

AMERICAN ACADEMY FOR LIBERAL EDUCATION

Monitoring Institutions* and Programs through the *Annual Institutional Reporting Form* [AIRF] (aggregate institutional data) or other required or requested reports and/or site visits. **“Flags” for additional review, follow-up and possible action by Academy [AALE]**

For all findings below, the Academy’s staff or Board of Trustees may take any of the following actions [as well as others not outlined here but in accordance with other Academy policies] depending on the timing of any previously scheduled accreditation review:

- Require the institution to address concerns in a staff or Board requested/required report and/or visit as a result of staff review of AIRF, Periodic or Mid-term report, press reports, complaints, etc.
- Submit a request for approval of a substantive change;
- Raise concerns during the Self-Study preparation visit and require the institution to address these concerns in the Self-Study
- Request the institution to address concerns in an upcoming AIRF, Periodic or Mid-term report or Follow-Up report.

Data collected/change	Actions possible	Standards
1. Change in number of Branch Campuses, Additional Locations, and Other Instructional Sites	If the institution requests the inclusion of new sites or removal of sites which have been closed, staff will contact the institution and direct them to the Academy’s Substantive Change Policy and require the institution to submit a formal request for preliminary approval from the Academy staff or Board.	Pol and Pro Man pg. 6; S & C Institutional Standards #15
2. Change in calculated graduation rate of +/- 5% from year to year	Staff, Council or Board is to determine whether the change is reasonable or may have been misreported based on the institution’s mission, demographics, and plans. The staff may contact the institution to request explanation and to determine whether the change may reflect inability to meet relevant accreditation standards. The Academy may require follow-up as noted above.	S & C: Assessment Preface and Appendices I; AIRF
3. Calculated graduation rate is more than 20% deviation from 5-year average.	This situation is referred to the staff, Council or Board to determine whether the data are reasonable or may have been misreported. The Academy may contact the institution to request explanation and to determine whether the change may reflect inability to meet relevant accreditation standards, or may require follow-up as noted above.	S & C: Assessment Preface and Appendices I; AIRF

4. Change in enrollment is +/- 10% from year to year.	This situation is referred to the staff, Council or Board to determine whether the change is reasonable given the institution's mission, demographics, and plans. If the reason for the change is not satisfactorily explained in the AIRF the Academy may contact the institution to request explanation and to determine whether the change may reflect an inability to meet relevant accreditation standards or may require follow-up as noted above.	AIRF
5. Change in enrollment is more than 20% deviation from 5-year average.	Referred to staff, Council or Board to determine whether the data are reasonable or may have been misreported. The Academy may contact the institution to request explanation and to determine whether the change may reflect an inability to meet relevant accreditation standards or may require follow-up as noted above.	AIRF
6. The change in Total Net Assets (or Total Shareholders' Equity in the case of private for-profit institutions) is greater than plus or minus 25% from one fiscal year to the next.	Staff use a 25% change initially as a screen for data reporting errors ¹ . If it is determined that a change of more than a negative 15% has actually occurred, the file is forwarded to the Academy's specialist on Institutional Finances for reviews of the current year and prior year's financial data included within the current audited financial statement [specifically, the amount of current assets relative to current liabilities, the absolute amount of unrestricted and temporarily restricted net assets (less net investment in property, plant and equipment), and the amount of unrestricted and temporarily restricted net assets (less net investment in property, plant, and equipment) relative to total Educational and General expenditures excluding auxiliary enterprise expense]. The specialist may also review reports derived from historical data in the Academy's records/database to look at trends over more than two fiscal years for the institution's Total Net Assets, change in Total Net Assets, and the percentage change in Total Net Assets [or corresponding measures for Private For-Profit institutions]. Based on this review, the specialist makes a recommendation to the staff and Board for further action, as appropriate.	S & C Institutional Standards on Finances; AIRF
7. For a private non-profit institution, Total Net Assets is negative. For a private for-profit institution, Total Stockholders' Equity is negative.	This situation is rare, but it is always brought to the attention of Academy staff and Board, through review of submitted documents. If the situation is not already being monitored, a specialist for institutional finances reviews the current and prior year's financial data from the current audited financial statement to determine whether the institution's financial situation is deteriorating and the degree to which the situation might affect its ability to continue to meet accreditation standards. In light of this information, the staff contacts the institution to request a written explanation regarding the situation and the institution's ability to meet the listed standards and may initiate action as noted above.	S & C Institutional Standards on Finances; AIRF

8. For a private non-profit institution, the change in Total Net Assets is negative for two consecutive fiscal years. For a private for-profit institution, the change in Total Stockholders' Equity is negative for two consecutive fiscal years.	The board is notified. If the Academy is not already monitoring the situation, a specialist for institutional finances reviews the current and prior year's financial data within the current audited financial statement to determine whether the institution's financial situation is deteriorating and the degree to which the situation might affect its ability to continue to meet accreditation standards. In light of this information, the Academy staff contacts the institution to request a written explanation regarding the situation and the institution's ability to meet the listed standards and may initiate action as appropriate.	S & C Institutional Standards on Finances; AIRF
9. The change in Educational and General expenses that are reported on the annual Institutional Profile is greater than plus or minus 20% from one fiscal year to the next.	A negative 20% change is used as an initial screen for data reporting errors. If the change in Educational and General expenditures excluding Auxiliary Enterprise expense as reported on the AIRF is actually a negative 10% or more for two consecutive fiscal years, the specialist for institutional finances so informs the Academy staff. An investigation is then opened, and requests are made for further information as needed to determine the institution's ability to comply with the listed Standards. Action initiated as called for.	S & C Institutional Standards on Finances; AIRF
10. The auditor's opinion is qualified	The Board is notified when an auditor's opinion is qualified and also informed of the reasons for the negative opinion. The specialist for institutional finance reviews the audited financial statement and advises staff as to whether or not any financial alerts or switches have been tripped. Board initiates proper action according to AALE Policies and Procedures.	S & C Institutional Standards on Finances.

ⁱ AALE has set a number of % changes as a screening cut-off. Because it is using a newly established data collection system, the screening limit may be adjusted as experience dictates.

* Not all "triggers" are applicable to program accreditation, as the institution MUST be accredited by a USDOED recognized accreditor to gain recognition by the Academy, and, given the Secretary of Education's Recognition Criteria for recognized accreditors, the Academy may only verify, as appropriate, that the institution is submitting the relevant information to its Institutional (or Title IV) Accreditor.