

Amendment to Standard II

New Criterion:

O/A 2. The student/teacher ratio meets the state requirements, if applicable, and in the absence of state requirements, the student/teacher ratio must not exceed 30 students in attendance per instructor.

Amendment to Standard II, Criterion 6

~~*D 6 7. Each instructor, with the exception of substitutes, meets the state requirements for continuing education, if applicable, but not less than 12 clock hours of such activity each year. If the institution requires more hours, each instructor must comply with the institution's requirements. Within each year of employment, each regularly employed instructor (but not substitute instructors) meets the applicable state requirements for continuing education or obtains 12 hours of continuing education, whichever is greater. This requirement shall not apply during the employee's first year of employment. A year of employment shall be measured on a calendar basis or rolling 12-month basis, as defined by the institution's policy.*~~

Amendment to Standard II, Criterion 8

D 8 9. *Each instructor, **with the exception of substitutes, acknowledges receipt of** ~~receives a~~ written performance evaluation at least once every 12 months.*

Amendment to Standard IV and Policy IV.01, Item 1b

~~D1.b. Have a state issued credential for secondary school completion if home schooled; or~~

D1.b. Have evidence of completion of home schooling that state law treats as a home or private school. If the state issues a credential for home schooling, maintain this credential; or

Amendment to Standard VI, Criterion 11:

A/O 11. Academic and practical learning methods (e.g. discussion, question and answer, demonstration, cooperative learning, distance ~~learning~~ education, problem-solving, interactive lecture, individualized instruction, student and classroom presentations, labs and student salon activities, etc.) are used during the program.

Amendment to Standard VII, Criterion 2

- D 2. *The financial statements of the institution demonstrate that it has the financial resources to ensure continuity of operation, educational programs and services, and to fulfill its obligations to students and employees, by meeting the following requirements:*
- a. *Has met the requirements as set forth by the U.S. Department of Education, in accordance with 34 C.F.R. 668.171**(b)(1)**, or the successor regulation, or*
 - b. *A ratio of current assets to current liabilities of one-to-one or greater (current ratio); a positive tangible net worth; and a profit in the most recent accounting year, or in two of the most recent three accounting years. Any assets of the institution that are excluded in the calculation of the composite score shall also be excluded by NACCAS in the calculation of the current ratio and net worth, or;*
 - c. **If the institution is not in compliance with Criterion 2 (a) or 2 (b), it has the option to demonstrate financial stability by meeting the following requirements:**
 - i. **Cash and cash equivalents plus available lines of credit are equal to at least 16.7% of annual revenue.**
 - ii. **Ratio of net liabilities (total liabilities minus cash and cash equivalents) to tangible net worth is 2:1 or less, OR ratio of total debt to earnings before interest, taxes, depreciation, and amortization (EBITDA) is 3:1 or less.**
 - iii. **At the institution's expense, it agrees to an onsite evaluation of its financial stability by an independent Certified Public Accounting firm selected by NACCAS, and NACCAS determines the evaluation report demonstrates positive financial stability. A copy of this report shall be provided to the institution. The evaluation shall include a series of agreed upon procedures to be determined by NACCAS. These procedures may include (but may not be limited to) the following areas of concern:**
 - A. **Capacity to meet financial obligations as they come due.**
 - B. **Compliance with loan and lease agreements.**
 - C. **Compliance with state requirements for posting surety bonds for student tuition refunds where institution operates instructional programs.**
 - D. **Compliance with federal and state tax requirements, and regulations of the U.S. Department of Education (if applicable).**
 - E. **Budget process and internal financial reporting.**
 - F. **If applicable, the institution's financial relationship with a holding company.**
 - G. **Personal interviews with the institution's auditor and key members of management.**

In accordance with [Section 8.18](#) (see page 112) of the NACCAS [Rules of Practice and Procedure](#) (see page 53), an institution is required to bring itself into compliance with accreditation requirements within the time frames established in the Rules.

In addition, the institution's financial statements:

- d. Do not contain a "going concern" note from the institution's auditor;**
 - e. Do not disclose that the institution is in default on any of its debt obligations.**
- ~~e. f.~~ are audited by an independent Certified Public Accountant; and
- ~~e. g.~~ are prepared on an accrual basis, and in accordance with Generally Accepted Accounting Principles (GAAP).

Amendment to Standard VII, Criterion 7

New D 7. The institution maintains evidence that institutional refunds are received by the recipient in a timely manner, such as, but not limited to, a cancelled check, bank reconciliation, signed receipt of delivery, or documentation that funds were disposed of in accordance with applicable federal or state regulations.