diversity of personnel available should be adequate to support the institution curriculum.
3. **Faculty Decision-Making.** Faculty must be regarded as a responsible body that actively participates in the establishment of the institution's objectives and curricular programs.
4. **Library.** Library holdings must belong to the institution of higher education, not the sponsoring organization. The library collection must adequately support the institution's curriculum.

Adopted May 2007; Revised June 2017, **PROPOSED August 2022**