

**NACCAS Rules of Practice & Procedure**  
**June 2017**

**RULES**

**Part 1 – Eligibility For Accreditation, The Accreditation Process, Instructions For Submitting Documents To NACCAS; Definitions**

**Sub-Part A – Definitions**

**Section 1.0**      **Definitions**

- (a) “Adverse Actions” are denial of initial accreditation, withdrawal of accreditation, and non-approval of changes under [Part 4](#) (see page 82) of these *Rules*.
- (b) The term “Appealable Action” means an action appealable under these Rules. “Appealable actions” are (i) Adverse Actions and (ii) removal from candidate status.
- (c) The term “certified return receipt” shall also include delivery by courier where written evidence of date of delivery is furnished to the person sending the material.
- (d) Whenever the term “clock hour” or hour is used, the equivalent in credit hours or competencies may be substituted.
- (e) For purposes of these *Rules*, the term “cosmetology arts and sciences,” in addition to encompassing the teaching of the art and science that concerns the external treatments on the body for the health, condition and appearance of the hair, skin and nails, shall also encompass massage and cognate areas that serve to supplement the practical, scientific and business skills of cosmetology, massage, and related professions. For a representative list of curricula and programs covered, refer to [Appendix #1](#) (see page 144).
- (f) Any reference to “day” is a reference to a calendar day. If a time period measured in days ends on a Saturday, Sunday or national holiday, the official end of the time period shall be moved to the next business day.
- (g) For purposes of these *Rules*, “family” means parent, sibling, spouse or child, grandchild, spouse’s parent, sibling, child or grandchild, any of the aforementioned in a “step” relationship, or sibling’s or child’s spouse.
- (h) The term “in operation” means being continuously licensed by the state and training students, as a cosmetology school, a massage school, (or department or program of study of cosmetology or massage) or as a school in a related discipline. Such operation must be as a freestanding institution (i.e., not as an additional location of another institution), and must be immediately preceding and contiguous to the submission of the application for accreditation.
- (i) The term “licensed” means that the cosmetology school (or department of cosmetology or cosmetology program of study) holds a valid state license to operate a cosmetology school, department of cosmetology or cosmetology program of study, or a school in a

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related discipline (e.g., barbering, electrolysis, or massage). In jurisdictions where no license is issued, the school must submit verification as to time in operation from the government agency with jurisdiction over the institution.

- (j) Any requirement for “notice” or “notification” shall mean a specific letter to the Executive Director of NACCAS informing the Commission of the specific change or situation for which notice is required under the *Rules*. Incorporation of the information into an unrelated application or communication shall not constitute “notice.”
- (k) The term “private” includes for profit and non-profit institutions.
- (l) The term “recognized accrediting agency” means an accrediting agency recognized by the Secretary of the United States Department of Education in accordance with 34 Code of Federal Regulations Part 602.
- (m) Regular student: A student enrolled under the school’s admissions requirements with individual enrollment agreements between student and school.
- (n) Whenever the term “school” is used in these *Rules*, it shall also include the school where a department or program of study of cosmetology or massage is located. A “school” shall have a single, permanent, non-transferable NACCAS reference number.
- (o) Special student: A student enrolled through a contract with another entity.
- (p) A “specialized school of cosmetology arts and sciences” is one that does not offer a program in basic cosmetology. (Examples: College of Barbering, School of Massage, Skin Care Academy.)
- (q) The term “specialty” means a specialized field of cosmetology arts and sciences or massage. (Examples: aromatherapy, barbering, electrology, esthetics, holistic health, geriatric massage, nail care.)
- (r) The term “United States” means, in addition to the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands. The term “international” means any place outside the United States.

### **Sub-Part B - Institutional Eligibility Requirements**

#### **Section 1.1 Basic Information**

- (a) Accreditation is voluntary. An institution that seeks accredited status must be willing to achieve and maintain basic standards for quality education. NACCAS accredits postsecondary institutions whose primary activity is education in the field of the cosmetology arts and sciences. An illustrative list of programs included in this field is found in [Appendix #1](#) (see page 144) to these *Rules*. An institution may offer a broad range of programs or focus on a specialty area.
- (b) NACCAS publishes and makes available to the applicant and, upon request, to the general public a copy of its standards, rules and policies pertaining to candidate status

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and accreditation, as well as application materials. All key documents are available on the NACCAS Website at [www.naccas.org](http://www.naccas.org) or by requesting a copy by writing or calling the NACCAS headquarters.

- (c) NACCAS is a non-profit corporation organized under the laws of Delaware. Fees paid by applicant and accredited institutions support the work of NACCAS to provide the independent recognition of institutions which achieve and maintain quality standards. The schedule of fees is in [Appendix #2](#) (see page 145) to these *Rules*.

### **Section 1.2 Institutional General Eligibility Requirements**

- (a) Disqualified Owner. An institution shall not be granted accredited status if a Controlling Voting Interest in the institution is owned or controlled, directly or indirectly, by Disqualified Owners.
- (b) Except as provided in [Section 4.6\(g\)](#) (see page 86) and [4.6\(i\)](#) (see page 86) of these *Rules*, an institution may not be granted accredited status as a Main Campus before it has been in operation as an independent institution (i.e., not as an additional location of another institution) for two years.
- (c) A private<sup>2</sup> cosmetology school (or department of cosmetology or cosmetology program of study) or specialized school of cosmetology arts and sciences, massage, or related program, located within the United States and/or internationally is eligible to apply for accreditation, provided:
  - (1) It is a postsecondary institution;
  - (2) It is licensed by the state in which it is located;
  - (3) It is in operation and has been in operation at least eighteen (18) months;
  - (4) It offers at least one program that is more than 150 hours in length or the equivalent measured in credits or competencies;
  - (5) It has complied with the NACCAS Accreditation Workshop attendance policy (See [Appendix #3](#), page 146);
  - (6) It has access to the Internet;
  - (7) It is not owned wholly or in any part by, nor does it employ, any individual who has been debarred from participation in any federal or state program within the past five years;

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<sup>2</sup> Starting January 1, 2005, the Commission no longer accepts applications from public institutions. Public institutions that were accredited by NACCAS or already in the candidate or initial accreditation process as of that date will continue to be accepted for accreditation by NACCAS under a grandfather clause.

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- (8) It has complied with the candidate status requirement; and
- (9) In the case of a specialized school of cosmetology arts and sciences, the school must also meet the following criteria:
  - (i) Be open at least 25 hours per week;
  - (ii) Operate and offer instruction for a minimum of 40 weeks per year; and
  - (iii) Meet all applicable State requirements.
- (d) Exceptions to the “two years in operation” and general eligibility requirements:
  - (1) An applicant for candidate status does not need to meet the “two years in operation” requirement.
  - (2) An institution need not comply with the candidate status requirement if it is owned:
    - (i) By a person(s) or entity that owns at least 10 % of an institution currently accredited by NACCAS; or
    - (ii) By a person(s) or entity that has owned at least 10 % of an institution accredited by and in good standing with a recognized accrediting agency within the past 24 months.
  - (3) A school under the same Ownership as one or more accredited schools may apply for accreditation after one full year of operation. The Ownership of the new school must be identical to that of the accredited school.
  - (4) An applicant for provisional additional location accreditation.
- (e) Reapplications for Accreditation
  - (1) Except as provided under Section 1.2(e)(2) below, an institution whose accreditation has been withdrawn by NACCAS (all appeal rights exhausted) or that voluntarily relinquishes accreditation while in withdrawal status may apply for candidate status immediately, but must wait one (1) year before reapplying for accreditation (either as a main campus or as an additional location of an accredited main) and, subject to the requirements of Section 2.2(a)(iii) of these Rules, shall be treated as a new school for all other purposes.
  - (2) The one-year waiting period described in Section 1.2(e)(1) above shall not apply if the institution, following its loss or relinquishment of accreditation, undergoes a Change of Control such that, at the time of re-application for accreditation, more than 50% of the Voting Interests of the institution are owned or controlled by persons other than the person who was the Controlling Owner at the time of the institution’s loss or relinquishment of accreditation.

**Section 1.3 Programs Approved Within the Aegis of Institutional Accreditation**

- (a) Any program exceeding 150 hours in length or the equivalent in credits or competencies and/or leading to initial state licensure or certification must be approved by the Commission. Approval may occur:

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- (1) In conjunction with an institutional accreditation review; or
  - (2) Between institutional accreditation reviews (see [Part 4](#) (page 82) of the *Rules*).
- (b) Courses required for continuing education for licensure renewal or those hours required by the state regulatory agency after an examinee fails the exam do not require approval by NACCAS.
  - (c) Electrology programs must be at least 300 hours in length or the equivalent in credit hours or competencies, unless fewer hours are mandated by state law or regulation.
  - (d) At institutions in states where NACCAS accreditation is recognized for schools to obtain licensure by means of accreditation, all programs offered at the institution seeking or continuing NACCAS accreditation must be approved by the Commission.
  - (e) Any course for continuing education or professional development, of 150 hours or less, taught or sponsored by the institution which the institution wishes to be listed by NACCAS as an approved course.

**Sub-Part C – Summary of the Accreditation Process**

**Section 1.4**      **Steps in the Process of Achieving Accredited Status**

- (a) Complete candidate status, if required (see [Part 2](#), page 68);
- (b) Attend a NACCAS Accreditation Workshop (See NACCAS Workshop Requirements, [Appendix #3](#), page 146);
- (c) Submit an application and required fee (See NACCAS [Schedule of Fees](#));
- (d) Complete an Institutional Self-Study (See [Part 2](#) (page 73) of these *Rules*, and Institutional Self-Study: Requirements for Completing the Institutional Self-Study (ISS): Accredited Status, [Appendix #5A](#), page 151);
- (e) Undergo an on-site evaluation (See [Part 3](#), page 75);
- (f) Receive a report of the findings of the on-site evaluation team (See [Part 3](#), page 75);
- (g) Respond to the report findings (See [Part 3](#), page 75) and [Guidelines for Responding to Limitations](#));
- (h) The findings and the school's response will be reviewed by the Commission (See [Part 8](#), page 113);
- (i) The Commission shall take one of the actions set out in [Part 8](#) (see page 113) of these *Rules* and notify the school of its action;
- (j) When accreditation is initially granted, the school shall be assigned a school reference number (See [Part 8](#), page 113);

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- (k) If the Commission takes an Appealable Action, the school may appeal it (See [Part 9](#), page 127).

### **Section 1.5 Obligations of the Institution to Maintain Accredited Status**

- (a) In order to maintain accredited status, accredited institutions, departments and programs of study, throughout the period of accreditation granted, must do the following:
- (1) Continue to meet the eligibility criteria contained in this Part;
  - (2) Submit required applications (See [Parts 2](#), page 68) and [4](#) (page 82) of these Rules);
  - (3) Undergo additional on-site evaluations, announced or unannounced, as ordered by the Commission (See [Parts 3](#), page 75) and [8](#) (page 113);
  - (4) Obtain approval for significant changes that take place (See [Part 4](#), page 82);
  - (5) Submit an accurate annual report (See [Part 5](#), page 96);
  - (6) Respond to complaints (See [Part 6](#), page 100), Letters of Inquiry and Show Cause Orders (See [Part 7](#), page 108) and Commission directives (See [Part 8](#), page 113);
  - (7) Maintain compliance with NACCAS Standards and Criteria, Rules, Policies, Commission directives, and other requirements;
  - (8) Be current in the payment of fees (See NACCAS [Schedule of Fees](#)); and
  - (9) Comply with time frames established by the Commission.
- (b) Failure to maintain continued compliance with all NACCAS standards and criteria and other accreditation requirements shall lead to the Commission taking appropriate action under these *Rules*.

### **Sub-Part D – General Instructions for Submitting Documents to the Commission**

### **Section 1.6 Submission of Documents to the Commission**

- (a) All submission of documents to NACCAS shall be prepared and submitted in accordance with the Commission's Requirements for Organization of Document Submissions to NACCAS as well as with specific instructions issued by the Commission, and shall, in all cases, be submitted in an organized manner. The information contained therein shall be typewritten and in English, and any photographs included in the submission shall be originals or clear copies.

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- (b) The NACCAS office may refuse to accept and consider any document not submitted in conformity with this Section and other specific directives pertaining to document submission.
- (c) Each institution submitting information and documentation to the Commission for purposes of accreditation:
  - (1) Must accompany such information or documentation with a certification, signed and dated by a person with authority to submit such information or documentation that reads as follows:

“I certify that the information provided herein is true and correct to the best of my knowledge and belief. I further understand that knowingly providing false or misleading information to NACCAS may result in the Commission taking adverse action against the institution.”
  - (2) Must maintain at least one (1) complete copy of such submission in its permanent records for a period of not less than six (6) years.
- (d) Submit all requests, applications, responses and appeals to:

Executive Director  
Attention: (As Directed)  
NACCAS  
3015 Colvin Street  
Alexandria, VA 22314
- (e) Complete instructions for seeking candidate status, initial accreditation, renewal of accreditation, and change applications are included with the application for each process. A school, upon request, may receive special or additional instructions from the NACCAS staff either by telephone, letter, or in person at the NACCAS headquarters.
- (f) If the Commission determines that an institution has knowingly provided false or misleading information, it shall take any action against the institution that it believes is reasonable and appropriate, including, but not limited to, denying any pending application or taking any accreditation action listed in [Section 8](#) (see page 113) of the *Rules*.

**Section 1.7**     **Withdrawals of Applications**

- (a) Any institution may withdraw an application it has submitted to NACCAS before the Commission considers it.
  - (1) Such withdrawal request shall be in writing and sent by a traceable means to the Executive Director of NACCAS.
  - (2) Except as set forth in the Schedule of Fees, no money shall be refunded when an application is withdrawn.

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- (b) An acknowledgment from NACCAS indicating that the request has been complied with shall be issued.

### **Section 1.8      Equivalence**

- a. General. Except as set out in Section 1.8(b) below, any institution seeking or holding accreditation from the National Accrediting Commission of Career Arts & Sciences, Inc. (NACCAS) and from another accrediting agency recognized by the U.S. Department of Education or seeking or holding a license, certification, or similar authorization or credential from another state or federal government agency must describe itself in identical terms to each body with regard to purpose, governance, Ownership, Ownership structure, programs, program lengths, location of facilities, degrees, diplomas, certificates, personnel, finances and constituents, and must keep each agency apprised of the other agency's actions with respect to such institution, as provided for in [Section 5.3\(a\)](#) (see page 98) of these *Rules*.
- b. Ownership Reporting. If any such other accrediting agency or state or federal government agency requires the institution to report information concerning its Ownership or Ownership structure in less detail than is required by NACCAS (e.g., the other agency does not require reporting of owners with an Ownership Interest of less than 10%), NACCAS does not require the institution to report to that other agency any more information than the other agency requires. Any information required to be reported to both NACCAS and such other agency (e.g., owners with an Ownership Interest of 10% or greater) must be reported in identical terms to both NACCAS and the other agency.

### **Section 1.9      Requests for Information**

The Commission may, at any stage in the accreditation process, including appeals, request an institution to produce documentation that it deems pertinent and relevant to an accrediting action. Failure to produce such documentation, in the manner and within the time frame established by the Commission, may result in action being taken by the Commission, consistent with [Part 8](#) (see page 113) of these *Rules*, including denial or withdrawal of accreditation.

### **Section 1.10     Extensions for Submitting Documents to the Commission**

Other than as provided below, the Executive Director may grant extensions of submission deadlines established by these Rules in connection with any process under Parts 2, 4, 5, or 6 of these Rules, or under any directive issued by the Commission, provided that the combined total of any and all extension granted with respect to any single process shall not exceed 45 days, unless extraordinary circumstances are shown. The days allowed for any Letters of Inquiry or Show Cause Orders arising from the process shall be counted as extensions for purposed of this Section.

Requests for extension related to Special Financial Reports cannot be extended. Special Financial Reports are interim reports resulting from a significant change in the financial condition of an institution (e.g., institution placed on HCM2).



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The following documents may be helpful to you in understanding the requirements of this part of the NACCAS *Rules*. They are available on the NACCAS website at [www.naccas.org](http://www.naccas.org), in the NACCAS *Handbook*.

[Appendix #1](#) (see page 144)

Statement of Scope

[Appendix #2](#) (see page 145)

Schedule of Fees – Fees are posted on NACCAS’ website

[Appendix #3](#) (see page 146)

NACCAS Workshop Requirements

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### Part 2 – Application For Candidate Or Accreditation Status

#### Sub-Part A - Application for Candidate Status

##### **Section 2.0**      Purpose

The purpose of candidate status is for institutions interested in becoming accredited by the National Accrediting Commission of Career Arts & Sciences, Inc. (NACCAS) to become knowledgeable of NACCAS Accreditation Standards and other requirements and to implement them in their operations. It is to prepare institutions to meet the requirements for initial accreditation.

Institutions that are interested in applying for initial accreditation must first obtain candidate status. Exceptions are listed in [Section 1.2c](#) (see page 61).

##### **Section 2.1**      Application for Candidate Status

- (a) An institution interested in becoming a candidate for accreditation with NACCAS must first meet all institutional eligibility requirements, except it does not have to have been in operation for two years ([See Part 1, Sub-Part B](#), see page 60). In addition, the Owner of such an institution and (if different from the Owner) the proposed Accreditation Liaison for the institution must attend a NACCAS Accreditation Workshop and Candidate Class within six (6) months prior to submission of an Application for Candidate Status.
- (b) To initiate the process of obtaining candidate status, fill out the Application for Candidate Status ([Application #1](#), found on the NACCAS website under “Applications and Forms”) This is available on the NACCAS website at [www.naccas.org](http://www.naccas.org) or may be obtained by writing or calling NACCAS headquarters to request a copy. Applications must be submitted in accordance with [Part 1](#) (see page 59) of these *Rules* and specific directions or instructions, which accompany the application form.
- (c) To initiate the application process, send to the Executive Director of NACCAS a complete application that includes:
  - (1) The application form completely filled out;
  - (2) Application fee;
  - (3) Proof of Owner’s (and, if different from the Owner, proposed Accreditation Liaison’s) attendance at a NACCAS Accreditation Workshop within the previous six (6) months;
  - (4) Other required exhibits; and
  - (5) Sustaining fee.

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### **Section 2.2**      **Grant of Candidate Status**

- (a) Candidate status shall be granted by the Executive Director of NACCAS if the following conditions are met:
  - (i) the application is complete and demonstrates the applicant meets institutional eligibility requirements,
  - (ii) the required sustaining fee has been paid, and
  - (iii) if the applicant was previously an accredited school, or an applicant for candidate status or initial accreditation, the applicant shall have paid to NACCAS all fees and other charges outstanding to NACCAS as of the date the applicant's prior accreditation (or application for candidate status) was withdrawn or denied.
- (b) A removal from candidate status is appealable pursuant to [Part 9](#) (see page 127) of these *Rules*.

### **Section 2.3**      **Workshop Attendance and Technical Assistance**

- (a) The application fee for candidate status allows the owner and one other representative of the applicant institution to attend a NACCAS Accreditation Workshop at no additional charge. The institution's Owner and (if different from the Owner) proposed Accreditation Liaison must attend a NACCAS Accreditation Workshop prior to submitting its Application for Initial Accreditation, but not later than twelve (12) months following the grant of candidate status. (Attendance by the institution's Owner and (if different from the Owner) proposed Accreditation Liaison at a NACCAS Accreditation Workshop prior to submission of the Application for Candidate Status does not satisfy this requirement.

If the institution has not submitted an Application for Initial Accreditation as of the 12-month anniversary of its having been granted candidate status, the institution's Owner and (if different from the Owner) proposed Accreditation Liaison must attend a second-post application NACCAS Accreditation Workshop not later than the 24-month anniversary of its grant of candidate status.

- (b) Following attendance at the Workshop, the institution must conduct and develop a preliminary institutional self-study (see page 151, [Appendix #5A](#)).
- (c) Once the preliminary institutional self-study is ready, the candidate may request an on-site candidate consultation. The request shall:
  - (1) Be in writing;
  - (2) Sent to the Executive Director of NACCAS;
  - (3) Give the name of the Owner and (if different from the Owner) proposed Accreditation Liaison;

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- (4) Include documentation to show that the institution has complied with the NACCAS Accreditation Workshop requirements set out in this Section 2.3 of these Rules and in [Appendix #3](#), see page 146; and
  - (5) Include one copy each of the school catalog, preliminary institutional self-study and enrollment agreement(s) or contract(s).
- (d) NACCAS shall schedule an on-site candidate consultation by one or more NACCAS staff members or evaluators (the candidate consultant(s)).
- (1) The functions of the consultant(s) shall be to supplement the Accreditation Workshop attended by one or more representatives of the applicant institution, to provide the most current interpretations and expectations of the Commission under the *Standards and Criteria* related policies, and *Rules of Practice and Procedure* and to discuss with the school liaison and other authorized personnel specific ways the school can comply with these and ways the institution can show this compliance in the Institutional Self-Study, which must accompany an application for initial accreditation.
  - (2) Throughout the day(s), the candidate consultant(s) shall write sections of a Consultancy Report and work with the school liaison and other authorized personnel to develop a plan to correct areas of limitation and to put into place systems needed to comply with accreditation requirements. The plan shall include an implementation calendar. The candidate consultant(s) shall discuss the preliminary team report during an exit interview, and mail a final report to the school within 15 days.
  - (3) Within 45 days following the candidate consultation visit, the school shall submit to NACCAS its fully developed plan for achieving compliance with NACCAS' accreditation requirements together with the implementation calendar.
- (e) The institution may obtain additional technical assistance while implementing its compliance plan, at no additional charge, from the candidate consultant(s) and through:
- (1) Attendance at additional NACCAS Accreditation Workshops (upon payment of required fees);
  - (2) Additional on-site assistance by a NACCAS staff person, or other NACCAS evaluator (upon payment of required fees); and/or
  - (3) One-on-One, pre-arranged, consultation with Commission staff at NACCAS' headquarters.
- (f) The NACCAS staff person assigned to work with the candidate, together with the liaison, shall determine when the institution is ready to apply for initial accreditation and jointly shall make this recommendation to the Executive Director of NACCAS, but with reference to [Section 1.2](#) (see page 61) of these *Rules*.

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- (g) A school in candidate status shall be required to submit the minimum sustaining fee in accordance with [Appendix #2](#) (see page 145) to these *Rules*.

**Section 2.4**     **Duration of Candidate Status and Obligation of Candidate Institutions**

- (a) Candidate status shall expire upon the occurrence of the earlier of any of the following events:
- (1) Twenty-four months from the date of the notice from NACCAS that candidate status has been granted to the institution, if the institution has not applied for initial accreditation;
  - (2) The school fails to fulfill its obligations under the [Rules of Practice and Procedure](#) (see page 59) and policies of the Commission, including payment of required fees. Determination of such failure shall be made by the Executive Director of NACCAS in accordance with the same rules and procedures that apply to applicants for accreditation and accredited institutions; or
  - (3) The school receives its grant of initial accreditation.
- (b) The following obligations apply to institutions in candidate status that wish to become accredited:
- (1) Submit the minimum sustaining fee in accordance with [Appendix #2](#) (see page 145) to these *Rules*;
  - (2) Submit change applications, as applicable, in accordance with [Section 4.16](#) (see page 94) of these *Rules*;
  - (3) Respond to Commission directives, orders, and decisions within required time lines;
  - (4) Progress steadily through candidacy by:
    - (i) Sending representatives to the Workshop;
    - (ii) Drafting the institutional self-study and submitting it to the NACCAS consultant(s) prior to the consultation visit;
    - (iii) Receiving the NACCAS consultant(s);
    - (iv) Completing revisions to procedures, policies, and documents, set out in the Consultancy Report and implementation plan; and
    - (v) Applying for initial accreditation before candidate status expires.

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**Sub-Part B -- Application for Accreditation Status**

**Section 2.5      Application for Initial Accreditation**

- (c) The application form for initial accreditation, [Application #2](#), is found on the NACCAS website at [www.naccas.org](http://www.naccas.org) under “Applications and Forms.”
  
- (b) Submit the application form to NACCAS headquarters. In order to be complete and ready for processing, the application must include:
  - (1) Application form, completely filled out;
  - (2) All required exhibits;
  - (3) Application fee;
  - (4) Deposit toward the on-site evaluation fee submitted by certified check;<sup>3</sup> and
  - (5) Sustaining fee.
  
- (c) The application and institutional self-study must be complete and the school ready for the on-site evaluation visit within one (1) year or the process must be initiated anew (including payment of fees).
  
- (d) The school will be required to have available the most recent annual report data during its first on-site evaluation for verification by the evaluation team.

**Section 2.6      Application for Renewal of Accreditation**

- (a) Within nine to twelve months before its anniversary date, an institution must submit to NACCAS an application for renewal of accreditation and an institutional self-study. This time frame may be varied in cases when a school is called up for early renewal of accreditation.
  
- (b) The completed application must be sent to the Executive Director of NACCAS by the due date. It must include:
  - (1) The application form completely filled out;
  - (2) All required exhibits;
  - (3) The institutional self-study;

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<sup>3</sup> The balance shall be billed monthly until the fee is paid in full or paid thirty days from the date of the confirmation of the on-site evaluation, but not later than the day of the visit in any case. Non-receipt of funds may, after notice, result in cancellation of the on-site visit.

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- (4) Application fee; and
- (5) Deposit toward the on-site evaluation fee.<sup>4</sup>

**Sub-Part C - Institutional Self-Study**

**Section 2.7**      **Nature of the Institutional Self-Study**

- (a) The institutional self-study is a qualitative analysis of the strengths and weaknesses of the school. The completion of the ISS by the applicant school is a critical step in the application process. The ISS must be in a form approved by NACCAS (see page 152, [Appendix #5C](#)) and must result from the participation of the entire staff and faculty of the school, students, graduates, employers, and other appropriate persons. Instructions for completing the ISS are given at the NACCAS Accreditation Workshops and are available on NACCAS' [website](#). On an initial application, an on-site evaluation visit will not be scheduled until a completed ISS and the required exhibits are received by NACCAS.
- (b) The applicant may request written or oral consultation from NACCAS with respect to completion of the ISS. If on-site consultation is requested, any expenses for such on-site assistance must be paid by the applicant.

**Section 2.8**      **Processes That Include a Self-Study Requirement**

- (a) Schools in the following application processes must submit an institutional self-study to NACCAS:
  - (1) Candidate for accreditation;
  - (2) Applicant for initial accreditation;
  - (3) Applicant for renewal of accreditation;
  - (4) Applicant for Additional Location accreditation;
  - (5) Institution called up for early renewal of accreditation;
  - (6) Category 3 Change of Control.
- (b) Other processes require a variation on the institutional self-study:
  - (1) Applicant for addition or change of a program: program self-study.

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<sup>4</sup>The balance shall be billed monthly until the fee is paid in full or paid thirty days from the date of the confirmation of the on-site evaluation, but no later than the day of the visit in any case. Non-receipt of funds may, after notice, result in cancellation of the on-site visit.

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### Related Documents

The following documents may be helpful to you in understanding the requirements of this part of the NACCAS *Rules*. They are available on the NACCAS website at [www.naccas.org](http://www.naccas.org), in the *NACCAS Handbook*.

<a href="#">Appendix #1</a> (see page 144)	Statement of Scope
<a href="#">Appendix #2</a> (see page 145)	Schedule of Fees – Posted on NACCAS’ Website
<a href="#">Appendix #3</a> (see page 146)	NACCAS Workshop Requirements
<a href="#">Appendix #4</a> (see page 148)	Procedures Governing Measurement of Academic Programs
<a href="#">Appendix #5A</a> (see page 151)	Institutional Self-Study: Candidate Status
<a href="#">Appendix #5B</a> (see page 152)	Institutional Self-Study: Requirements for Completing the Institutional Self-Study (ISS): Accredited Status
<a href="#">Appendix #5C</a> (see page 153)	Institutional Self-Study Format

Found on the NACCAS website under “Applications and Forms”:

<a href="#">Application Form #1</a>	Application for Candidate Status
<a href="#">Application Form #2</a>	Application for Initial Accreditation - school required to go through candidacy
<a href="#">Application Form #4</a>	Application for Renewal of Accreditation



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**Part 3 – On-Site Evaluation Of Applicants And Accredited Schools**

**Section 3.0**      **Purpose of On-Site Evaluations**

The Commission shall conduct on-site evaluations of applicant and accredited schools as necessary to assist in its determination of compliance with NACCAS accreditation requirements.

**Section 3.1**      **Categories of On-Site Evaluation**

The categories of visits are:

- (a)      **Regular Evaluation Visits:** Regular Evaluation Visits include visits to evaluate applicants for initial accreditation, renewal of accreditation, provisional additional location and full accreditation for an additional location, and Change of Control visits.
  
- (b)      **Special monitoring or investigative on-site evaluations:** The Commission shall conduct additional on-site evaluations of applicant and accredited schools as necessary to assist in its determination of compliance with NACCAS accreditation requirements. The Commission may also order an on-site evaluation in conjunction with any other process, including but not limited to:
  - (1)      Relocation (new and/or old location);
  - (2)      Annual Report;
  - (3)      Complaint;
  - (4)      Show Cause;
  - (5)      Any action taken pursuant to [Part 8](#) (see page 113) of these *Rules*;
  - (6)      Information from the U.S. Department of Education or other government entities;
  - (7)      Unresolved stipulations, reason for deferral, or reporting requirement; or
  - (8)      Commission directive.

These visits may be announced or unannounced, carried out by full or partial evaluation teams, and the cost will be paid by the school unless the Commission determines otherwise.

- (c)      **Consultation Visits:** Eligible schools in candidate status will receive a consultation visit by one or two NACCAS staff members and/or evaluators. Any school may request a representative of the Commission to consult with school representatives. The Commission may order a consultation visit.

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### **Section 3.2      Function of On-Site Evaluators**

The on-site evaluation provides an opportunity for discussion among the evaluators and school officials, faculty, staff, students, and other relevant individuals. The evaluators shall not recommend the action the Commission should take on any institution nor make any specific recommendations to the institution on how to comply with NACCAS [Standards and Criteria](#) (see page 6). These functions are reserved to the Commission.

- (a) In the case of a regular visit the function of the evaluators shall be to verify and to ascertain the accuracy of the information submitted by the school in its application and the Institutional Self-Study and to independently evaluate the institution's compliance with accreditation requirements.
- (b) In the case of a special monitoring or investigative visit, the function of the evaluators shall be in accordance with the Commission's directives in each case.
- (c) In the case of consultation visits, the function of the evaluators shall be to provide technical assistance to help the personnel at the institution understand accreditation requirements.

### **Section 3.3      On-Site Evaluators**

NACCAS shall compile and maintain a list of qualified on-site evaluators and, to the extent practicable, shall match their qualifications with the school they evaluate. Evaluators shall be added to the list and selected to participate in the on-site evaluation without discrimination on the basis of sex, race, religion, age, color, or ethnic origin. Except as set forth in Section 3.3(j) below, each team conducting a regular or special evaluation shall consist of (i) at least one evaluator in the academic field and one administrator and (ii) an evaluator knowledgeable in each field or specialty in which programs, meeting requirements of [Section 1.3](#) (see page 62) of these *Rules*, are offered at the institution. One evaluator may represent more than one field or specialty. If neither the academic nor administrator evaluator meets this requirement, a practitioner will be added to the team. The school shall bear the expense of any additional team members required.

- (a) Evaluator in the Academic Field: In order to qualify as an evaluator in the Academic Field, a candidate must:
  - (1) Have a bachelors (or higher level) degree in education and background in educational concepts (Evaluators reviewing General Education courses in an Associate Degree program must meet this qualification); or
  - (2) Have:
    - (i) a minimum of four years of experience in teaching in secondary and/or in post-secondary education in an accredited institution (Evaluators reviewing General Education courses in an Associate Degree program must meet the qualification set forth in 3.3(a)(1) above; and
    - (ii) knowledge and experience in pedagogy.

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- (b) Evaluator in the Field of Administration: In order to qualify as an evaluator in the Field of Administration, a candidate must:
- (1) Have a minimum of two years of experience in an administrative position in a NACCAS accredited school and be currently active in the day-to-day school operations of a NACCAS accredited school; or
  - (2) Have five years' experience in the day-to-day school operations in an administrative position in a NACCAS accredited school and demonstrate relevant industry involvement by:
    - (i) active membership in professional organization(s) in the field, or
    - (ii) recent authorship of professional publications, or
    - (iii) evidence of continuing education in the field.

The Executive Director shall have the authority to waive the requirements of this Section 3.3(b) in exceptional circumstances.

- (c) Practitioner evaluator: A practitioner evaluator is a representative of professional services operations in fields within NACCAS' scope. In order to qualify as a practitioner evaluator, the candidate:
- (1) Must have completed an education program in the field;
  - (2) Must have at least two years of experience as a practitioner on a day-to-day basis in a licensed establishment that provides services in the field of programs offered at the institution to be evaluated; and
  - (3) Must demonstrate an abiding interest in the field by:
    - (i) national certification in the field, or
    - (ii) active membership in professional organization(s) in the field, or
    - (iii) recent authorship of professional publications, or
    - (iv) evidence of continuing education in the field, and
    - (v) maintain a current practitioner license, if applicable.
  - (4) The practitioner evaluator may have a direct or indirect interest in a school offering programs within NACCAS' scope so long as the primary focus of his/her professional activity is to provide services to the public.
  - (5) The practitioner evaluator(s) must be selected from outside the market area of the applicant school.
- (d) The requirements under Section 3.3(a)-(c) may be waived by the NACCAS Executive Director (subject to final approval by the Executive Committee) upon review of the applicant's resume.
- (e) On-site evaluators in the academic and practitioner categories may also serve as program evaluators.

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- (f) NACCAS evaluators are subject to the NACCAS Workshop Requirements.
- (g) NACCAS' on-site evaluators are subject to the NACCAS [Evaluator Code of Ethics](#) (found within the Independent Contractor Agreement). On-site evaluators shall be informed that all information associated with the accreditation process is highly confidential and that misuse or unauthorized disclosure of such information is a breach of such confidence.
- (h) To safeguard the privilege of serving on NACCAS' on-site evaluation teams, the Commission reserves the right to delete an evaluator from the list for failure to comply with the NACCAS [Evaluator Code of Ethics](#) (found within the Independent Contractor Agreement), performance effectiveness and other requirements or conduct as stated in the Guidelines for On-Site Evaluation Teams in accordance with procedures set out in [Part 6, Sub-Part B](#) (see page 103)
- (i) Evaluators, Commissioners, or NACCAS staff members may be assigned to conduct consultation visits.
- (j) General Eligibility Compliance Visits. Where the sole purpose of an on-site evaluation visit is to assess the institution's compliance with the Institutional General Eligibility Requirements set out in Section 1.2(c) of these Rules, the Commission may direct that the visit be conducted by a NACCAS representative qualified, by virtue of their position, training and experience, to conduct such an assessment and provide a report to the Commission.

### **Section 3.4     Announced Visits: Notice of Team Members to School**

Upon appointment of the on-site evaluation team, the school shall be promptly notified of the names of the prospective team members. A school may not request that a specific individual serve as a member of the team.

- (a) If any conflicts of the types prohibited by the [Evaluator Code of Ethics](#) (found within the Independent Contractor Agreement) exist, the applicant's representative and/or the evaluator must make this known to NACCAS.
- (b) If the institution has other good grounds to believe that a member of the team does not meet the qualifications for an on-site evaluator or suffers from a conflict of interest, or for other good cause, it may request NACCAS to replace that team member.
- (c) If the Executive Director of NACCAS determines that good cause exists for replacing the team member, he or she shall be replaced. Written confirmation will be sent to the school once the team members have been approved.

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### **Section 3.5**      **Observers**

- (a) Persons with a direct interest in licensure or accreditation of cosmetology or massage schools and NACCAS Commissioners shall be permitted to accompany the on-site evaluation team for scheduled visits as observers. Permission to observe an evaluation team must be secured in writing from the Executive Director of NACCAS prior to the on-site evaluation. Such observers shall have no role in the on-site evaluation process.
- (b) A school may request that observers not be permitted to attend the on-site evaluation. NACCAS shall honor any such request where the school shows that there is good cause to bar observers from the evaluation.
- (c) Observers shall be reminded in writing by NACCAS that all information associated with the accreditation of an institution is highly confidential and that misuse or unauthorized disclosure of such information is a breach of that confidence.

### **Section 3.6**      **Announced Visits: Date and Postponements**

- (a) The date(s) of the on-site visit shall be set forth after the consultation between NACCAS and the school. The visit shall last one or two days, in accordance with [Appendix #13](#), “Determining Visit Length,” see page 217. A longer visit may be required if the institution fails to cooperate with the visiting team, all additional expenses paid by the institution.
- (b) **Renewal Visits:** Renewal Visits shall be scheduled to take place between two and six months prior to an institution’s anniversary date for renewal of accreditation.
- (c) **Regular On-Site Evaluations:** Requests for postponement of an approved visit date must:
  - (1) Be made in writing to the Executive Director of NACCAS within a reasonable time prior to the scheduled on-site visit; and
  - (2) Describe in detail the facts and circumstances that necessitate the postponement.Requests will be granted only in extraordinary circumstances and for good cause shown and no more than once per visit. Expenses to the Commission as a result of postponements or cancellations will be billed to the institution.
- (d) **Special Monitoring or Investigative Visits:** No postponement shall be allowed for special or investigative visits.
- (e) In the highly unusual circumstance that a member of the on-site evaluation team is unable to join the team or needs to leave early (e.g., due to illness or death in the family), NACCAS has the option of postponing the visit, using a substitute evaluator without prior notice to the school, or of having the partial team conduct its portion of the evaluation. In this latter case, the remaining portion of the evaluation will be conducted by the absent team member at some future time, and the school shall accept the findings of the partial team as if a full team had been present. The Commission shall schedule a visit by the absent team member, or, in the case of postponement, of the full team, at the

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earliest possible date. The accreditation status of the school does not change pending rescheduling of all or part of the on-site evaluation. Any additional costs due to use of a substitute or postponement of all or part of the visit shall be paid by the Commission.

### **Section 3.7      School Representative During Visit**

The Owner of the school, or the full-time employee of the school designated by the Owner as responsible for the school's accreditation, who has attended the NACCAS Accreditation Workshop, shall be present at the school throughout the candidacy consultation visit and the initial accreditation visit and shall be available or present for all other on-site evaluation visits, including the exit interview, unless the school has contacted NACCAS in advance and demonstrated good cause as to why this requirement should be waived. If the person responsible for the school's accreditation is not at the school on the day of an interim visit, the evaluator will request that an attempt be made to notify that individual to be available during the visit.

### **Section 3.8      The Visit Report**

At such time as all accreditation requirements, Standards and respective Criteria have been covered by the team, the team and NACCAS staff representative shall meet to write the findings of the team in the Visit Report. Although each member is responsible for criteria that fall under his or her own area of expertise, the findings in a Visit Report represent a consensus of the team. The NACCAS staff person shall edit the team's draft report and prepare the formal Visit Report upon returning to NACCAS headquarters, within twenty-one (21) business days following the visit.

- (a) In all cases, the Visit Report shall specify the date, location of the school, courses offered, and the number of clock hours, credits or competencies, as the case may be, in each program, as well as the duration of the visit.
- (b) The Visit Report shall specifically, and in detail, set forth areas where the applicant is not in compliance with NACCAS' [Standards and Criteria](#) (see page 6) or other NACCAS accreditation requirements. Any findings shall be reported with specific reference to the applicable [Standards and Criteria](#) (see page 6). The report shall also recite any and all evidence that supports the conclusion that a school is not in compliance with the [Standards and Criteria](#) (see page 6) or other accreditation requirement.

### **Section 3.9      Exit Interview**

- (a) At the conclusion of a scheduled visit, the team shall hold an exit interview with the school's chief executive officer, manager, and/or any other staff the school's chief executive officer wishes to have present. During this interview, the team shall present the strengths and limitations of the school in relation to each of the NACCAS Standards as described in the Visit Report.
- (b) At the conclusion of any on-site evaluation, the school's chief executive officer or school-designated official must acknowledge that the exit interview took place, or that the exit interview was waived, as well as the time and duration of the interview. Additionally, the school's chief executive officer or school-designated individual must acknowledge the

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programs reviewed during the on-site evaluation and their corresponding hours, credits or competencies, as the case may be.

### **Section 3.10 Response to Visit Report - Opportunity to Comment and Supplement**

- (a) Formal Visit Report Sent to Institution - 21 Days: Within twenty-one (21) business days of the office's receipt of the report prepared during a visit, NACCAS shall forward a copy of the Visit Report to the school.
- (b) Institution may respond to the Visit Report - 45 days: The school shall have the opportunity to file a response to the Report of any visit before that report is forwarded to the full Commission. The school shall send its response to the Executive Director of NACCAS, and the response shall be postmarked no later than forty-five (45) days from the date of receipt of the report. The school's response to any Visit Report must include an explanation of how the institution has corrected the specific limitations and any documentation necessary to support the response.
- (c) If no response to the visit report is received by NACCAS, the Report shall be forwarded without response to the full Commission.
- (d) The Commission may designate a committee to receive the school file and make recommendations to the full Commission.

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#### Related Documents

The following documents may be helpful to you in understanding the requirements of this Part of the NACCAS Rules. They are available on the NACCAS website at [www.naccas.org](http://www.naccas.org) in the NACCAS Handbook.

[Appendix #2](#) (see page 145)

Schedule of Fees – Posted on NACCAS' Website

[Appendix #13](#) (see page 217)

Determining Visit Length

[Agreement](#)

Independent Contractor Agreement

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**Part 4 – Substantive Changes and Notification Requirements**

**Part 4A – Changes Requiring Approval Before Being Included in  
The Aegis of Institutional Accreditation**

**Section 4.0      Substantive Changes**

- (a) The following changes require approval from NACCAS before they will be included under the aegis of Institutional Accreditation already granted by NACCAS.
- (1) Change of mission, degree or credential granted;
  - (2) Relocation described in [Part 4A- Sub-Part 4A.1](#) (see page 83);
  - (3) Change of Control described in [Part 4A – Sub-Part 4A.2](#) (see page 84);
  - (4) Establishment of an additional location described in [Part 4A – Sub-Part 4A.3](#) (see page 84);
  - (5) Substantive Additions or Changes to Program offerings described in [Part 4A – Sub-Part 4A.4](#) (see page 87);
  - (6) Change in the way academic programs are measured described in [Part 4A – Sub-Part 4A.4](#) (see page 87);
  - (7) Change in participation in federal student assistance programs described in [Part 4A – Sub-Part 4A.5](#) (see page 89); and
  - (8) Teach-Out or school-closure agreements described in [Part 4A – Sub-Part 4A.5](#) (see page 89).
- (b) Approval of the following substantive changes shall require a full team (comprehensive evaluation) visit, in addition to such other conditions as may be determined by the Commission:
- (1) Change of mission, degree or credential granted;
  - (2) Category 3 Change of Control, as described in [Part 4A – Sub-Part 4A.2](#) (see page 84) and [Appendix #9](#) (see page 209); and
  - (3) Establishment of an additional location, as described in [Part 4A – Sub-Part 4A.3](#) (see page 84).

**Section 4.1      Change of Mission, Degree or Credential - 90 days before change**

A school must notify the Commission in writing, at least ninety days in advance, of its intent to change the established mission or objectives of the institution or to offer any degree or credential at a level above that in the institution's current grant of accreditation. The school shall be required to undergo early renewal of accreditation.



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### Sub-Part 4A.1 – Changes of Location

#### **Section 4.2**      **Change of Location**

- (a) A Change of Location takes place when an institution physically moves its operations from one location to another, where the new location is no more than 75 miles from the former location, and no further instruction is conducted at the former location. In addition to a physical move, there should be appropriate licensing and transfer of students, curriculum, administrative staff, teaching staff, equipment, supplies and records. The new facility should be of sufficient size to accommodate the students transferring locations.
- (b) The Commission considers a relocation of operations to a site more than 75 miles from the institution's current location to be a closure of the existing institution and the establishment of a new institution.

#### **Section 4.3**      **Notice and Visit Requirements for a Change of Location**

- (a) 30 Days: An Application for Change of Location ([Application #11](#)) must be completed and returned to the Executive Director of NACCAS thirty (30) days prior to the date the school plans on relocating.
- (b) Visit within Six Months: Within six (6) months of the Change of Location, the institution shall undergo an on-site evaluation, in accordance with [Part 3](#) (see page 75) of these Rules, to review the institution's compliance with all NACCAS standards, in accordance with the Change of Location Visit Check List. The visit shall be conducted by a NACCAS staff person and a Practitioner Evaluator. The institution must have available to the evaluation team all of the documents and information listed in the "[Required On-Site Documents](#)" on the NACCAS website. The visit shall be conducted at the school's expense.

#### **Section 4.4**      **Additional Requirements for Change of Location**

- (a) Notice to Students: Adequate notice of the Change of Location must be afforded students, and the institution shall make a good faith effort to provide for the education of students who are unable to transfer. The institution must give a *pro rata* refund to any student who neither transfers to the new location nor accepts alternate educational options.
- (b) Evaluation Visit: The Commission and its committee shall have the right to order a visit to the school's former location, especially if the school proposes to continue the education of currently enrolled students at the former location. Such on-site evaluations shall be conducted in accordance with [Part 3](#) (see page 75) of these Rules, and any such visit shall be conducted at the school's expense.
- (c) Relocation Across State Lines: Institutions relocating across state lines must meet the requirements of the state to which the school is relocating, must remain in continuous operation, and must re-contract students at no additional expense to the student. For students who transfer, if the new state requires more hours of training for the program or course, the institution may not charge more. If the new state requires fewer hours, the institution shall apply a pro rata refund.

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**Sub-Part 4A.2– Changes of Control**

**Section 4.5      Change of Control**

- (a)      30 Days: The New Controlling Owner must complete and return the appropriate Change of Control application and send it to the Executive Director of NACCAS at least thirty (30) days prior to the effective date of the change of control, together with the applicable fee.
- (b)      Within 6 Months: The Commission shall carry out a visit (announced or unannounced) at the institution within 6 months after the effective date of the Change of Control.
- (c)      When a Change of Control takes place, if the application for a Change of Control is not received, the accreditation of the institution shall have been relinquished (1) in accordance with [Section 8.13\(c\)\(2\)](#) (see page 120) of these *Rules* or (2) the date the New Controlling Owner states, in writing, the intention of not continuing as an accredited institution, whichever comes first. An accredited institution that is undergoing a Change of Control and that submits the required application when due shall remain in accredited status until such time as NACCAS denies the application and the institution subsequently fails to appeal or has exhausted its appeal rights.

**Sub-Part 4A.3 – Addition of Campuses**

**Section 4.6      Additional Location<sup>5</sup>**

- (a)      Definitions:
  - (1)      A “main campus” is a school of career arts and sciences that has been accredited by NACCAS for the two (2) most recent years (and is not currently accredited as an additional location of another accredited institution). Any change in location of the main campus must comply with the procedures set out in [Sub-Part 4A.1](#) (see page 83) of these *Rules*. The main campus includes facilities located within a two (2) mile radius of the primary training site.
  - (2)      An “additional location” is an additional training location of the main campus that provides the same administrative services as the main campus.
- (b)      A school seeking to have an Additional Location approved within the accredited status of the main campus (school) must formally request such approval from the Commission by filing an application for initial Additional Location ([Application #3](#), [Application #16A](#) and [Application #16B](#) found on the NACCAS website under “Applications and Forms”)

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<sup>5</sup> During the period following establishment of an additional location, and until provisional additional location accreditation is granted, the institution must notify its students that the additional location is not accredited. If the main campus is certified to participate in federal student financial assistance programs, that certification does not extend to any additional location; the additional location must be accredited and be certified separately by the U.S. Department of Education before any federal student financial assistance may be disbursed to students at the additional location.

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and undergoing a two-tiered review process. Schools seeking such approval must do the following:

- (1) Comply with the [Description of Separate Facilities](#) (see Appendix #10, page 212);
  - (2) Be licensed, open and operating prior to submitting an application for provisional additional location accreditation;
  - (3) Must offer only complete program(s) that meet state requirements.
- (c) Acquisition of Existing School Teaching Programs Unrelated to Programs Offered at the Main Campus. If an accredited school acquires an existing school for which it wishes to seek provisional additional location accreditation, and the acquired school offers one or more programs not related to any approved program at the (prospective) main campus (a “legacy” program), the following applies:
- (1) If the newly-acquired additional location was accredited by NACCAS at the time of its acquisition (i.e., under its former ownership) and offers at least one complete program related to the programs offered at the (new) main campus, the additional location may continue to offer the “legacy” program as a NACCAS-approved program.
  - (2) If the newly-acquired additional location was not accredited by NACCAS at the time of its acquisition and/or has no program related to the programs taught at its (new) main campus, the additional location must either:
    - (a) Cease to teach the “legacy” program immediately, and make appropriate provision for teach-out of the affected students; or
    - (b)
      - (i) Petition the Commission for approval to continue to teach the “legacy” program solely for the purpose of teaching out the students already enrolled in the program at the time it received provisional accreditation and, if the institution wishes to continue to offer the “legacy” program to new students, (ii) submit an application for addition of new program (see [Section 4.9](#), see page 88) with its application for initial additional location accreditation and undergo its first additional location evaluation visit before it is granted provisional accreditation, so that both applications may be considered by the Commission at the same time.
- (d) Visits to Additional Locations and Institutional Self-Study. Except as provided in Section 4.6(k), see page 86:
- (1) **Institutional Self-Study:** An institutional self-study for an institution seeking provisional additional location accreditation shall be submitted simultaneously with (and shall be a required exhibit to) the institution’s Application for Initial Additional Location.

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- (2) Visit within 6 months: Within six (6) months after provisional Additional Location accreditation status is granted the institution shall undergo a regular on-site evaluation.
- (e) Establishment of an Additional Location by a New Owner. In the event of a Change of Control of a main campus, a new Additional Location may not be established off the main unless the New Controlling Owners have completed the Change of Control process including an on-site evaluation, review and approval by the Commission.
- (f) Change of Control of an Additional Location. In the event that an Additional Location is sold and/or transferred independently of the main facility, the accreditation of such Additional Location is terminated as of the date of such sale or transfer. An application for accreditation may be submitted to the Commission should accreditation be terminated under such circumstances. The application must be consistent with requirements for an initial applicant or an Additional Location of another facility.
- (g) Change from Additional Location to Freestanding Institution. In order for an Additional Location to become an accredited freestanding institution, such Additional Location must have achieved full Additional Location status and must otherwise meet the definition of a “Main Campus.”
- (h) Re-designation of Main Campuses as Additional Locations. In order for a main campus (or campuses) to be re-designated as Additional Locations of another main campus, the campuses must comply with the requirements for an Additional Location set out in [Sections 4.6\(a\)](#) (see page 84) and [\(b\)](#) (see page 84) of these *Rules*.
- (i) Shifting the Designation of a Main Campus and its Additional Location. An institution may request a re-designation of a main campus as an Additional Location and its Additional Location as a main campus if the Additional Location has achieved full Additional Location status and otherwise meets the definition of a “Main Campus.”
- (j) Additional Location-to-Additional Location Re-Designation. An institution may request that an Additional Location of a main campus be re-designated as an Additional Location of a different main campus under the same Ownership.
- (k) Renewal of Accreditation. The anniversary date of an additional location and its main campus shall coincide.<sup>6</sup>
- (l) Accreditation of Main Campus and Additional Locations Currently Accredited by another Accrediting Agency.
- 1) If an institution in good standing with another accrediting agency is granted initial accreditation by NACCAS, the institution may immediately seek provisional

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<sup>6</sup> If an Additional Location or a main campus is granted a shorter period of accreditation, the main and all Additional Locations will have the same shortened period of accreditation.

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accreditation as an additional location for any of its then-existing additional locations that are also in good standing with the other accrediting agency.

- 2) The existing additional locations shall (i) submit an institutional self-study at the same time as the main campus submits its Application for Initial Additional Location, (ii) undergo an on-site evaluation at the same time as the initial accreditation visit for the main campus (i.e., prior to the grant of provisional Additional Location accreditation) and (iii) undergo a regular on-site evaluation within 6 months of receiving Additional Location accreditation.
  
- (m) **Loss of Main Campus Accreditation.** Additional Locations are accredited solely within the accredited status of their main campus, not as freestanding institutions. If a main campus ceases to be accredited for any reason, the accreditation of its Additional Location is lost, without the requirement of any action by the Commission, on the effective date of the main campus' loss of accreditation. This is not an appealable action of the Commission. The Additional Location may apply for accreditation as a freestanding institution at any time it meets the general eligibility requirements for such accreditation.

### **Sub-Part 4A.4 – Substantive Additions and Changes to Program Offerings**

#### **Section 4.7      Definitions**

- (a) The following additions or changes to program offerings are substantive:
  - (1) A program is added in a subject matter area not already covered by a NACCAS-approved program at the institution. Example: The school adds an instructor training program;
  - (2) A program is added that requires a separate state license. Example: All approved programs are licensed by a State Board of Barbering and Cosmetology when the school adds as massage program licensed by the State Board of Health.
  - (3) The length of a program already approved by NACCAS is increased or decreased more than 25% and including all additional requests for increases or decreases less than 25%.
  - (4) The school combines into one program those complete programs previously approved by the Commission and the total length for the new combined course is the same, longer, or shorter than the sum of length for the individual measurement.
  - (5) A change in the way the length of a program is measured, such as change from clock hours to credit hours, or competency-based academic measurement.
  - (6) A change in the way a program is delivered. (Examples: School-based program converts to online modality; approved program is offered in a new language).

#### **Section 4.8      Measurement of Academic Programs and Conversions**

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A school may measure academically in terms of clock hours, credit hours or competencies. The burden of establishing the educational validity of any measurement values assigned rests with the institution. Those institutions that desire to initially measure in terms of credit hours, or desiring to convert from clock hours to credit hours, or the reverse, must secure approval from the Commission in accordance with NACCAS' [Procedures Governing Measurement of Academic Programs](#) (see Appendix #4, page 148).

### **Section 4.9      Approval Procedure for Substantive Additions or Changes to Program Offerings**

(a) NACCAS approves programs offered by institutions within the aegis of institutional accreditation granted. Substantive additions or changes to program offerings that were not approved during an institution's most recent initial or re-accreditation evaluation may not be advertised (unless approved under the Test Market Exception, detailed below) or offered until they are approved in accordance with the procedures established in this Section and the NACCAS Procedure for Addition or Change of a Substantive Program (see page 177, [Appendix #6](#)).

(1) Test Market Exception: An institution may advertise a maximum of one new program a year before it receives approval from NACCAS. However, the program must comply with the following:

(a) Be advertised in accordance with NACCAS [Policy on Advertising](#) (see page 23);

(b) An application for approval must be submitted within 15 days of the start of the first class; and

(c) Subsequent class starts must have received NACCAS approval.

In all other particulars, the course is subject to this section of the *Rules* and related sections, policies, and accreditation requirements.

(b) Before the substantive new or changed program is offered: Prior to the scheduled beginning of the first class enrolled in the substantive new or changed program, the institution must submit the appropriate application and fee to NACCAS and obtain approval by the Commission.

(c) The Executive Director of NACCAS shall send the application to two outside program evaluators, in accordance with [Section 3.3\(d\)](#) (see page 77) of these *Rules* and the Procedure for Addition or Change of a Substantive Program who will recommend to the full Commission whether or not the program complies with requirements for final approval and inclusion under the aegis of institutional accreditation already granted to the applicant.

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### **Section 4.10**     **Prior Notice of Substantive Changes; Unforeseeable Events**

Notwithstanding anything in this Sub-Part 4A to the contrary, but subject to the notification requirements of [Section 5.3](#) (see page 98) of these Rules, the Executive Director shall have the authority to waive any prior notice requirement for a substantive change under this Sub-Part 4A where prior notice of the change was not possible (e.g., death of an owner) and the institution notified NACCAS within 90 days after the occurrence of the change (or earlier, if required by Section 5.3).

### **Sub-Part 4A.5 – Other Changes**

### **Section 4.11**     **Change in Participation in Federal Student Financial Assistance Programs Established under Title IV of the Higher Education Act of 1965, as Amended**

- (a) The accreditation granted by NACCAS allows institutions to apply for participation in federal student financial assistance programs.
- (b) Within 30 days of ending Title IV participation: An institution that withdraws or is terminated from participation in federal student financial assistance programs established under Title IV of the Higher Education Act of 1965, must submit an application for change in the purpose of its accreditation, within 30 days of the change. This application must be accompanied by an eighteen-month business plan,<sup>7</sup> in accordance with NACCAS' requirements (see [Appendix #11B](#), see page 215), indicating how the institution will sustain programs and operations which meet NACCAS' accreditation standards.

### **Section 4.12**     **Teach-Out and Teach-Out Agreements**

- (a) Submission of Teach-Out Plans and Agreements. An accredited institution:
  - (1) Must submit a Teach-Out Plan and associated Teach-Out Agreement(s) for approval by the Commission, not later than 15 days following the occurrence of a Teach-Out Event (see page 36, [Policy IV.05](#)); provided, however that in the event of the closure of an institution, the plan and agreement(s) must be submitted at least 30 days prior to the closure date;
  - (2) Must submit any other Teach-Out Agreement entered into other than that which is required by Section 4.12(a)(1) see above, for approval by the Commission, not later than 15 days after entering into such agreement;
  - (3) Must submit a Teach-Out Plan and, if the Teach-Out Plan includes entering into a Teach-Out Agreement with another institution, a draft Teach-Out Agreement (i.e., a template Agreement, not with any specific institution) for review by the Commission not later than 15 days following receipt of notice from the

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<sup>7</sup> The 18-month business plan for schools that cease Title IV participation covers the 18 months from:

- a. the date on which the school's withdrawal from Title IV is effective, or
- b. the date on which the school's termination from Title IV by the USDE went into effect.

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Commission that the institution has been assigned the accreditation status of “Accreditation on Probation.” A favorable determination by the Commission will not constitute approval of the final Agreement, and does not excuse the institution from undergoing review and approval of the final Agreement, as required by this Section 4.12, in the event that a Teach-Out Event occurs.

- (4) May submit a Teach-Out Plan and, if applicable, an associated Teach-Out Agreement entered into other than as required by Section 4.12(a)(1), see page 89, for approval by the Commission, at any time.
- (b) **Submission Materials:** In seeking approval of a Teach-Out Plan and/or Teach-Out Agreement(s), the institution must provide the Commission with:
- (1) A copy of the Teach-Out Plan and any associated Teach-Out Agreement(s) (see page 36, [Policy IV.05](#));
  - (2) A copy of the enrollment agreement for each institution that will receive students under the Teach-Out Agreement;
  - (3) A copy of the catalog of each institution that will receive students under the Teach-Out Agreement;
  - (4) Additional information, if any, requested by the Commission after items (1) through (3) have been received.
- (c) **Advisory Opinion:** Institutions may submit draft versions of the Teach-Out Agreement to the Commission for an advisory opinion prior to the Agreement being finalized. A favorable opinion by the Commission will not constitute approval of the Agreement, and does not excuse the institution from undergoing the review and approval process once the final Agreement has been executed.
- (d) **Teach-Out Institution.** The Commission shall not approve any Teach-Out Agreement unless it has determined that each institution to which students are to be transferred to complete their programs:
- (1) Has the necessary experience, resources, and support services to:
    - (a) Provide an educational program that is of acceptable quality and reasonably similar in content, structure, and scheduling to that provided by the institution that is ceasing operations or terminating the applicable program; and
    - (b) Remain stable, carry out its mission, and meet all obligations to existing students; and
  - (2) Provide students access to the program and services without requiring them to move or travel substantial distances, and that it will provide students with information about additional charges, if any.
- (e) **Notification of Closure:** When an institution party to a Teach-Out Agreement learns that another party to the Agreement plans to close, or has closed, it shall notify NACCAS within ten (10) days of learning of the closure.



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- (f) Closed Institution. If an institution accredited by NACCAS closes without a Teach-Out Plan or Teach-Out Agreement, NACCAS shall work with the U.S. Department of Education and the appropriate State agency, to the extent feasible, to assist students in finding reasonable opportunities to complete their education without additional charges.
- (g) In the event that, pursuant to [Section 4.12\(a\)](#) (see page 89) of these *Rules*, the Commission approves a Teach-Out Plan or Teach-Out Agreement that includes a program that is accredited by another recognized accrediting agency, NACCAS shall notify the other accrediting agency of its approval.
- (h) For purposes of these Rules, the term “Teach-Out Event” shall mean the occurrence of any one or more of the following events involving a NACCAS-accredited institution:
  - (1) The U.S. Department of Education notifies the Commission that the Secretary of Education has initiated an emergency action against the institution, in accordance with section 487(c)(1)(G) of the Higher Education Act (or a successor statute)(the “HEA”), or an action to limit, suspend, or terminate an institution participating in any title IV, HEA program, in accordance with section 487(c)(1)(F) of the HEA (or a successor statute), and that a Teach-Out Plan is required.
  - (2) The Commission acts to withdraw the accreditation of the institution.
  - (3) The institution notifies the Commission that it intends to cease operations entirely.
  - (4) A State licensing or authorizing agency notifies the Commission that an institution's license or legal authorization to provide an educational program has been or will be revoked.

**Part 4A.6 – Commission Actions on Substantive Changes**

**Section 4.13      Commission Action on Substantive Changes**

With respect to applications for substantive changes under this Part, the record for the application will be taken up and considered by the full Commission.

- (a) The Commission may receive recommendations from the Executive Director and/or a designated committee.
- (b) The full Commission may approve the change, and continue the institution’s accreditation or take any of the actions set out in [Part 8](#) (see page 113) of these *Rules*. Such approval may be given prior to the effective date of the change for which approval by the Commission is sought; provided, however, that:
  - (1) Such approval shall be subject to such stipulations as the Commission shall deem appropriate (including the stipulation that the change occur not later than a fixed date); and
  - (2) The effective date of such approval shall be the date on which such stipulations are met, and shall in no case be retroactive.

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- (c) Deny Approval: A denial of approval of a change under this Part is appealable in accordance with [Part 9](#) (see page 127) of these *Rules*.

**Part 4B Non-Substantive Changes Requiring  
Notification and an Abbreviated Procedure**

**Section 4.14**     **Definitions of Non-Substantive Changes**

- (a) Changes of Ownership Not Resulting in a Change of Control:
- (1) Transfer of Non-Voting Interests.
  - (2) Transfer of less than 50% of Voting Interests, without any Change of Control.
  - (3) Transfer of Voting Interests among existing owners, without any Change of Control.
  - (4) Transfer of the Voting Interests of an Owner who has died or retired, to a Family Member of the deceased or retiring Owner.
  - (5) Transfer of the Voting Interests of an Owner who has died or retired, to one or more of the remaining Owners; provided that the person to whom such Voting Interests are transferred (i) is a Natural Person who (ii) has been involved in management of the institution for at least two years preceding the transfer and who (iii) has established and retained an Ownership Interest in the institution for at least two years prior to the transfer.
- (b) Expansion or Reduction of Campus Facilities:
- (i) Addition to or reduction of the contiguous space comprising a Facility, where the aggregate change in total contiguous space (either in increase or decrease) is greater than 25%.
  - (ii) Addition of Additional Classroom Space not evaluated by NACCAS during the institution's most recent initial or re-accreditation process.
- (c) Non-Substantive Additions or Changes to Program Offerings:
- (1) A program not leading to licensure that an institution offers to its employee(s) at no charge.
  - (2) The length of a program already approved by NACCAS is increased or decreased by 25% or less (one time only)<sup>8</sup>.

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<sup>8</sup> Note: Subsequent Increases or decreases, even if less than 25%, would be considered substantive and require approval by the Commission.

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- (3) A change is made in compliance with a State mandate.
  - (4) A crossover program is added that allows completers in one program previously approved by NACCAS to meet the requirements for licensure in the area covered by another program previously approved by NACCAS.
  - (5) A program already approved by NACCAS at one campus is added to the program offerings at another campus in the same state, under the exact same ownership.
  - (6) The institution offers a course for continuing education or professional development that is deemed approved within the aegis of the institution's institutional accreditation under [Section 1.3](#) , see page 62, of these Rules.
  - (7) Test Market Exception: An institution may advertise a maximum of one new program a year before it receives approval from NACCAS (must comply with [Section 4.9\(a\)\(1\)](#) see page 88).
  - (8) Elimination of a program.
- (d) Contracting for Education Programs or Courses. (See [Appendix #8 – Policy on Contracting for Educational Programs or Courses](#), see page 208)
  - (e) Additions, deletions or modifications of alternate names used (provided any such additional alternate names comply with NACCAS' [Policy on Advertising](#), see page 23).
  - (f) Changes to the person designated as the on-site contact person for the institution.
  - (g) Changes to the official contact person(s) for the institution.
  - (h) Category 1 Changes of Control
  - (i) Changes of Name
  - (j) Changes in Fiscal Year End

**Section 4.15**     **Notification to NACCAS of Non-Substantive Changes**

- (a) Except as set forth in Sections 4.15(b) below & (c) see page 91, the institution must submit the appropriate Notification Form and fee to the Executive Director of NACCAS at least 30 days before the change and NACCAS shall acknowledge the change.
- (b) If the institution fails to notify NACCAS of a change described in [Section 4.14](#), see page 92, within 90 days after the deadline for notification set forth in these Rules, the change shall no longer be considered a non-substantive change under these Rules. The Commission shall consider any such change to be a substantive change, and the institution must apply for approval of such change by the Commission in accordance with the applicable provisions of Part 4 of these Rules.

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- (c) Notwithstanding Section 4.15(a) & (b) see page 93, the Executive Director shall have the authority to waive any prior notice requirement for a non-substantive change where prior notice of the change was not possible (i.e. death of a school contact person) and the institution notified NACCAS within 90 days after the occurrence of the change.

### **Part 4C Changes after Submission of Application for Candidate Status or Initial Application**

#### **Section 4.16 Changes after Submission of Application for Candidate Status or Initial Application**

- (a) School in Candidate Status: If an institution which has applied for or been granted candidate status undergoes any of the changes indicated in this Part, it must submit the appropriate application to the NACCAS Executive Director for approval. No fee will be charged.
- (b) If an institution has applied for or been granted candidate status undergoes any of the changes indicated in this Part prior to undergoing an initial onsite evaluation visit in connection with its application for accreditation, it must submit the appropriate application to the NACCAS Executive Director for approval. No fee will be charged.
- (c) If an initial applicant undergoes any of the changes indicated in this Part after undergoing an initial onsite evaluation visit in connection with its application for accreditation, a corresponding application for the change must also be submitted to the Commission for approval, including payment of required fees.

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#### Related Documents

The following documents may be helpful to you in understanding the requirements of this Part of the NACCAS Rules. They are available on the NACCAS website at [www.naccas.org](http://www.naccas.org) and in the *NACCAS Handbook*.

<a href="#">Appendix #1</a> (see page 144)	Statement of Scope
<a href="#">Appendix #2</a> (see page 145)	Schedule of Fees – Posted on NACCAS’ Website
<a href="#">Appendix #4</a> (see page 148)	Procedures Governing Measurement of Academic Programs
<a href="#">Appendix #5B</a> (see page 152)	Institutional Self-Study: Requirements for Completing the Institutional Self-Study (ISS): Accredited Status
<a href="#">Appendix #5C</a> (see page 153)	Institutional Self-Study Format
<a href="#">Appendix #6</a> (see page 177)	Procedure for Addition or Change of a Substantive Program
<a href="#">Appendix #7</a> (see page 179)	Requirements for Completing the Program Self-Study (PSS)
<a href="#">Appendix #7A</a> (see page 181)	Program Self-Study Format

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<a href="#"><u>Appendix #7B</u></a> (see page196)	Modified Program Self-Study Format
<a href="#"><u>Appendix #8</u></a> (see page208)	Policy on Contracting for Educational Programs or Courses
<a href="#"><u>Appendix #9</u></a> (see page 209)	Change of Control Categories and Requirements
<a href="#"><u>Appendix #10</u></a> (see page 212)	Description of Separate Facilities
<a href="#"><u>Appendix #11B</u></a> (see page 215)	Business Plan for Schools That Have Been Withdrawn or Terminated From Title IV Funding

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**Part 5 – Monitoring**

**Sub-Part A – Annual Reports**

**Section 5.0**      **Annual Report**

- (a) Every year, each accredited school, each applicant for initial accreditation and each school in candidate status shall electronically submit an annual report in the manner required by the Commission. The report and required documents must be received in the NACCAS office no later than the due date. Failure to submit a complete Annual Report by the due date may result in the withdrawal of the school's accreditation, denial of initial accreditation or removal from candidate status (as applicable) and in late fees as determined in [Appendix #2](#) (see page 145) of these *Rules*.
- (b) NACCAS shall verify information provided on the annual reports using various methods, which shall include, but not be limited to,
  - (1) Verification during on-site evaluations,
  - (2) Verification of institutions that are being monitored for low outcomes.

The information each NACCAS-accredited institution provides on the annual report submitted to NACCAS is used to calculate outcome rates for the institution. The formulas used to calculate rates are shown in the annual report worksheet on NACCAS' website, <http://naccas.org>.

- (c) Institutions with one or more outcomes (graduation, placement, licensure) below NACCAS minimum threshold, based on the annual reports due most recently, shall be required to comply with monitoring (see Section 5.0(d) below).
- (d) Monitoring: Depending on the number of years the institution has had a low outcome, and in accordance with [Section 8.18](#) (see page 124) of these *Rules*, the Commission may monitor the institution through a process including requiring the institution to undertake one or more of the elements listed below:
  - (1) Participate in training on strategies for improving outcomes and reporting;
  - (2) Submit a preliminary annual report with back-up documentation;
  - (3) Conduct a student retention study;
  - (4) Submit a plan for improvement and/or supplement to a plan for improvement;
  - (5) Undergo a consultation visit.
- (e) If the plan for improvement is inadequate, the Executive Director and/or Commission may order additional information or actions by the institution, including a special on-site visit to provide technical assistance for institutions preparing and/or implementing a plan for improvement or to evaluate the effectiveness of a plan and its implementation.
- (f) Monitoring Enrollment Growth. Each accredited institution shall provide the Commission with aggregate enrollment data on an annual basis. The Commission shall require the

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submission of such additional reports or data as it may determine is required to effectively monitor any institution experiencing significant enrollment growth, as defined and published by the Commission.

**Sub-Part B – Financial Monitoring**

**Section 5.1**      **Financial Statements**

- (a) Institutions must submit financial statements that comply with NACCAS' *Standard VII, Criteria 1d-h* (see page 17) Financial Practices and Management.
- (1) An institution that applies for initial accreditation must submit a financial statement for its most recently completed fiscal year at the same time the application is submitted.
- (2) Accredited institutions must submit their financial statements within six months following the end of each institution's fiscal year. If an institution changes its fiscal year, it must submit (at the appropriate times) both (i) the audited 12-month financial statements that would have been due NACCAS had no such change been made (i.e., for the "old" fiscal year) and (ii) audited financial statements for the 12-month period ending on the first "new" fiscal year end date to occur on or after the effective date of the change, such that there shall be no gap in the periods covered by consecutive audited statements.<sup>9</sup>
- (b) In any accreditation process, the Commission may request the institution's most Recent financial statements, to determine compliance with NACCAS Standard VII, Criterion 1 (see page 17). The Commission may accept partial-year financial statements as evidence of compliance with Standard VII, Criterion 1 only in the case of a Category 3 Change of Control in which Control is acquired by a newly-formed Business Entity that has been in operation for less than a full 12-month period.
- (c) In the case of the following accreditation processes, if more than fourteen (14) months have passed since the fiscal year end date of the institution's most-recently submitted audited financial statements, the Commission shall defer final action on the application until it has received the institution's audited financial statements for its most recent fiscal year; provided that the foregoing shall not apply if the Commission determines that its consideration of the application has been delayed beyond the 14-month deadline through no fault of the institution.
- (1) Application for Initial Accreditation
- (2) Application for Renewal of Accreditation

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<sup>9</sup> Example: ABC Beauty School has a calendar year fiscal year. In September 2015, ABC changes its fiscal year to end March 31. In 2016, ABC must submit (i) an audited financial statement covering the period 1/01/15 to 12/31/15 not later than June 30, 2016 and (ii) an audited financial statement covering the period 4/01/15 to 3/31/16 not later than September 30, 2016. The next audited financial statement due to NACCAS will cover the period 4/01/16 to 3/31/17, due not later than September 30, 2017.

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- (3) Application for Initial Accreditation of an Additional Location
- (4) Granting Full Additional Location Accreditation for an Additional Location

**Sub-Part C – Monitoring of Government Actions**

**Section 5.2**      **Information from the U.S. Department of Education or Other Government Entities**

Information received from the U.S. Department of Education or other government agencies shall be reviewed by a designated committee of the Commission and where it suggests any possible area of noncompliance with accreditation standards or other requirements, the Committee shall initiate a process in any of the ways listed in [Section 8.16](#) (see page 123) of these *Rules*.

**Sub-Part D – Special Reports**

**Section 5.3**      **Special Report**

- (a) Each accredited school and each applicant for initial accreditation must notify NACCAS in writing of any material event that may jeopardize its continued operation as a licensed accredited school within ten (10) calendar days of the events' occurrence.

Material events necessitating such reports include the following:

- (1) Filings of petitions for bankruptcy;
- (2) Destruction of the school or a significant part of its facilities;
- (3) Limitation, suspension or revocation of a school's license or right to operate;
- (4) Cessation of teaching;
- (5) Any show cause order, imposition of probationary status, denial or withdrawal of accreditation by another accrediting agency;
- (6) Voluntary relinquishment of accreditation received from another accrediting agency;
- (7) Any criminal or civil action filed by a state (including state-supported legal assistance agencies) or federal authorities against the institution, its officers or employees;
- (8) Any final action against the school to limit, suspend or terminate student loan guarantees or participation in external programs by a guaranty agency or the United States Department of Education;
- (9) Any determination, in accordance with requirements of the United States Department of Education, that the institution is not meeting the Department's requirements;



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- (10) Any qualified or adverse statement, or statement related to an institution's status as an "ongoing concern" included on an audited financial statement.

Such report shall fully set forth the circumstances of such material event and shall append copies of any document or information to the Commission that is relevant to the material event. Such reports shall be submitted to the Executive Director of NACCAS.

- (b) Special reports required by [Section 5.3\(a\)](#) (see page 98) shall be supplemental to, and not in lieu of, any other report or filing that may be required by these *Rules of Practice and Procedure*.

**Sub-Part E – Committee and Commission Action on Monitoring Processes**

**Section 5.4      Committee and Commission Action**

- (a) A designated Committee may initiate a monitoring process and bring an institution before the Commission in any of the ways set out in [Section 8.16](#) (see page 123) of these *Rules*.
- (b) The full Commission shall take appropriate action under [Part 8](#) (see page 113) of the *Rules*.

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**Part 6 – Complaint Procedure**

**Sub-Part A - Complaints against Candidate, Applicant  
and Accredited Schools**

**Section 6.0**      **Purpose of Complaint Procedure**

Any institution accredited by NACCAS is expected to comply with NACCAS *Standards and Criteria, Rules of Practice and Procedure, Policies* and other accreditation requirements throughout the period of accreditation granted. Complaints are a way the Commission monitors this continuing compliance.

The Commission shall receive and process any complaint that sets forth facts that reasonably suggest an accredited school or an initial applicant or institution in candidate status may not be in compliance with NACCAS *Standards and Criteria* or that the school may be in violation of other Commission requirements. Complaints shall be processed by NACCAS in an expeditious manner.

Where issues of educational quality or compliance with NACCAS' accreditation requirements are not central to the complaint, the Commission shall have a system to refer the complaint and/or the complainant to the appropriate state or federal agency or private entity with jurisdiction over the subject matter of the complaint or special expertise and authority in the matter.

The Commission will not intervene on behalf of individuals in cases of disciplinary action or dismissal, or act as a court of appeals in such matters as admission, graduation, fees, and similar points of issue, unless the context suggests unethical or unprofessional actions that seriously impair or disrupt the educational services of a candidate or an accredited institution.

**Section 6.1**      **Parties Who May File a Complaint**

- (a) General: A complaint may be filed by any party who has good reason to believe that an accredited school or an initial applicant or institution in candidate status has violated NACCAS *Standards and Criteria* or other accreditation requirements including, but not limited to, students and former students of the school, prospective students, governmental agencies with responsibility for activities of cosmetology or massage schools, members of the public, and other accredited schools.
- (b) Student complainants:
  - (1) In accordance with NACCAS' *Standards and Criteria*, schools must have a policy and procedure for handling student complaints and inform the students in writing of same. The notice must be included in the school's catalog, handbook, other published materials, and/or otherwise prominently displayed in the school.
  - (2) NACCAS shall not consider a student complaint until all procedures and remedies within the institution have been exhausted.

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- (3) A student complainant must show that the institution's complaint procedure has been followed and state why the matter is considered still unresolved when he/she submits a complaint to NACCAS.

### **Section 6.2**     **Filing and Content of Complaint**

- (a) A complaint need not be submitted on NACCAS' official complaint form, but must be in writing and must contain all information required on that form and as attachments to that form. The form is available on the NACCAS website, [www.naccas.org](http://www.naccas.org) or by request. The complaint must be submitted to the Executive Director of the Commission and signed by the complainant.
- (b) A complaint must:
  - (1) State the basis for any allegations of noncompliance with NACCAS' Goals of Accreditation, *Standards and Criteria, Rules of Practice and Procedure*, or other Commission requirements.
  - (2) Contain all relevant names and dates and briefly describe the actions forming the basis of the complaint.
  - (3) Be accompanied by copies of any documents or materials that support the allegations, when available.
  - (4) Include a release from the complainant(s) authorizing the Commission to forward a copy of the complaint, including the identity of the complainant(s), to the institution.

Complaints that are filed seeking redress for an individual grievance cannot be kept confidential, since information must be obtained from the school to address the individual's allegations.

- (c) 21 days: If additional information is necessary, a complaint form shall be sent to the complainant. The complainant shall have twenty-one (21) calendar days to return the completed complaint form. If the completed form is not returned within twenty-one (21) calendar days, the complaint shall be considered to be abandoned and will not be pursued by NACCAS.

### **Section 6.3**     **Processing a Complaint**

- (a) 10 days: Receipt of the complaint shall be acknowledged to the complainant in writing by the Executive Director of NACCAS within ten (10) business days of receipt.
- (b) When a complaint meets the requirements of [Section 6.2](#) (above), the complaint shall be referred to a committee established pursuant to [Section 8.16](#) (see page 123) of these *Rules*.

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### **Section 6.4**      **Notice of the Complaint and Responses Thereto**

- (a)      10 – 21 days: When a complaint meets the requirements of [Section 6.2](#) (see page 101), the Executive Director of NACCAS shall notify the school named in the complaint that a complaint has been filed. The Executive Director shall provide the school with either a copy of the complaint or a summary of the allegations set out in the complaint as directed by the committee to which the complaint was referred. The notice shall also identify the NACCAS *Standards and Criteria, Rules of Practice and Procedure*, accreditation objectives, or other Commission requirements which were allegedly violated.
  - (1)      10 days: Within the 10 days after NACCAS receives a complaint, the Executive Director shall encourage an informal resolution or settlement of the dispute.
  - (2)      21 days: If an informal resolution is not reached, a formal written complaint must be sent to the school and NACCAS shall advise the school that it has twenty-one (21) days from the date of receipt of the notice to submit a response to the complaint.
- (b)      The response of the school to the complaint shall set forth all defenses the school intends to assert and shall be accompanied by any documents or other materials which support the position of the school.
- (c)      The Executive Director of NACCAS, the designated committee or the Commission may, at any time, request additional information from the complainant or the school deemed necessary for the resolution of the dispute. A reasonable time limit (usually 21 calendar days) for replying to such requests may be imposed and neither the Executive Director of NACCAS, nor the committee, nor the Commission need consider information not submitted in a timely fashion.
- (d)      Reasonable time - usually 21 days: The notice of the filing of the complaint, the school's responses, and any other information concerning the complaint proceeding shall be sent by certified mail, return receipt requested.

### **Section 6.5**      **Taking Action on a Complaint**

- (a)      The designated committee or the Commission shall review the complaint and the institution's response and shall take one of the following actions:
  - (1)      Encourage an informal resolution or settlement of the dispute; or
  - (2)      Determine that the complaint (together with the supporting documentation provided by the complainant) is insufficient to establish that the institution is out of compliance with NACCAS' Standards, Rules and/or other accreditation requirements, in which case the designated committee or the Commission shall either (i) close the complaint or (ii) defer action and request that the complainant and/or the institution produce additional information; or

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- (3) Close the complaint on one or more of the following grounds:
- (i) That the complaint, if submitted anonymously, consists of allegations that cannot be adequately investigated by NACCAS or adequately responded to by the institution without knowledge of the complainant's identity; or
  - (ii) That the allegations of the complaint do not related to any NACCAS Standard, Rule or other accreditation requirement with which the institution may be out of compliance; or
  - (iii) That the institution has shown current compliance with the NACCAS Standards, Rules and/or other accreditation requirements implicated by the allegations of the complaint.
  - (iv) Determine that the institution is not in compliance with one or more of NACCAS Standards, Rules and/or other accreditation requirements and, if this determination is made by the designated Committee, refer the matter to the Commission for appropriate action.
- (b) If the institution is determined to be not in compliance with one or more of NACCAS Standards, Rules, and/or other accreditation requirements, the Commission shall take one or more of the actions authorized in [Part 8](#) (see page 113) of these Rules.
- (c) The complainant, if known, shall be notified in writing of the designated committee's or the Commission's decision under Section 6.5(a), see page 102 and, to the extent consistent with the Commission's obligations under [Section 11.0](#), see page 141, of these Rules, the reasons for that decision.
- (d) A complainant whose complaint has been closed under Sections 6.5(a)(2), 6.5(a)(3)(i) or 6.5(a)(3)(ii) may file a new complaint which meets the requirements for a complaint set out in [Section 6.2](#) (see page 101).

### **Section 6.6**      **Reporting of Complaints Received**

A record of the complaint, response, and other relevant information shall be filed in the school file. The Executive Director shall submit, at each meeting of the committee designated to handle complaints, a detailed report on each complaint that was resolved without the Commission's intervention. The Executive Director shall submit at each Commission meeting the following information: (1) Number of complaints received since the previous Commission meeting, (2) status of complaints, and (3) a breakdown of the types of complaints received.

### **Sub-Part B - Complaints Against NACCAS Evaluators**

### **Section 6.7**      **Requirements**

- (a) Complaints regarding the conduct of an evaluator while acting on behalf of NACCAS shall be in writing, signed by the complainant and submitted to the Executive Director, who shall forward them to the Commission Chair.
- (b) The complaint shall:

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- (1) State the name of the evaluator;
  - (2) Contain relevant dates;
  - (3) Briefly describe the actions forming the basis of the complaint;
  - (4) Be accompanied by copies of relevant documents; and
  - (5) Any other documents or materials that support the allegations must also accompany the complaint.
- (c) The Chair shall refer the complaint to the Executive Committee, or encourage an informal resolution between the complaining party and the evaluator.
- (d) If the complaint is referred to the Executive Committee, that Committee shall notify the evaluator, in writing, of the allegations and inform the complaining party that the complaint is under consideration by the Executive Committee. The evaluator will have an opportunity to respond and/or request a hearing before the Executive Committee. The Committee or the Commission shall conduct an investigation of the allegations.
- (e) An evaluator who does not respond to complaint allegations will automatically be deleted from the list of NACCAS evaluators.
- (f) Where an evaluator responds, but is deemed not to be in compliance with the NACCAS [\*Evaluator Code of Ethics\*](#) (found within the Independent Contractor Agreement) and other requirements as stated in the Guidelines for On-Site Evaluation teams, he/she will be notified in writing that he or she has been deleted from the list of NACCAS evaluators.

**Sub-Part C - Complaints Against NACCAS Staff Members**

**Section 6.8 Complaints Against NACCAS Staff Members**

- (a) **30 Days After Incident:** Complaints regarding the conduct of a Commission staff member shall be in detail, in writing or typed, signed by the complainant, and submitted to the Executive Director within 30 days of the incident from which the complaint arises. If the complaint regards NACCAS' Executive Director it shall be submitted to the chair of NACCAS within these same timelines. The complaint shall state the name of the staff member, and contain relevant dates, briefly describe actions forming the basis of the complaint that could constitute a violation of NACCAS' [\*Code of Ethics\*](#) (found on the NACCAS website under "Other Key Documents") allegedly violated by the staff member, and identify all witnesses. Complainant must make a diligent effort to obtain witnesses. Witnesses must submit their statements, in writing and signed, within 30 days after being personally notified of the complaint. A complaint based upon written evidence should be accompanied by copies of relevant documents. Any other documents or materials that support the allegations should accompany the complaint. The complaint shall be handled through employee evaluation procedures established in NACCAS' Employee Manual.

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- (b) Complaints and witnesses, witness statements, or documents in support of a complaint not submitted within the above deadlines shall be barred by limitation. Complaints against NACCAS staff members and proceedings under this Section of the *Rules* shall be held in the strictest confidence, in accordance with NACCAS' [Code of Ethics](#) (found on the NACCAS website under "Other Key Documents").

**Section 6.9**      **Complaints Against the Commission or Commissioners**

- (a) Within 20 days after incident: Any party intending to lodge a complaint with the Commission regarding the conduct of a Commissioner or of the Commission shall notify the Commission of its intent to file such complaint. The notice of intent to file complaint shall be typed and shall briefly describe the action(s) forming the basis of the complaint and the date(s) upon which those actions occurred.
- (b) Within 45 days after incident:
- (1) Complaints regarding the conduct of a Commissioner or of the Commission shall be submitted on the Section 6.9 Complaint Form in detail, typed and in English, signed by the complainant, and submitted to the Chair or First Vice Chair of the Commission, if the complaint is concerning the Chair.
  - (2) The complaint shall state the name of the Commissioner(s) against whom the complaint is lodged, and contain relevant dates, briefly describe the actions forming the basis of the complaint which the complainant believes constitutes a violation of the NACCAS [Code of Ethics](#) or [NACCAS Policy on Diversity](#) (found on the NACCAS website under "Other Key Documents") or a violation of due process.
  - (3) The complaint shall identify all witnesses.
  - (4) A complaint based upon written evidence should be accompanied by copies of relevant documents. Any other documents or materials that support the allegations should accompany the complaint. Complainant must make a diligent effort to obtain witnesses.
  - (5) Members of the Board of Commissioners shall be barred from bringing any complaint arising from Commission action on a corporate matter, if such Commissioner has not first complied with the requirements of [Article III, Section IX](#) (see page 243) of the *By-Laws* of NACCAS.
- (c) Except in the case where the complaint is against the Commission itself, the Commission shall appoint a preliminary review panel of three Commissioners, which panel shall be selected by lot from among all Commissioners not named by the complaining party as persons against whom the complaint is being lodged (which list of non-named Commissioners shall be confirmed by the Commission's in-house counsel). The complaint shall be referred to the preliminary review panel, or to NACCAS' outside counsel if the complaint is against the Commission itself, to determine whether or not the complaint includes allegations of violations of NACCAS' [Code of Ethics](#) or [NACCAS](#)

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[Policy on Diversity](#) (found on the NACCAS website under “Other Key Documents”) or the requirements of due process.

- (d) The independent panel shall be organized in accordance with [Section 6.10](#) (see below) of these *Rules* (titled “Independent Panel”) and advised by a panel advisor who holds a mediator certificate from the Virginia Supreme Court or an American Arbitration Association credential, or the equivalent.

**Section 6.10**     **Independent Panel**

- (a) An Independent Panel shall be made up of the following:
- (1) One member of the Commission, or former Commissioner, for whom no conflict or perception of a conflict exists with any of the parties to the complaint, to be selected by the Chair;
  - (2) One panelist with no current or past relationship to NACCAS (prior service on an Independent Panel excepted), to be selected by NACCAS’ outside general counsel; and
  - (3) One panelist selected by the other two, who also has no current or past relationship to NACCAS. This third panelist shall be selected from a list of at least three potential panelists provided by the panel advisor.
- (b) The Independent Panel shall:
- (1) Invite submission of evidence (documents, witness statements, other) from the complainant to further substantiate allegations of violations of the [Code of Ethics](#) or [NACCAS Policy on Diversity](#) (found on the NACCAS website under “Other Key Documents”) or requirements of due process.
  - (2) Provide the complained-against party with specifics on the alleged violations and provide opportunities for a response / defense.
  - (3) If either party requests a hearing, the Independent Panel shall hear the complaint allegations with witness statements and other evidence and hear the defense in detail.
- (c) Where the allegations of the complaint have been substantiated or where the Independent Panel has determined that the complaint was filed vexatiously, the action taken by the Independent Panel shall be final and unappealable. Actions the Independent Panel shall take are:
- (1) Dismissal of the complaint;
  - (2) Reprimand;
  - (3) Order attendance at a training or counseling seminar related to the offense by one or both of the parties;



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- (4) In the case of a complaint against an individual Commissioner, order the complained-against Commissioner to remedy or resolve the condition giving rise to the complaint; or
  - (5) Removal from the Board of Commissioners of either the complainant, complained-against Commissioner, or both.
- (d) The decision of the Independent Panel shall be rendered within ninety (90) days of its formation and it shall be final, unappealable, and made part of the official record of the Commission. Complaints and witnesses, witness statements, or documents in support of a complaint not submitted within the above deadlines shall be barred by limitation. Complaints against Commissioners and proceedings under this Section of the *Rules* shall be memorialized in a record maintained by the NACCAS Secretary. Complaints and the records on complaints shall be held in the strictest confidence, in accordance with NACCAS' [Code of Ethics](#) (found on the NACCAS website under "Other Key Documents")

**Section 6.11**     **Costs.** The cost of the Independent Panel shall be paid by the Commission.

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### Related Documents

The following documents may be helpful to you in understanding the requirements of this part of the NACCAS *Rules*. They are available on the NACCAS website at [www.naccas.org](http://www.naccas.org) in the *NACCAS Handbook*.

[NACCAS By-Laws](#) (see page 235) and [Code of Ethics](#) (found on the NACCAS website under "Other Key Documents")

[Complaint Form – Complaints Against Schools](#) (found on the NACCAS website under "Applications and Forms")

[Complaint Form – Complaints Against the Commission or Commissioners](#) (found on the NACCAS website under "Applications and Forms")

[Directions for Responding to Complaints \(Vol. 2\)](#) (found on the NACCAS website under "Other Key Documents")

[Policy #V.01](#) (see page 39)             Internal Grievance Procedure Policy

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**Part 7 – Commission Investigations and Show Cause Proceedings**

**Section 7.0**      **Purpose of Show Cause Proceedings**

The Commission reserves the right to monitor candidates, applicants for accreditation and the institutions it accredits. This monitoring may be merged with any other process the institution has pending before the Commission. Monitoring will be conducted through analysis of the annual report, complaints, government information and information from third parties, special and investigative visits, and by other means.

In cases where a candidate, applicant or accredited institution is not in another process with the Commission, and the Commission has reason(s) to believe that the institution is no longer in compliance with NACCAS *Standards and Criteria, Rules of Practice and Procedure* or that the institution has failed to comply with any other order or requirement of the Commission, it shall investigate the areas of possible noncompliance and, when appropriate, order the institution to show cause why its accreditation status should not be changed.

**Section 7.1**      **Letters of Inquiry**

(a)      **Issuance of Letters of Inquiry.**

- (1) Letters of Inquiry may be issued to a candidate, applicant or accredited institution by the Commission, by a committee constituted in accordance with [Section 8.16](#) (see page 123) of these *Rules*, and/or by the Executive Director of NACCAS at any time it appears to such person or persons, in his, her or their discretion, that there exists sufficient evidence to warrant an investigation of possible noncompliance with NACCAS' accreditation requirements
- (2) The written Letter of Inquiry shall be promptly sent to the chief executive officer of the institution which is the subject of the Letter. It shall:
  - (a) State fully the reasons why it was issued;
  - (b) Identify the Standards and Criteria, Rules of Practice and Procedure, orders or other requirements of the Commission with which the institution may not be in compliance;
  - (c) Explain the reasons and recite the evidence indicating that the institution may not be in compliance with the Commission's requirements; and
  - (d) Advise the institution of its obligations to respond to the Letter of Inquiry.

(b)      **Response to Letter of Inquiry.**

- (1) Within fifteen (15) days of receipt of a Letter of Inquiry, the institution shall submit to the Executive Director of NACCAS a Response to the Letter of Inquiry. The Response shall contain or be accompanied by any evidence that demonstrates that the institution is in compliance with the NACCAS Standards and Criteria, the Rules of

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Practice and Procedure and other Commission orders or requirements cited in the Letter of Inquiry.

- (2) The issuer of a Letter of Inquiry (Commission, committee or Executive Director) may:
  - (a) Issue such additional, follow-up Letters of Inquiry as it deems necessary to reach a conclusion as to whether the institution has demonstrated compliance with NACCAS' requirements; and
  - (b) Close the investigatory process if it concludes that the institution has demonstrated compliance.
- (3) Except as provided in Section 7.2(a)(2) of these Rules, if the institution fails to respond, or to respond adequately (i.e., by demonstrating compliance), to a Letter of Inquiry issued by a committee or by the Executive Director, the matter shall be referred to the Commission for further action.
- (c) The Letter of Inquiry, the institution's response to the Letter, and all other documents and correspondence pertaining thereto shall be sent by certified mail, return receipt requested or alternate traceable means.
- (d) The decision to issue a Letter of Inquiry is not a decision which is appealable under [Part 9](#) (see page 127) of these Rules.

### **Section 7.2**     **Show Cause Proceedings**

- (a) Issuance of Show Cause Orders.
  - (1) Except as provided in Section 7.2(a)(2) below, Show Cause Orders may be issued only by the Commission.
  - (2) Administrative Show Cause Orders shall be issued by the Executive Director of NACCAS if an institution's response to a Letter of Inquiry issued by the Executive Director fails to demonstrate that the institution is compliant with any of the following NACCAS administrative requirements:
    - (a) Compliance with NACCAS' workshop policy;
    - (b) Timely submission of:
      - i. Application for renewal of accreditation;
      - ii. Institutional self-study;
      - iii. Any annual, financial, monitoring or special report under Part 5 of these Rules;
      - iv. Annual report verification study;
      - v. Stipulation or report;
      - vi. Plan for improvement;
    - (c) Timely payment of assessed fees or fines; or
    - (d) Has an official default rate in no greater than the threshold established by the U.S. Department of Education.

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- (b) The Show Cause Order. The written Show Cause Order shall be promptly sent to the chief executive officer of the institution which is the subject of the Order. It shall:
- (1) State fully the reasons why it was issued;
  - (2) Identify the Standards and Criteria, Rules of Practice and Procedure, orders or requirements of the Commission with which the institution may not be in compliance;
  - (3) Explain the reasons and recite the evidence indicating that the institution may not be in compliance with the Commission's requirements;
  - (4) Identify the Letter of Inquiry(s) previously issued relating to the possible noncompliance, state whether the institution responded to the Letter of Inquiry(s) and, if applicable, state the reasons why the institution's response(s) to the Letter of Inquiry(s) was/were deemed inadequate to demonstrate compliance; and
  - (5) Advise the institution of its obligations in the Show Cause proceedings.
- In addition, the Show Cause Order may incorporate additional requirements as provided in [Section 8.11](#) (see page 119) of these Rules.
- (c) The Show Cause Order, the institution's response to the Order, and all other Documents and correspondence pertaining thereto shall be sent by certified mail, return receipt requested or alternate traceable means.
- (d) The decision to issue a Show Cause Order is not a decision which is appealable under [Part 9](#) (see page 127) of these Rules.

### **Section 7.3      Response to Show Cause Order – 15 Days or 45 Days**

- (a) 15 Days to Respond to an Administrative Show Cause Order: Within fifteen (15) days of receipt of an Administrative Show Cause Order, the institution shall submit to the Executive Director of NACCAS the required fee, application, institutional self-study, annual report, workshop registration or other required document, or evidence of prior submission and compliance with the administrative requirement cited in the Administrative Show Cause Order.
- (b) 45 Days to Respond to Other Show Cause Orders: Within forty-five (45) days of receipt of a Show Cause Order issued by the Commission, the institution shall submit to the Executive Director of NACCAS a Response to Show Cause Order. The Response shall contain or be accompanied by any evidence that demonstrates that the institution is in compliance with the NACCAS *Standards and Criteria*, the *Rules of Practice and Procedure* and other Commission orders or requirements cited in the Show Cause Order.

### **Section 7.4      Decision on Show Cause Order**

Upon expiration of the time limits for submission of the Response to the Show Cause Order or any progress report or additional requirements placed on an institution in relation to the Show Cause Order, a decision will be made on the institution's compliance with the accreditation standard, procedure or other requirement cited in the Order.

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- (a) Decision on Administrative Show Cause Orders: The Executive Director of NACCAS shall:
- (1) Rescind the Administrative Show Cause Order if the institution's response gives evidence that it was unwarranted;
  - (2) Remove the institution from Show Cause if the response shows the institution now complies with the accreditation standard, procedure or other requirement cited in the Order; or
  - (3) Refer the institution's record to the full Commission to take action.
- (b) Commission Decision on Show Cause Orders: With respect to all Show Cause Orders issued by the Commission, or referred to the Commission by the Executive Director or committee, the Commission shall:
- (1) Rescind the Show Cause Order if the institution's response gives evidence that it was unwarranted;
  - (2) Remove the institution from Show Cause if the response shows the institution now complies with the accreditation standard, procedure or other requirement cited in the Order; or
  - (3) Take one or more of the actions authorized in [Part 8](#) (see page 113) of these *Rules*.
- (c) Cohort Default Rates. Where an Administrative Show Cause Order is issued based on an official cohort default rate in excess of the threshold established by the U.S. Department of Education, the Commission shall remove the Order with a reporting requirement if the institution's response shows that any one of the following was present during the 24 months preceding issuance of the Show Cause Order:
- (1) Fifteen percent or fewer of the institution's students who are enrolled on at least a half-time basis have received any federal student loan;
  - (2) Two-thirds or more of the institution's students are individuals from disadvantaged economic backgrounds (based on the Pell grant index for zero family contribution) and the institution has complied with NACCAS' outcomes standards for the two most recent years for which annual reports were required to be submitted to NACCAS;
  - (3) The institution submits a copy of its letter to the U.S. Department of Education formally withdrawing from participation in the Title IV Higher Education Opportunity Act (HEOA) loan program(s), together with the receipt indicating the letter was received by the Department;
  - (4) The institution submits a letter from the U.S. Department of Education accepting the institution's withdrawal from participation in the Family Federal Education Loan Program (FFEL);
  - (5) The institution submits evidence that its official default rate has been below the congressional threshold for the past three years;

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- (6) The institution is successful in obtaining a rescission of the Show Cause Order under [Part 7](#) (see page 108) of the Rules;
- (7) The institution's appeal of its official default rate is pending before the U.S. Department of Education; or
- (8) The institution has a default management plan that complies with the Guidelines for Preparation of a Default Management Plan in NACCAS' Sample Forms and Guidelines booklet (found on the NACCAS website under "Other Key Documents").

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**Part 8 – Commission Action: Candidate And Accreditation Status**

**Section 8.0      Who Takes Action**

Except for decisions to grant or deny candidate status, which shall be taken by the Executive Director of NACCAS, decisions on schools may only be taken by the full Commission at meetings duly constituted in accordance with the [By-Laws](#), see page 235.

**Section 8.1      Effective Date of Commission Decisions**

The general rule is that the effective date of a Commission decision is the date on the letter notifying the institution of that decision. The effective date will be some other date for the following decisions:

- (a) A school seeking initial accreditation or provisional additional location status that is awarded the classification of “Accreditation with Stipulations” ([Section 8.8](#), see page 117) shall not be added to the *NACCAS Directory of Accredited Schools* until all stipulations have been met and all fees have been remitted in a timely manner. The effective date of accreditation will be the date on the notification from NACCAS that the institution has met the stipulations and paid all fees.
- (b) Commission decisions that are appealable but are not appealed shall become effective 20 days after the institution receives notification of the decision, in accordance with [Section 8.17](#) (see page 123) of these *Rules*.
- (c) In exceptional circumstances, the Commission may establish different effective dates where such action is necessary to serve the equitable interests of the school and the students; provided that in no case will such effective date be retroactive.

**Section 8.2      Statuses of Accreditation That May Be Granted**

- (a) The status classifications utilized by the Commission for accrediting schools appear below:
  - (1) “Accreditation”;
  - (2) “Accreditation with Recommendations for Improvement”;
  - (3) “Accreditation with Stipulations”;
  - (4) “Accreditation with Reporting Requirement”;
  - (5) “Accreditation on Probation”;
  - (6) “Denial of Accreditation”;
  - (7) “Withdrawal of Accreditation”.

The accreditation status awarded is institutional and shall be based upon the institution’s compliance with the NACCAS *Standards and Criteria, Policies*, procedures and other formal accreditation requirements adopted by the Commission.

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- (b) A school in any accredited status classification shall continue in accredited status until such time as the Commission takes an Appealable Action and the school has exhausted its appeal remedies pursuant to [Part 9](#) (see page 127) of these *Rules*, or has not appealed the decision. One exception: Where the new Owner of an accredited institution does not comply with NACCAS' Change of Control process, the new Owner is deemed to have relinquished accreditation (see [Part 4, Sub-Part 4A.2](#), see page 84).
- (c) The only actions considered to be Appealable Actions, and therefore appealable pursuant to [Part 9](#) (see page 127) of these *Rules*, are actions to deny or withdraw accreditation, remove from candidate status or deny approval of a change.

**Section 8.3**      **Basis for Status Decisions**

- (a) The Commission's decision concerning an institution's accreditation status shall be based upon the Commission's review of the institution's records, which shall include all of the following that apply:
  - (1) Application (for Initial Accreditation, Renewal of Accreditation or change);
  - (2) Institutional Self-Study;
  - (3) On-Site Evaluation Visit Report;
  - (4) Additional relevant information solicited by the Commission from the chief executive officer of the school and/or the on-site visit team Chairperson when such information is needed to clarify a Visit Report;
  - (5) Response to the Visit Report;
  - (6) Annual report information;
  - (7) Complaints;
  - (8) Information from government entities and other third parties;
  - (9) Actions by other recognized accrediting agencies;
  - (10) Any other materials determined by the Commission to be relevant and trustworthy, including comment from interested parties.

Wherever information from third parties is included in the record which may lead to an adverse status decision, the school shall have an opportunity to respond before the decision is final.

- (b) In considering the appropriate action to take on an institution or program, the Commission shall take into account actions by other recognized accrediting agencies which have denied accreditation or reaccreditation status to the institution or program, have placed the institution or program on public probationary status, or have revoked the accreditation or reaccreditation status of the institution or program.



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- (c) If another recognized accrediting agency places an institution or the principal program offered by such institution on public probationary status or revokes the accreditation of the institution or principal program within an institution, NACCAS shall promptly review the accreditation or reaccreditation status it has previously granted to that institution to determine if there is cause for it to withdraw or otherwise alter that status consistent with the procedures outlined in [Part 7](#) (see page 108) of these *Rules*.
- (d) NACCAS shall not renew the accreditation of any institution for which the Commission has received information from an appropriate State agency, or another accrediting agency, showing that the institution is subject to any of the following actions:
  - (1) An interim action by a recognized institutional accrediting agency potentially leading to the suspension, revocation, or termination of accreditation;
  - (2) A threatened loss of accreditation and the due process procedures required by the action have not been completed;
  - (3) An interim action by a State agency potentially leading to the suspension, revocation, or termination of the institution's legal authority to provide postsecondary education;
  - (4) A threatened suspension, revocation, or termination by the state of the institution's legal authority to provide postsecondary education, and the due process procedures required by the action have not been completed.

If the Commission grants initial accreditation or reaccreditation to an institution notwithstanding the threatened, interim or final adverse actions taken against the institution by another recognized institutional accrediting agency or State agency, the Commission shall provide the Secretary of the U.S. Department of Education, within 30 days of such action, with a thorough explanation, consistent with the Commission's accreditation standards, why the previous action by the institutional accrediting agency or State does not preclude the Commission's action.

**Section 8.4**      **Consideration of Applications and Other Matters**

- (a) Applications will be considered by the Commission at its regularly scheduled meetings which are held at least two times a year. In order for an application, response to visit report, or other document related to an accreditation process to be included in the record considered by the Commission, it must be received at least 30 days before the start of the meeting of the Commission or committee for which the matter is an agenda item. Any document received late will be considered only at the discretion of the Commission.

After the required due dates pass, whether a school has submitted the required materials for an application or accreditation process, or undergone a required on-site evaluation, the Commission shall consider the record on the matter and take whatever actions it deems necessary under the circumstances, in accordance with this Part.

- (b) The Commission may, in its discretion, consolidate two or more actions involving the same school or affiliated schools, which are pending before the Commission.

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### **Section 8.5**      **Deferral of Action**

- (a) The Commission may defer any action on an application for accreditation, renewal of accreditation or changes if the school does not presently meet the *Standards and Criteria* for accreditation or is not in compliance with a formal accreditation requirement adopted by NACCAS, if it is shown that:
  - (1) The school can make significant progress toward accreditation within a short period of time; and/or
  - (2) There is insufficient information about the school; or
  - (3) The necessary elements of judgment for the Commission to render a decision are lacking.
- (b) The Commission may defer any action within timeframes allowable under [Section 8.18](#) (see page 124) of these *Rules* then shall render a decision based on the information before it.

### **Section 8.6**      **Status: Accreditation**

The Commission may grant periods of accreditation from one to six years. Anniversary dates fall in January, May or September.

- (a) Initial Accreditation: Applicants for initial accreditation that are found to be in compliance with the NACCAS *Standards and Criteria* and other formal policies of the Commission shall be granted accreditation status.
  - (1) Upon the grant of initial accreditation, the institution shall be assigned a permanent, non-transferable, reference number identifier.
  - (2) The maximum period of accreditation for an institution granted accreditation based on an initial application from an Owner with no prior experience as Owner of a NACCAS-accredited institution shall be no more than three (3) years.
- (b) Renewal of Accreditation: Applicants for renewal of accreditation that are found to be in compliance with the NACCAS *Standards and Criteria* and other formal policies of the Commission shall be granted renewal of accreditation status.
  - (1) On renewal the period of accreditation granted to an institution shall be for a maximum of six (6) years, except that if renewal follows an appeal of a non-administrative withdrawal of accreditation, the maximum period of accreditation the Commission may grant is three (3) years.
  - (2) If a school is in the process of renewal of accreditation on the anniversary date of the previous grant of accreditation, accreditation shall continue until the Commission takes action on the renewal application. Any subsequent grant of accreditation shall be counted from the last anniversary date.

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- (c) A school granted accreditation shall have its name listed in the *NACCAS Directory of Accredited Schools* and be issued a Certificate of Accreditation. The school may use the accreditation certificate and emblem and may make statements concerning its accredited status in its catalog, advertising, and other publications in a manner approved by NACCAS.

### **Section 8.7      Status: Accreditation with Recommendations for Improvement**

The classification of “Accreditation with Recommendations for Improvement” shall be granted when the record before the Commission evidences facts that warrant non-binding recommendations for improvement and does not indicate present non-compliance with the *Standards and Criteria* and other accreditation requirements.

### **Section 8.8      Status: Accreditation with Stipulations**

- (a) The classification of “Accreditation with Stipulations” shall be awarded when there is evidence that there are deficiencies in the school’s compliance with NACCAS *Standards and Criteria* or other accreditation requirements that can be corrected within a relatively short period of time, usually forty-five (45) days.
- (b) The determination as to whether a school has complied with a stipulation may be delegated by the Commission to the Executive Director. In those instances when the Executive Director cannot determine whether a school has corrected a stipulation or has reason to believe that the school has failed to comply with a stipulation or cannot determine whether the stipulation is unwarranted, the matter shall be referred to the Commission for decision.
- (c) If a school fails to comply with the stipulations or fails to demonstrate that the stipulations were unwarranted, in the case of applications under [Parts 2](#) (see page 68) and [4](#) (see page 82) of these *Rules*, accreditation shall be denied or withdrawn within the timelines set out in [Section 8.18](#) (see page 124) of these *Rules*, except for good cause.

### **Section 8.9      Status: Accreditation With Reporting Requirement**

- (a) The classification of “Accreditation with Reporting Requirement” shall be granted to schools in any process provided for in these *Rules* when:
  - (1) Financial statements indicate the school is not in full compliance with NACCAS financial standards (see [Standard VII](#), see page 17);
  - (2) A pending action by a government or other entity gives the Commission cause to believe the institution has difficulty continuing to comply with NACCAS financial standards (see [Standard VII](#), see page 17);
  - (3) A school that does not comply with NACCAS standards for graduation, placement, or pass rates on state licensure or certification examinations has submitted a plan for improvement which shows it can come into compliance;

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- (4) The school receives a stipulation under [Section 8.8](#) (see page 117) of these *Rules* for which compliance can best be shown through periodic reporting.
- (b) The Commission shall have the authority to establish the frequency, format, and content of required reports.

**Section 8.10**     **Status: Accreditation on Probation**

- (a) The Commission shall assign to an institution the accreditation status of “Accreditation on Probation” whenever any one or more of the following events occurs:
  - (1) The institution’s accreditation is withdrawn, with the right to appeal;
  - (2) The institution is within six (6) months of the deadline for showing compliance with NACCAS’ *Standards and Criteria, Rules* and/or other accreditation requirements (collectively, “NACCAS’ Accreditation Requirements”) established by [Section 8.18](#) (see page 124) of these *Rules*;
  - (3) The institution has failed to respond, or to respond adequately, to a Commission Show Cause Order or directive;
  - (4) The Commission has determined that the institution has engaged in fraud;
  - (5) If the institution is an additional location of another institution, the institution’s main campus has been assigned the accreditation status of “Accreditation on Probation”; or
  - (6) The Commission has otherwise determined that the institution has failed to comply with one or more of NACCAS’ Accreditation Requirements, and that the noncompliance is sufficiently serious that withdrawal of accreditation is warranted if corrective action is not taken immediately.
- (b) The Commission may assign to an institution the accreditation status of “Accreditation on Probation” upon the occurrence of any event described in Section 5.3(a) of these Rules.
- (c) The accreditation status of “Accreditation on Probation” shall not be assigned for any reason other than as set forth in [Section 8.10\(a\)](#) or [Section 8.10\(b\)](#), above. The Commission is not required to issue a Show Cause Order to an institution before placing the institution’s accreditation on Probation. The Commission is not required to place an institution’s accreditation on Probation before withdrawing the institution’s accreditation.
- (d) When an institution’s accreditation is placed on Probation:
  - (1) The institution shall be notified of the specific facts that led the Commission to take this action, including any specific findings of noncompliance with NACCAS’ Accreditation Requirements.
  - (2) The Commission shall not approve any substantive changes at the institution or any additional location of the institution: provided, however, that the Commission may approve a Change of Control if, but only if , the institution has made a clear and convincing case that new Ownership will substantially resolve

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the institution's compliance problems. Approval of a Change of Control shall not, by itself, result in the institution's removal from Probationary status.

- (3) The Commission may require the institution to undergo early renewal.
- (e) An institution shall be removed from Probationary status only upon a determination by the Commission that the institution is compliant with NACCAS' Accreditation Requirements. Such a determination shall be based on actual evidence of compliance. The Commission may obtain such evidence using any investigatory method or monitoring method provided for in these *Rules*, but may not rely on any evidence (a) that is more than six months old or (b) that is contradicted or called into question by more recent evidence.
- (f) An institution whose accreditation is placed on Probation shall remain in the status of Accreditation on Probation until it has shown compliance with NACCAS' Accreditation Requirements. However:
  - (1) The Commission shall take Appealable Action against the institution, if the institution has failed to show compliance within the time limits established by [Section 8.18](#) (see page 124); and
  - (2) The Commission may establish a deadline for showing compliance that is shorter than the deadline imposed by [Section 8.18](#) (see page 124).

### **Section 8.11 Requirements Incorporated into Commission Actions**

- (a) Accreditation with Recommendation for Improvement: The Commission may require an institution granted accreditation with recommendations for improvement to submit periodic reports.
- (b) Deferral, Accreditation with Stipulations, Reporting Requirement, or On Probation: When the Commission defers its decision on an application or process, grants an institution any of these accreditation statuses, or continues an institution's accreditation in any of these statuses following any process, including a complaint or issuance of a Show Cause Order, it may require the institution to comply with one or more of the following directives:
  - (1) Submit specific documents or reports;
  - (2) Submit additional information;
  - (3) Attend a NACCAS Accreditation Workshop and/or default management workshop;
  - (4) Undergo an on-site evaluation by a full or partial team, the cost to be borne by the institution unless otherwise determined by the Commission;
  - (5) Undergo early renewal of accreditation.

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### **Section 8.12     Status: Denial of Accreditation**

The status of Denial of Accreditation shall be restricted to schools applying for initial accreditation. A denial of accreditation shall apply when the Commission determines from the record of an applicant for initial accreditation that the institution does not meet the requirements specified in the *Standards and Criteria* or other accreditation requirements and, therefore, addition to the list of accredited schools is not warranted.

### **Section 8.13     Relinquishment of Accreditation**

- (a) An accredited institution may at any time request voluntary relinquishment of NACCAS accreditation status by submitting a written request to the Executive Director of NACCAS via certified mail. Such request shall specify the date upon which the school wishes the voluntary relinquishment to be effective, which date may not be earlier than the date of the request or later than the institution's anniversary date (unless the institution's anniversary date has already passed). In addition, the institution's request must contain a statement to the effect that the school official requesting the voluntary relinquishment of accreditation has the authority to do so.
  
- (b) The following actions shall constitute the relinquishment of accreditation of an institution if there is no response to a Show Cause Order or a response to a Show Cause Order does not warrant another action:
  - (1) The institution closes or ceases operation as an educational institution (See [Section 1.2\(c\)\(3\)](#), page 61) of these *Rules*);
  - (2) The institution lost its license to operate in the state in which it is located (See [Section 1.2\(c\)\(2\)](#), page 61) of these *Rules*).

In addition, the institution will be assessed a fee of \$5,000.

- (c) The following actions shall constitute the relinquishment of accreditation of an institution if there is no response to a Show Cause Order or a response to a Show Cause Order does not warrant another action:
  - (1) The institution relocates without complying with the procedures established by [Part 4, Sub-Part 4A.1](#) (see page 83) of these *Rules*.
  - (2) The institution undergoes a Category 3 Change of Control, and the parties to the Change of Control do not comply with the notice and application requirements set forth in [Part 4, Sub-Part 4A.2](#) (see page 84) of these *Rules*.

In the case of the actions specified in this Section 8.13(c), the institution can come into compliance with NACCAS' requirements by submitting the appropriate change application within the Show Cause period. In addition, the institution will be assessed a fee of \$5,000.

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- (d) The effective date of the relinquishment shall be the date of the Commission's notice of relinquishment to the school, unless the institution has voluntarily relinquished its accreditation and has requested a later effective date that complies with the requirements of [Section 8.13\(a\)](#), see page 120.

**Section 8.14**     **Status: Involuntary Withdrawal of Accreditation**

- (a) Following the due process required by these *Rules*, the Commission shall, at any time, withdraw a schools accreditation for any of the reasons included in [Section 8.12](#) (see page 120) and for the following additional reasons:
- (1) Failure to continue to meet the basic eligibility requirements for accreditation set out in [Part 1](#) (see page 59) of these *Rules*;
  - (2) Failure to file an Application for Renewal of Accreditation and/or an Institutional Self-Study for reaccreditation or a change application within the time limits established by the Commission ([Part 2](#), see page 73).
  - (3) Failure to cooperate in a required on-site evaluation of the school conducted by a team or individual ([Part 3](#), see page 75).
  - (4) Failure to notify the Commission in a timely manner of any material change in the way the school conducts its business or the circumstances in which it operates ([Parts 4](#) (see page 82) or [5](#) (see page 96)).
  - (5) Failure to file a satisfactory Annual Report, Special Report, or any other report or required document within the time limits established by the Commission ([Part 5](#) (see page 96) and other parts).
  - (6) Failure to prove compliance with the *Standards and Criteria* for Accreditation or other accreditation requirements within a specific time period established by the Commission upon Application for Renewal, or failure to Show Cause ([Parts 7](#) (see page 108) and [8](#) (see page 113)).
  - (7) Failure to eliminate or resolve stipulations contained in an Accreditation with Stipulations decision within the time set by the Commission ([Part 8](#), see page 113).
  - (8) Failure to pay any required fees within the time limits established by the Commission ([Appendix #2](#), see page 145).
  - (9) Failure to comply with a Commission order or directive ([Part 8](#), see page 113).
- (b) Upon receipt of notification from the Commission that withdrawal of accreditation is final, or when an institution voluntarily relinquishes accreditation, the school must:
- (1) Immediately inform all students enrolled in the school and those seeking admission that accreditation by NACCAS has been withdrawn. A student

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enrolled in the school at the time that accreditation has been withdrawn or relinquished shall be permitted to complete the course or program of study on the usual schedule and shall be considered a graduate of an accredited school.

- (2) Remove from public view all certificates, decals, signs, emblems, and other evidence of accreditation and must cease using printed materials or advertising indicating in any way that the school is, or has been, accredited by NACCAS.

**Section 8.15**     **Actions to Monitor the On-going Compliance with Accreditation Requirements by an Institution**

- (a) In order to ensure that each institution accredited by NACCAS achieves and maintains compliance with NACCAS' *Standards and Criteria*, Policies, *Rules of Practice and Procedure* and other accreditation requirements, the Commission, besides the actions listed elsewhere in this Part, may take any actions that it believes are necessary, proper and fair, including but not limited to:
  - (1) Order an appearance before the Commission.
  - (2) Order an on-site evaluation, announced or unannounced, by a full or partial team. The cost of such visit shall be borne by the school unless the Commission determines otherwise.
  - (3) Shorten the period of accreditation previously granted to the school and require the school to undergo early renewal of accreditation.
- (b) In the event that the Commission determines that a school holding the status of accreditation no longer complies with one or more of the *Standards and Criteria*, Policies, *Rules of Practice and Procedure* and other accreditation requirements, based upon the seriousness of the non-compliance, the Commission shall take one or more of the following actions:
  - (1) Continue accreditation with recommendation(s) for improvement, stipulations, or a reporting requirement;
  - (2) Continue accreditation on probation;
  - (3) Shorten the period of accreditation previously granted to the school and require the school to undergo early renewal of accreditation; or
  - (4) Withdraw the school's accreditation.
- (c) The foregoing actions may entail any of the requirements set out in [Section 8.11](#) (see page 119) of these Rules. In addition, the Commission may assess such fees or fines for noncompliance with NACCAS' *Standards and Criteria*, Policies, *Rules of Practice and Procedure* and other accreditation requirements by accredited schools and applicants for accreditation as are provided in NACCAS' [Schedule of Fees](#).



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### **Section 8.16**     **Oversight of Continued Compliance**

- (a) The Commission may delegate in one or more committees authority to make recommendations on applicant or accredited schools to the full Commission.
- (b) A duly constituted committee with authority to recommend school actions and/or the Commission may do the following:
  - (1) Request additional information (including through the issuance of Letters of Inquiry);
  - (2) Order a special visit to the institution to gather additional information for the school record;
  - (3) Recommend to the Commission that it order the school to Show Cause why its accreditation should not be withdrawn for non-compliance with specific accreditation requirements; and/or
  - (4) Continue accreditation in any of the statuses established by this Part.

### **Section 8.17**     **Official Notification of Commission Action**

Whenever the Commission takes an action on an applicant or accredited school pursuant to these *Rules*, the Commission shall notify the affected institution in writing of that action, within 45 days; provided, however, that written notice of any action to deny or withdraw accreditation, or to place a school's accreditation on probation, shall be given within 30 days. The notice shall be sent to the chief executive officer or designated official of the institution via certified mail, return receipt requested, or other traceable means.

In all cases, if there is a recommendation for improvement, it shall be specified in the notice.

- (a) Commission action to grant or renew accredited status, with or without conditions: The notice shall indicate the period of accreditation granted and the programs approved within the aegis of institutional accreditation. The notice shall indicate if the accreditation granted allows the institution to seek eligibility to participate in federal student financial assistance programs.
- (b) Commission action to approve a change and continue accreditation, without conditions: The notice shall specify the change approved within the aegis of the institutional accredited status previously granted.
- (c) Commission action to defer action, or grant, renew, or continue accreditation with stipulation, reporting requirement, or on probation: The notice shall provide the institution's chief executive with a detailed explanation of:
  - (1) The specific facts and/or program characteristics upon which the Commission relied in making its decision;
  - (2) The standards, criteria, policies, procedures, rule, Commission directive, or other accreditation requirement with which the school was found to be in less than full compliance;

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- (3) Any requirements the Commission has placed on the institution as a condition of its action, pursuant to [Section 8.11](#) (see page 119) of these *Rules*.
  - (4) The date by which the school must demonstrate that the requirements have been met or establish that they were unwarranted.
- (d) Voluntary relinquishment of accreditation by the institution: The school shall be advised that, as requested, the name of the school has been removed from the *NACCAS Directory of Accredited Schools*.
- (e) Commission action to deny or withdraw accreditation: The notice shall provide the institution's chief executive with a detailed explanation of:
- (1) The manner in which the school has failed to comply with the Commission's standards, criteria, policies, procedures, rules, Commission directives, or other accreditation requirement and the basis for the withdrawal of accredited status;
  - (2) The evidence and reasoning relied upon by the Commission in reaching its decision;
  - (3) The institution's right to appeal the action pursuant to [Part 9](#) (see page 127) of these *Rules*, if applicable; or
  - (4) The institution's obligations under [Section 8.14\(b\)](#) (see page 121), in the case of a final withdrawal, all appeal rights exhausted.

**Section 8.18**      **Time Lines to Remedy Non-Compliance**

- (a) Where the Commission has found an area in which the institution is out of compliance with accreditation standards and requirements, the period allotted to an institution to remedy the non-compliance or cure the deficiency, together with the time for the Commission's final decision, in no case shall exceed the following time limits:
- (1) Twelve months, if the institution's longest program is less than one year in length;
  - (2) Eighteen months, if the institution's longest program is at least one year, but less than two years in length; or
  - (3) Two years, if the institution's longest program is at least two years in length.

These time frames shall begin to toll on the date of the first official written notification by the Commission to the institution (which may include electronic notification) advising the institution that the Commission has determined that the institution is not in compliance with NACCAS' accreditation standards or requirements.

- (b) If the institution does not bring itself into compliance or cure the deficiency within the specified period, the Commission must take Appealable Action unless the period for achieving compliance is extended in accordance with [Section 8.18\(c\)](#), see page 125.

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### Related Documents

The following document may be helpful to you in understanding the requirements of this part of the NACCAS Rules: **34 CFR Part 602**

- (c) The Commission shall not grant an extension of the deadline established under [Section 8.18\(a\)](#), see page 124 unless all of the following conditions are met:
- 1) The institution requests an extension in writing in accordance with [Section 1.2](#), see page 61 of these Rules. The request must be accompanied by appropriate documentation and other evidence establishing that the institution meets the requirements for an extension set out in this Section 8.18(c).
  - 2) The institution is in compliance with all other NACCAS Standards, Rules and other accreditation requirements and is otherwise in good standing with NACCAS.
  - 3) The Commission determines that, throughout the period allowed under [Section 8.18\(a\)](#), see page 124, the institution has been making a good faith effort to remedy existing deficiencies and bring itself back into compliance, and has shown substantial progress toward achieving that goal. This determination shall be based on review of all applicable evidence of compliance, including such interim compliance reports as may have been ordered by the Commission.
  - 4) The institution established to the reasonable satisfaction of the Commission that its failure to bring itself into compliance or cure the deficiency by the deadline established under [Section 8.18\(a\)](#), see page 124, is directly and materially attributable to an event or circumstance that:
    - i. is (or was) beyond the control or material influence of the institution; and
    - ii. could not reasonably have been anticipated, avoided or prepared for by the institution.
  - 5) The institution establishes to the reasonable satisfaction of the Commission that it has used its good faith best efforts to mitigate the effects and consequences of the event or circumstance described above, and to bring itself back into compliance by the deadline established under [Section 8.18\(a\)](#), see page 124.
  - 6) The Commission determines that there is a reasonable likelihood that the institution will be able to bring itself into compliance within the period of extension, if granted.
- (d) The Commission may not grant an extension of more than six (6) months. Although the Commission may consider requests for additional, subsequent extensions, no such additional extension may be granted unless the conditions for extension described above continue to be met (including, without limitation, continued significant progress toward compliance during the extension period as evidenced by applicable interim compliance reports). Under no circumstances will the Commission grant extensions that (collectively) exceed one (1) year.

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- (e) The decision to grant or not grant an extension is discretionary. The Commission reserves the right to deny a request for an extension, even if the conditions for extension described above have been met. The decision to deny an extension request is not subject to appeal.

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**Part 9 – The Appeal From Adverse Accreditation Status Decisions**

**Sub-Part A -- General Information**

**Section 9.0 Coverage of Appeals**

The appeal procedure specified in [Sub-Part B](#) (see page 129) constitutes the exclusive remedy for an institution to appeal an Appealable Action by the Commission. The Commission will only consider appeals filed pursuant to this procedure and will not act upon petitions for reconsideration, petitions for reinstatement, or any other such filing.

- (a) Only Appealable Actions made by the Commission may be appealed. Appealable Action decisions are:
  - (1) Removal from candidate status;
  - (2) Denial of approval of a change under [Part 4](#) (see page 82) of the *Rules*;
  - (3) Denial of initial accreditation; and
  - (4) Withdrawal of accreditation.
- (b) All documents submitted to NACCAS on appeal must comply with the requirements of [Part 1](#) (see page 59) of these *Rules*, and must be sent by certified mail, return receipt requested, or an alternate traceable means.
- (c) The appeal procedures established by the Commission shall be construed to secure the just and expeditious determination of every appeal proceeding. An institution retains its accreditation status while undergoing an appeal.
- (d) Except as set forth in Section 9.0(e) below, if no letter of intent to appeal an Appealable Action is received by the Commission within the time frames specified in [Sub-Part B](#) (see page 129), the Appealable Action shall enter into effect on the twentieth day after the institution received official notice of the Appealable Action.
- (e) Receipt: The letter officially notifying an institution of the Commission's Appealable Action shall be mailed by a traceable means.
  - (1) The date an institution receives notice of the Appealable Action is the date the Commission's official action letter is signed for, irrespective of who signs for it.
  - (2) If the first notice from the Commission is returned as undeliverable, the Commission shall attempt to contact the institution at its telephone, facsimile and/or email address of record to obtain an alternate address for delivery of the notice and, if successful, send a second notice to that alternate address. If the institution cannot be contacted by these means (or does not respond to the

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Commission's request for information within three business days), the Commission shall send a second notice to the institution's address of record (by an alternate traceable means, if available).

- (3) If the second notice from the Commission is returned as undeliverable, the Appealable Action shall enter into effect on the date the second notice is returned to the Commission.

### **Section 9.1**      **Grounds for an Appeal**

An institution affected by an Appealable Action by the Commission may appeal that decision if it has reason to believe:

- (a) That the decision was clearly erroneous, not supported by the evidence on the record at the time the Commission took action, or was otherwise arbitrary and capricious; or
- (b) If, but only if and only to the extent that, the Appealable Action resulted from a finding that the institution has failed to comply with NACCAS' financial viability requirements under NACCAS' [Standard VII, Criterion 1](#), see page 17, that it can prove current compliance with [Standard VII, Criterion 1](#), see page 17.

### **Section 9.2**      **Standard of Review on Appeal**

- (a) In all cases, the institution bears the burden of proof on appeal.
- (b) Except for the consideration of new financial information as permitted under [Section 9.5](#), see page 130, of these Rules, the Appeal Review Panel shall only consider evidence in the record at the time the Commission took action. The Appeal Review Panel shall not consider evidence of compliance or remediation after the date the Commission took the Appealable Action.
- (c) In reaching a determination that the Commission's decision was clearly erroneous, not supported by the evidence on the record at the time the Commission took action, or was otherwise arbitrary and capricious, the Appeal Review Panel shall not substitute its judgment for that of the Commission. A finding by the Appeal Review Panel that the Commission acted in error must be based on the conclusion that no reasonable decision-making body would have reached the decision on appeal, taking into account the evidence in the record at the time the Commission took action, and the requirements of the Commission's *Standards, Criteria, Rules* and other accreditation requirements.
- (d) The record on an appeal shall include, as applicable, the Letter of Intent to Appeal, Appeal Document and all documents cited therein, together with all other documents and information in the record at the time the Commission took the Appealable Action under appeal and relevant to the reasons stated by the Commission for taking such action and/or the grounds for appeal stated in the Appeal Document.

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### **Sub-Part B -- Appeals Procedure**

#### **Section 9.3      Letter of Intent to Appeal – 20 Days**

To initiate an appeal process, within twenty (20) days after receiving official notice of the Appealable Action, the institution must do the following:

- (a) Write a letter of intent to appeal, addressed to the Executive Director of NACCAS. The letter must:
  - (1) State the specific grounds for the institution's appeal; and
  - (2) Indicate whether the institution intends to pursue an administrative appeal, a documentary appeal or a personal appearance appeal (as defined in NACCAS' [Schedule of Fees](#)).
- (b) Submit the appeal fee corresponding to an administrative appeal, a documentary appeal or a personal appearance appeal (as defined in NACCAS' [Schedule of Fees](#)).

#### **Section 9.4      Appeal Document – 45 Days**

- (a) In support of its appeal, the institution shall submit an Appeal Document, prepared and submitted in accordance with the provisions of this Section 9.4, to the Executive Director of NACCAS. The Appeal Document shall set out in detail all of the facts and arguments which the institution believes support its claim that the Commission's decision was clearly erroneous, not supported by the evidence on the record at the time the Commission took action, or was otherwise arbitrary and capricious. The Appeal Document must address each of the bases for the Appealable Action stated by the Commission in the Commission's official notification letter to the institution.
- (b) In its Appeal Document, the institution shall support its argument on appeal by specific reference to information and documentation in the record at the time the Commission took the Appealable Action, identifying where in the record that information or documentation may be found. (The institution may include copies of relevant documents, but each such document must be identified by the location of such document in the record.)
- (c) The institution's appeal is not an opportunity to introduce evidence not in the record at the time the Commission took the action being appealed (including, but not limited to, evidence of remediation). Except as permitted by [Section 9.5](#), see page 130, the Appeal Document may not include or refer to information or documentation not in the record at the time the Commission took the Appealable Action.
- (d) The Appeal Document must be organized in accordance with the Commission's Requirements for Organization of Document Submissions to NACCAS and the requirements of [Part 1.6](#), see page 64, of these Rules. The institution shall submit three (3) copies of the Appeal Document in hard-copy format and one (1) copy in electronic (WORD or PDF) format (which may be delivered electronically to NACCAS or on a flash drive or other portable data storage device).
- (e) The Appeal Document must be received by NACCAS not later than forty-five (45) days after the receipt by the institution of the Commission's official notice of an Appealable

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Action. Except as provided in [Section 9.5](#), below, the Appeal Review Panel shall not review or otherwise take into consideration any additional documentation or appeal materials received after the submission deadline; provided, however, that the Panel may consider Appeal Documents received after the 45-day deadline if, but only if, the institution can demonstrate that the Appeal Document was shipped not less than three (3) days prior to the deadline, by a means reasonably calculated to ensure receipt by NACCAS by that deadline. In addition, if the appellant fails to timely meet any requirement on appeal, including the payment of appeal fees, the Appeal Review Panel has no obligation to review the appeal and the adverse accreditation action shall become effective in accordance with [Section 9.0\(d\)](#) (see page 127) of these *Rules*.

### **Section 9.5**      **New Financial Information**

(a) **Submission of New Financial Information.** Notwithstanding [Section 9.4](#) (see page 129), where the Appealable Action subject to appeal was based in whole or in part on a failure of the institution to comply with [Standard VII, Criterion 1](#) (see page 17), the institution may submit new financial information for consideration by the Appeal Review Panel, at any time prior to the meeting of the Panel, provided that such information:

1. Was unavailable to the institution until after the Appealable Action subject to appeal was taken by the Commission; and
2. Is significant and bears materially on the financial deficiencies identified by the Commission.

(b) **Significance and Materiality of New Financial Information.** [Standard VII, Criterion 1](#) establishes three separate, alternative tests for demonstrating financial viability. Each of these tests requires review of specific financial information, presented in a specified format. Accordingly, new financial information presented on appeal satisfies the “significance and materiality” test of Section 9.5(a)(2) above if, and only if, it consists of the information required to establish that the institution meets the requirements of [Standard VII, Criterion 1](#) under one of these three tests.

- (1) **Standard VII, Criterion 1(a) or 1(b):** Compliance with [Standard VII, Criterion 1\(a\)](#) and/or [1\(b\)](#) is demonstrated by calculation of certain financial scores or ratios derived from 12-month audited financial statements ([Standard VII](#)). Institutions may demonstrate compliance with [Standard VII, Criterion 1\(a\)](#) or [1\(b\)](#) by submission of audited 12-month financial statements covering a period more recent than that of the financial statements last reviewed by the Commission (which, for purposes of appeal, need not be the institution’s regular fiscal year).
- (2) **Standard VII, Criterion 1(c):** Compliance with [Standard VII, Criterion 1\(c\)](#) requires (i) demonstration of certain documented financial ratios and (ii) Commission determination of financial viability based on its review of a report of an onsite evaluation conducted by an independent certified public accountant approved by the Commission and conducted under a series of agreed upon published procedures determined by NACCAS.

If an appellant institution elects to demonstrate compliance with [Standard VII, Criterion 1](#) utilizing the method described under [Criterion 1\(c\)](#), the institution shall bear the burden of ensuring that all elements of the [Criterion 1\(c\)](#) process



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are complete and available for review by the Appeal Review Panel prior to the date on which the Panel must consider the institution's appeal (as determined under Section 9.6 of these Rules, see below). If a [Criterion 1\(c\)](#) report is not final and available for review when the Appeal Review Panel meets to consider the institution's appeal, the Panel (i) has no power to defer action on the appeal to a later date (see Rules, [Section 9.8\(b\)](#)), see page 132, and (ii) may not remand the matter to the Commission for consideration at a later date unless the Panel determines that the institution's failure to submit the required [Criterion 1\(c\)](#) report is the direct result of unreasonable delay by NACCAS.

### **Section 9.6**      **Meetings and Deliberations of the Appeal Review Panel**

- (a) All appeals shall be heard by an Appeal Review Panel organized in accordance with [Sub-Part C](#) (see page 133).
- (b) The Appeal Review Panel shall meet at least twice a year, when there are appeals pending. The Panel shall establish a meeting schedule for each calendar year and shall establish, for each meeting date, an agenda closure date based on the Commission's meeting schedule, such that all perfected appeals from Appealable Actions at any meeting of the Commission shall be heard by the same Panel.
- (c) A majority of Panelists shall constitute a quorum at any meeting of the Appeal Review Panel. The meeting of the Appeal Review Panel shall include review of the record on appeal, personal appearance appeal hearings, deliberations, and rendering of decisions.
- (d) At least fifteen (15) days before a meeting of the Appeal Review Panel, each Panelist shall receive a complete copy of the appellant's Appeal Document.
- (e) At the Appeal Review Panel meeting, following any personal appearance hearing(s) and after the appellants are no longer present, the Appeal Review Panel shall discuss the appellant's record on appeal, oral testimony, and answers to questions at the hearing, if any.
- (f) No members of the Commission or the public shall be allowed in the meeting of the Appeal Review Panel unless requested or required by the Panel. However, both parties shall be allowed to have counsel present and one or more staff members of NACCAS shall staff the Panel and be available throughout the meeting of the Panel for purposes of clarification of the Commission's Standards and Criteria. However, the staff shall not offer an opinion on the appeal.

### **Section 9.7**      **Appeal Hearing Procedures**

As a general proposition, forty-five (45) minutes shall be allocated for an appeal presentation. The Chair of the Appeal Review Panel has the authority to grant additional time for the hearing, if he or she believes that it is needed.

- (a) The appeal hearing shall commence with an opening statement by the Chair of the Appeal Review Panel, which describes the applicable standard of review, and the procedures to be followed at the hearing.

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- (b) The appealing institution's representative(s) shall then make its presentation in support of the appeal. The institution, in presenting its argument, may reference its Appeal Document and any other information or documentation in the record that is relevant to the grounds for appeal cited in its Appeal Document, but may not introduce or refer to any evidence not in the record at the time the Commission took the Appealable Action being appealed (except as permitted by [Section 9.5](#), see page 130).
- (c) Any member of the Appeal Review Panel, other than any Panelist required to recuse, may question the representative(s) of the institution at any time during the presentation, on any matter relevant to the Commission's written reasons for taking the Appealable Action under appeal and/or the grounds for appeal cited in the institution's Appeal Document.
- (d) All Panelists shall be required to recuse from discussion and voting on any matter when required to do so to comply with the requirements of the NACCAS Code of Ethics, or the provisions of [Section 9.13](#), see page 134. In addition, any Panelist holding an ownership interest in, or serving as an administrator of, a NACCAS-accredited school that is subject to an open Show Cause Order shall recuse from discussion and voting on all matters before the Appeal Review panel until such time as that order has been closed.
- (e) At the conclusion of the question and answer period, the institution may make a brief closing statement, after which, the hearing shall be adjourned.

**Section 9.8**      **Authority and Recommendations of the Appeal Review Panel**

- (a) The Appeal Review Panel has no authority to waive or otherwise modify the NACCAS eligibility criteria, *Standards and Criteria, Rules of Practice and Procedures, Policies*, or other accreditation requirements.
- (b) The Appeal Review Panel may either:
  - (1) Affirm the Appealable Action of the Commission, in which case the decision shall be final;
  - (2) Reverse the Appealable Action of the Commission, in which case the Commission shall implement the decision of the Appeal Review Panel, as provided in [Section 9.8\(c\)](#) (see page 133) of these *Rules*;
  - (3) Amend the Appealable Action of the Commission, in which case the Commission shall implement the decision of the Appeal Review Panel as provided in [Section 9.8\(c\)](#) (see page 133) of these *Rules*;
  - (4) Remand the Appealable Action to the Commission for further consideration, in which case the Commission shall reconsider the original decision as provided in [Section 9.8\(d\)](#) (see page 133) of these *Rules*.

In all cases, the Appeal Review Panel shall provide the Commission with a written statement of the result of the appeal and of the basis for that result, together with the record on appeal, including the Appeal Document and transcript of the personal appearance hearing (if any).

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- (c) If the Appeal Review Panel reverses or amends the Appealable Action, the Commission shall implement the Appeal Review Panel's decision in a manner consistent with the Panel's decision and (if applicable) instructions, and with the Commission's accreditation standards and these *Rules*.
- (d) If the Appeal Review Panel remands Appealable Action to the Commission for further consideration, it shall provide the Commission with a written statement identifying specific issues that the Commission must address in rendering its final decision. In undertaking its reconsideration of a decision remanded by the Appeal Review Panel, the Commission shall act in a manner consistent with the Panel's decision and instructions (including with respect to the addressing the specific issues identified by the Panel), and with the Commission's accreditation Standards and these *Rules*. A decision by the Commission upon a matter remanded to it by the Appeal Review Panel shall be final and not subject to further appeal. The Commission shall send an official notification to the appellant in accordance with [Section 8.17](#) (See page 123) of these *Rules*.
- (e) In implementing any decision by the Appeal Review Panel, the Commission may impose any monitoring, reporting or other limitations or obligations on the accreditation of an institution consistent with these *Rules* and the decision of the Appeal Review Panel.
- (f) In the event that the Commission determines that it is incapable of implementing the Appeal Review Panel's decision in a manner consistent with the Commission's accreditation Standards and these *Rules* because the Appeal Review Panel has exceeded the limitations to its authority under [Section 9.8\(a\)](#) (see page 132) of these *Rules* by waiving or otherwise modifying the NACCAS eligibility criteria, *Standards and Criteria*, *Rules of Practice and Procedures*, *Policies*, or other accreditation requirements, the Commission shall remand the decision to the Appeal Review Panel and the Appeal Panel shall render a decision consistent with such eligibility criteria, Standards and Criteria, *Rules of Practice and Procedures*, policies, and/or other accreditation requirement.

### **Section 9.9      Record of Appeal Hearing**

The Appeal Review Panel shall record or stenographically transcribe any personal appearance appeal hearing before it. A transcript of the hearing shall be provided to the institution upon written request and payment of a reasonable charge for transcription costs.

### **Section 9.10     Expenses of Appeal**

- (a) The expenses incurred in the development and presentation of its appeal shall be borne exclusively by the institution filing the appeal, including the appeals fee as indicated in [Appendix #2](#) (see page 145) to these *Rules*.
- (b) The expenses involved in the arrangements for the location of the meeting of the Appeal Review Panel shall be paid by NACCAS.

### **Sub-Part C – Appeal Review Panel**

### **Section 9.11     Function of Appeal Review Panel**

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The purpose of the Appeal Review Panel is to review the Appeal Document (if any) submitted by the appellant institution, conduct an appeal hearing (if requested by the appellant), and render a decision on the appeal, in accordance with [Section 9.6](#) (see page 131) through [Section 9.8](#) (see page 132) of these *Rules*.

### **Section 9.12      Composition of Appeal Review Panel**

The Appeal Review Panel shall consist of seven (7) Panelists, of which:

- (a) Four (4) Panelists shall satisfy the qualifications set forth in NACCAS' [By-Laws](#) (see page 238) for a Commissioner representing schools in fields of training within NACCAS' scope; provided, however, that at all times at least three (3) of such Panelists shall satisfy the ownership requirements of [Article III, Section IV.A.4](#), see page 238;
- (b) One (1) Panelist shall satisfy the qualifications set forth in NACCAS' [By-Laws](#) (see page 235) for a Commissioner representing professional services operations in fields within NACCAS' scope;
- (c) One (1) Panelist shall satisfy the qualifications set forth in NACCAS' [By-Laws](#) (see page 235) for an academic Commissioner; and
- (d) One (1) Panelist shall satisfy the qualifications set forth in NACCAS' [By-Laws](#) (see page 235) for a Commissioner representing the public interest.

### **Section 9.13      Qualifications of Panelists**

- (a) In addition to satisfying the qualifications for the category of Panelist to which he or she is appointed (as set forth in [Section 9.12](#), see above), each Panelist must (i) have signed an agreement to abide by the NACCAS [Code of Ethics](#), found on the NACCAS website under "Other Key Documents" (including, without limitation, an agreement to disavow from discussion or voting on any matter where a conflict of interest exists); and (ii) either have attended a NACCAS accreditation workshop within the previous three (3) years or have signed an agreement to attend a NACCAS accreditation workshop prior to the first meeting of the Appeal Review Panel on which he or she will serve.
- (b) No person may serve as a Panelist if he or she holds an ownership interest in, or serves as an administrator of, a NACCAS-accredited school whose accreditation status is "Accreditation on Probation." In the event that an accredited school with which a sitting Panelist is so affiliated is placed on Probation, that Panelist shall be immediately disqualified from further service on the Appeal Review Panel, and the vacancy created on the Panel shall be filled by the Executive Committee in accordance with [Section 9.14](#) of these Rules (see page 135). A Panelist who becomes disqualified from Panel service because of his or her affiliation with a NACCAS-accredited school that is on Probation is not permanently disqualified from service on the Panel, and may be re-appointed to the Panel in a future election cycle if he or she has become eligible for Panel service again.

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- (c) No sitting Commissioner may serve on an Appeal Review Panel, nor may any former Commissioner serve on an Appeal Review Panel until at least one (1) year after his or her term as Commissioner has ended.
- (d) No two people from the same business entity may be appointed to serve simultaneously on the Appeal Review Panel.
- (e) No Panelist may be appointed to more than two consecutive full terms on the Appeal Review Panel. For purposes of this section, a replacement Panelist who serves a partial term of less than one calendar year is not deemed to have served a full term. A Panelist who is disqualified from reappointment on account of serving two consecutive full terms shall remain disqualified for the three (3) years immediately following his or her last full term of service.

**Section 9.14**     **Selection of Panelists**

- (a) Each year, the Commission shall solicit, by public notice, applications from interested and qualified parties to replace Panelists whose terms of appointment will expire on December 31 of that year.
- (b) The Commission may, in its discretion, appoint a committee for the purpose of reviewing applications and making recommendations for appointment to the Commission.
- (c) Not later than December 31 of each year, the Commission shall review the applications received by NACCAS and make appointments to the Panel from the list of applicants whose applications show that they meet the qualifications for Panelists set forth in [Section 9.12](#) (see page 134) and [Section 9.13](#) (see page 134). Panelists shall be appointed by vote of the Commission. Appointments shall be publicly announced and the list of panelists shall be available on the NACCAS [website](#).

**Section 9.15**     **Term of Panelists; Resignation and Removal; Vacancy**

- (a) Each panelist shall be appointed for a three (3) year term. Except in the case of a Panelist appointed to fill an interim vacancy (whose term shall begin immediately upon appointment), each Panelist's term shall commence on January 1, immediately following his or her appointment. Each Panelist shall serve until his or her term expires, or until his or her resignation or removal, as provided in these *Rules*.
- (b) At each meeting of the Appeal Review Panel, each Panelist shall attest that he or she continues to satisfy the qualifications for the category of Panelist for which he or she was appointed. If the Panelist cannot do so, he or she shall resign immediately. Any Panelist who is absent from two (2) consecutive meetings of the Appeal Review Panel shall be deemed to have resigned his or her seat on the Panel.
- (c) The Executive Committee shall have the power to remove from office any panelist who, in the determination of the Executive Committee, (1) has ceased to satisfy the qualifications for the category of panelist for which he or she was appointed or (2) has

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violated his or her obligations under these *Rules* and/or the [Code of Ethics](#) (found on the NACCAS website under “Other Key Documents”).

- (d) In the event of any vacancy on the Appeal Review Panel, the Executive Committee shall appoint a replacement Panelist to serve the remainder of the term of the Panelist who is being replaced. The replacement Panelist must satisfy all of the qualifications for the same category of Panelist (e.g., school owner, academic, professional services or public interest representative) as the Panelist he or she is replacing.

### **Section 9.16**      **Objections to Appeal Review Panel**

- (a) Each institution that has appealed an Appealable Action of the Commission pursuant to [Section 9.3](#) (see page 128) of these *Rules* shall be notified, in writing, whether its appeal will be heard (i) in the then-current calendar year or (ii) in the following calendar year. Institutions whose appeals will be heard in the then-current calendar year may, within ten (10) days from receipt of such written notification, submit to NACCAS, in writing, the name(s) of any Panelist(s) the institution believes is prevented by a conflict of interest from hearing the institution’s appeal. Institutions whose appeals will be heard in the following calendar year shall be notified in writing when the Panelists for the following year have been selected, and may object, in writing, to any such Panelists within ten (10) days of receipt of such notice.
- (b) An appellant objecting to a panelist must indicate in writing the specific violations of the NACCAS [Conflict of Interest Policy](#) (found on the NACCAS website under “Other Key Documents”) that require the challenged Panelist to recuse themselves from consideration of the institution’s appeal. In the event that the challenged Panelist does not voluntarily recuse themselves, the remaining Panelists, by majority vote, shall determine whether the institution has shown good cause for requiring such recusal, and the challenged Panelist shall abide by the decision of the Panel.

### **Section 9.17**      **Special Panelists**

- (a) In the event that more than four (4) Panelists are required to recuse from any institution’s appeal, the Executive Committee shall appoint one (1) or more Special Panelists solely for purposes of hearing the affected institution’s appeal. The Special Panelist(s) must meet the qualifications for a panelist set forth in these *Rules*, other than the compositional requirements set forth in [Section 9.12](#) (see page 134).
- (b) The affected institution shall be notified in writing of any Special Panelists appointed to hear its appeal, and shall have five (5) days to object to any such Special Panelists, on the terms set out in [Section 9.16](#) (see above). The appointment and objection process described in this Section 9.17 shall continue until there shall be at least three (3) Panelists (including Special Panelists) not disqualified from hearing the institution’s appeal.
- (c) Where necessary to permit the appointment and objection period described in above to be completed in a timely manner, the Appeal Review Panel shall defer consideration of the objecting institution’s appeal to a special meeting called specifically for that purpose. Such special meeting shall be held not later than thirty (30) days following the final selection of

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Special Panelists and, unless the appellant has requested an appeal hearing at which a representative of the institution will make a personal appearance, such special meeting may (in the Panel's discretion) be a telephonic meeting.

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**Part 10 – Developing Standards, Rules, And Policies, Opportunity To Comment,  
And Petitions For Waiver**

**Section 10.0     Publication of Proposed Material Changes**

- (a)     The Commission shall publish in the NACCAS newsletter (or in any other mailing distributed to all accredited schools and the NACCAS mailing list) all proposed material changes in its Standards and Criteria, *Rules of Practice and Procedure*, policy statements, any other document which contains requirements or procedures with which a school must comply in order to secure and/or maintain accredited status. Interpretation of existing Standards and Criteria, *Rules of Practice and Procedure* and other documents need not comply with the requirements of Part 10. The Commission shall also publish, in advance of Commission action, the names of schools seeking initial accreditation, renewal of accreditation, or approval of Additional Locations.
  
- (b)     The Commission shall submit to the Secretary of the United States Department of Education any proposed change in the policies, procedures, or accreditation standards of NACCAS that might alter its
  - (1)     Scope of recognition; or
  - (2)     Compliance with the criteria for recognition by the Secretary.

**Section 10.1     Opportunity for Comment**

The Commission encourages all interested parties to submit written comments concerning proposed changes in the Commission’s Standards, requirements, and procedures or comments pertaining to schools seeking accredited status, published pursuant to [Section 10.0](#) (above) of these *Rules*. Unless a longer comment period is specified by the Commission, interested parties shall have fifteen (15) calendar days to submit such comments with respect to schools seeking accredited status, and forty-five (45) calendar days to submit comments relating to all other matters. The Commission shall not be required to consider comments received after the published comment deadline.

**Section 10.2     Publication of Final Changes**

After evaluating and taking into account the comments submitted pursuant to [Section 10.1](#) (above) of these *Rules*, as well as all other information available to it, the Commission shall prepare and publish in final form the change in the NACCAS requirements or procedures. Such publication shall specify the effective date of the change.

**Section 10.3     Compliance with Notice and Comment Procedures**

- (a)     Except as provided in [Section 10.3\(b\)](#) below, no material change in any Commission requirement or procedure shall become effective and binding unless the notice and comment procedures set out in [Sections 10.0-10.2](#) (see above) have been followed by the Commission.
  
- (b)     Whenever the Commission determines that emergency circumstances exist that necessitate that a material change in the Commission’s requirements or procedures



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become final and effective immediately, it shall publish the change in final form without regard to the notice and comment procedures set out in [Sections 10.0-10.2](#) (see page 138).

### **Section 10.4     Personal Appearances**

Any interested party may ask the Commission in writing for an opportunity to appear before the Commission at a regularly scheduled meeting for the purpose of providing comment on NACCAS policies, procedures, Standards and Criteria and other matters of importance to accredited schools in general. The request must specifically state the purpose for which the party seeks an appearance. The Commission in its sole discretion may grant such requests and may impose such limitations on the presentation as it deems appropriate. The Commission shall not grant a request to appear where the purpose of presentation is to discuss specific accreditation decisions, individual cosmetology or massage schools, or to lodge or pursue complaints. A denial of a request to appear is not appealable. Guidelines for making personal appearances as provided for in this Section 10.4 may be obtained from the national office of the Commission. Appearance costs shall be borne by the interested party.

### **Section 10.5     Petitions for Variance**

The Commission shall accept for consideration at its regular meetings where accreditation actions are taken, petitions for variance of these *Rules of Practice and Procedure*, the Appendices to these Rules or NACCAS' Policies filed by a school. If a school wishes to petition the Commission for a variance from these *Rules of Practice and Procedure*, the Appendices or NACCAS' Policies it shall do so by filing with the Executive Director, in writing, a Petition for Variance. Such petition shall cite the specific section of these *Rules of Practice and Procedure*, the Appendices or NACCAS' Policies from which a variance is sought. It shall include an explanation of all factors and considerations to support the variance sought. A petition needs to be submitted at least forty-five (45) days prior to the Commission meeting where it is to be considered.

Decisions by the Commission on a Petition for Variance shall be made in the same procedural manner as other accrediting actions of the Commission.

The denial of a Petition for Variance is not appealable.

### **Section 10.6     Variance on the Commission's Own Accord**

The Commission may, on its own accord, without a Petition for Variance having been filed, approve a variance of these *Rules of Practice and Procedure* in exceptional circumstances when such is warranted in the interest of equity.

### **Section 10.7     Variance in Case of Disaster**

The Commission may grant variances of compliance with some standards and procedures to schools affected by floods, tornadoes, hurricanes, fires, wild fires, earthquakes or other disasters. Variances shall be in areas set out in NACCAS [Policy on Disasters](#) (see page 49).

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**Section 10.8**     **Temporary Variance for Institutions Undergoing a Change of Location**

In the event that an institution is undergoing a change of location, the Executive Director may approve a temporary waiver of the requirement under Section 1.2(c)(3), see page 61, of these Rules that the institution be continuously open and operating, if such waiver is necessary to permit the institution to effect the relocation. Such waiver shall not exceed five (5) business days.

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Related Documents

The following document may be helpful to you in understanding the requirements of this Part of the NACCAS *Rules*. They are available on the NACCAS website at [www.naccas.org](http://www.naccas.org) in the NACCAS *Handbook*.

[Appendix #12](#) (see page 216)     Instructions for Submission of Petitions for a Variance of the NACCAS *Rules*

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**Part 11 – Confidentiality And Information Sharing**

**Section 11.0**     **Confidentiality of Records**

- (a) The Commission recognizes the confidential nature of certain information that a school submits during the processes of becoming accredited, renewing accreditation, or maintaining its accreditation. To this end, NACCAS Commissioners, staff, and on-site evaluators shall protect the confidentiality of information provided by schools during the accrediting process from disclosure, unless excepted under this Part.
- (b) With respect to complaints filed with NACCAS pursuant to [Part 6](#) (see page 100), NACCAS shall have no duty to disclose the identity of the complainant, except as provided in [Sections 6.2](#) (see page 101) and [11.3](#) (see below) of these *Rules*.

**Section 11.1**     **Directory of Accredited Schools**

No less than once per year, the Commission shall publish on its Website or through other means a *NACCAS Directory of Accredited Schools*, which shall list, by state and in alphabetical order, the name, address and telephone number of the school, the Owner, or a school designated official, the year the school was initially accredited, the accredited programs offered by the school and the date of the next scheduled accreditation review (as of the date of publication).

**Section 11.2**     **Exception for Certain Information Concerning a School’s Status**

The Commission shall make available to the public, and may publish in any official NACCAS publication, the following information concerning the status of an institution with the Commission:

- (a) The name and address of the institution;
- (b) The form of business (corporate, partnership, sole proprietorship, etc.), and whether it is part of a multi-school system;
- (c) The accredited (or non-accredited) status of the school, including the date of initial accreditation, renewal of accreditation or previous accreditation, date of voluntary or involuntary withdrawal of accreditation, the date of the most recent final action by the Commission concerning a school, the time frame for processing an application and whether a site visit has been conducted.

**Section 11.3**     **Sharing Information With Other Accrediting Agencies and Government Bodies**

NACCAS shall notify the appropriate accrediting agencies of a decision by the Commission to grant initial accreditation or renewal of accreditation, to place an institution on probation, and a decision to deny or withdraw accreditation, as well as a decision by an institution to voluntarily relinquish its accreditation, within 30 days of the decision.

NACCAS shall grant all reasonable special requests for accreditation information made by other accreditation agencies and governmental entities, including the United States Department of Education. Requests for information from such entities shall be in writing, submitted to the Executive Director, and

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shall state the name and address of the institution for which the information is sought, the nature of the information requested, as well as the purpose for which the information is to be used. A decision to deny such a request is not subject to appeal. In the event that the United States Department of Education requests that a request for information be treated as confidential, NACCAS shall honor that request. In all other cases, NACCAS shall review the circumstances surrounding the contact by the United States Department of Education, including the need for the confidentiality of that contact, before determining whether the institution will be notified when such requests for information have been granted. NACCAS shall also comply with requests from the United States Department of Education for special reports such as an annual data summary.

Institution seeking accreditation from NACCAS shall agree to provide a release for purposes of eliciting information from state boards and government entities, as well as an acknowledgement of the fact that accrediting information may, at the discretion of NACCAS or as required by applicable statutes or regulations, be shared with other accrediting agencies and governmental entities.

### **Section 11.4     Notification to Government Entities**

NACCAS shall inform the U.S. Department of Education and the appropriate State oversight agency, at the same time that it notifies the institution, of any final denial or withdrawal actions, and of any action to place an institution's accreditation on probation, taken pursuant to [Parts 4](#) (see page 82) and [8](#) (see page 113) of the *Rules*. A final decision is one reached after an institution has exhausted the appeals process provided under [Part 9](#) (see page 127) of these *Rules*, or which is entered after an institution has failed to avail itself or its appeal rights with the prescribed time frame. No later than 60 days after a final decision to deny or withdraw accreditation, NACCAS shall make available to the U.S. Department of Education and the appropriate State oversight entity a brief statement summarizing the reasons for the Commission's decision and the comments, if any, that the affected institution submits with regard to that decision.

NACCAS shall notify the United States Department of Education and the appropriate State oversight agency, within 30 days, of any decision to grant initial accreditation, renewal of accreditation, or approve a change under [Parts 4](#) (see page 82) and [8](#) (see page 113) of the *Rules*. Also, NACCAS shall notify these government entities, within 30 days, of an institution's decision to voluntarily relinquish its accreditation and the effective date of that relinquishment.

NACCAS' Executive Director shall inform the United States Department of Education of the name of any institution or program accredited by NACCAS which NACCAS has reason to believe is failing to meet its Title IV, HEA program responsibilities or is engaged in fraud or abuse and the reason for the Commission's concern.

### **Section 11.5     Exception in Event of Appropriate Legal Request**

As a general rule, the Commission has no authority or duty to refuse to disclose information about a school when requested to do so pursuant to appropriate legal process. If the request is made by a party with the ability to obtain school records through a legal process, it shall be within the discretion of the Commission whether to require that the formalities of the legal process be observed or to provide such information to the requester as if the legal process had been followed. In either event, the Commission will make a reasonable effort to ensure that the documents provided are used only for the legal purpose for which they were sought. The Commission shall be under no obligation to inform a school that such a request has been made and complied with. Such notice may be furnished to the school if the Commission so decides and if such

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notice is in accordance with law; provided, however, that NACCAS shall honor all requests by the United States Department of Education to maintain the confidentiality of contact with the Department.

### **Section 11.6     Public Availability of Summary Information**

NACCAS shall notify the public of a decision by the Commission to grant initial accreditation, renewal of accreditation, to place an institution on probation, and a decision to deny or withdraw accreditation, as well as a decision by an institution to voluntarily relinquish its accreditation, within 30 days of the decision. The Commission shall provide written notice to the public within 24 hours after a decision to place an institution on probation or to withdraw its accreditation (all appeal rights exhausted), by posting the notice on the NACCAS [website](#) or other means.

NACCAS shall make available to the public, upon written request, a summary of a final accrediting decision to deny or terminate accreditation, together with any comments submitted by the institution no later than 60 days after the decision becomes final.

### **Section 11.7     Authorized Disclosure of Information**

If a school wishes specific accreditation information that is otherwise to be treated as confidential under this part released to third parties, the chief executive officer of such school or a school-designated official shall provide a written release to the Commission stating the precise information sought to be released and the party or parties to whom the information is to be released.

### **Section 11.8     Exception for Disclosure Necessary to Correct Misrepresentation**

If a school releases information to any third party that misrepresents any action by the Commission, the Commission shall, at its discretion, disclose information about the school in any manner it deems necessary to correct such misrepresentation.

### **Section 11.9     Document Retention Policy**

Accreditation documentation shall be maintained and disposed of in accordance with NACCAS' Document Retention Policy.

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#### Related Documents

The following documents may be helpful to you in understanding the requirements of this Part of the NACCAS *Rule*: **34 CFR Part 602** and **Family Educational Right and Privacy Act**.