



# THE COUNCIL OF PRIVATE COLLEGES OF AMERICA

## Candidate Level Requirements and Actions Section 3 Worksheet

Institution \_\_\_\_\_ Date Started \_\_\_\_\_

Institution Certification Coordinator \_\_\_\_\_

Phone Number \_\_\_\_\_ Email address \_\_\_\_\_

Assigned Certification Facilitator \_\_\_\_\_

### III.A. Financial Practices:

- \_\_\_ 1. Submit copies of the institution's year-end financial statements for the past three years (if the institution has IRS 501(c)3 status, copies of the IRS 990 report for the past three years, a Balance Sheet, Income Statement, Statement of Cash Flow, and Explanatory Notes.
- \_\_\_ 2. Submit a copy of the Teach-Out Commitment using the appropriate form completed and signed by the Chair of the Governing Board accepting all obligations for the fulfillment of agreements made with students.
- \_\_\_ 3. Demonstrate that there are sufficient current assets to handle a teach-out of students.
- \_\_\_ 4. Describe the budget-making process used by the institution.
- \_\_\_ 5. Document how budgets are sufficient to allow the institution to accomplish its mission and goals successfully.
- \_\_\_ 6. Describe how current assets are sufficient to meet the current liabilities.
- \_\_\_ 7. Describe what reserves are kept for honoring future service obligations, bad debts, and refunds.
- \_\_\_ 8. Explain how the accounts payable (numbers, amounts, and age) reflect sound financial responsibility and management.
- \_\_\_ 9. Describe how inventories of instructional materials for programs are adequate for current and future servicing requirements.
- \_\_\_ 10. Describe the extent and allocation of insurance coverage.
- \_\_\_ 11. Explain if there have been any significant claims made in the past 3 to 5 years.

\_\_\_ 12. For an institution with resident program(s), explain what liability coverage is available for students at resident sites.

### **III.B. Financial Management:**

\_\_\_ 1. Identify and provide the appropriate qualifications of the person(s) that demonstrate that he/she is qualified by education and experience to prepare accurate financial reports in a timely manner. Explain if these people are bonded if required by state law. List any bonding or insurance retained to insure against fraudulent conduct.

\_\_\_ 2. Describe the institution's internal audit trails and controls that are in place to ensure finances are properly managed, monitored, and protected.

\_\_\_ 3. Describe what financial policies and procedures the institution has in place to ensure that its finances and financial data are properly managed, monitored and protected, including the prevention of unauthorized access to online and on-site financial information.

### **III.C. Financial Sustainability and Stability:**

\_\_\_ 1. Describe how the institution maintains adequate administrative staff and other resources to operate effectively, including the ability to continue to operate in the event of a nature disaster and/or financial calamity.

\_\_\_ 2. Explain how the institution is not exposed to and is protected from any undue or insurmountable risk.

\_\_\_ 3. If any risk exists, describe them and explain how it is monitored, managed, and insured against.

\_\_\_ 4. Describe what safeguards are in place to prevent unauthorized access to online and on-site financial information. Explain what security systems are in place to deter theft, sabotage or other threats.

### **III.D. Financial Reporting:**

\_\_\_ 1. Describe the qualifications and experience of the institution's independent auditing firm.

\_\_\_ 2. Include copies of the auditor opinion letters that accompany the institution's financial statements.

\_\_\_ 3. Describe any deviations from GAAP principles that the independent auditor felt had to be taken in conducting the institution's audit.

\_\_\_ 4. For any challenges, anomalies or threats facing the institution and which have been identified by the independent audit firm, describe how the institution is addressing and resolving them, and include the institution's written plan.

\_\_\_ 5. The institution documents with its financial statements that it has sufficient liquid assets to provide for quality staff and faculty that characterizes a quality-focused degree-awarding institution. There are adequate funds readily available for attracting superior faculty, in-service training, a high level faculty to learner interactivity, continuous improvement of curricula and services.

### **III.E. Demonstrated Operations:**

\_\_\_ 1. Document that the institution has had at least two continuous years of experience/operation as a distance study institution under the current ownership and with the current programs. Provide evidence that the institution offers instruction predominately at a distance.

\_\_\_ 2. Describe how the institution has achieved two years of sound and ethical operation for its most recent operating period. State that the name of institution is free from any association with activity that could damage the standing of the accreditation process.

\_\_\_ 3. Describe how the institution's inventories of texts, kits, and other instructional materials are maintained, and discuss how inventory levels are kept current.

\_\_\_ 4. Describe how the institution has the allocation of resources to the advanced degree program does not detract from the other offerings of the institution.