

Related Entities Policy

(Corporate Entity, System, or Religious or other Funding Sponsor)

At some institutions, the governing board shares decision-making responsibility with one or more non-accredited related entities in areas such as finances, planning, governance, budget and approval processes, recruitment, information systems, or employee compensation. This policy is intended to ensure that accreditors receive appropriate assurances, and sufficient information and documentation, to determine whether such institutions comply with Commission standards and policies.

A related entity may be a corporate parent, system administration or board, religious sponsor, funding sponsor (which, in some cases, may include an equity or investment fund), or other entity that can affect decisions related to accreditation. Related entities may include institutional or corporate layers or groups. Ordinarily, local, county, and state legislatures, other accreditors, local advisory boards, and government agencies are not related entities.

The scope of this policy does not include contractual relationships in which the accredited entity contracts for services. These are governed by a separate Commission policy.

When an institution shares certain functions with a related entity, the institution is responsible for presenting, explaining, and evaluating all significant matters and relationships involving related entities that may affect accreditation requirements and decisions at the time of application, candidacy, review for initial accreditation, comprehensive or interim evaluation, and all other times deemed relevant by the Commission. Although a related entity may affect an institution's ongoing compliance with accreditation standards, the Commission will review and hold only the institution responsible for compliance with accreditation standards. The Commission will protect the confidential nature of all information submitted by institutions or by related entities, except as otherwise required by law.

If an institution is part of a system with shared facilities or processes (e.g. library) or centralized information (e.g. strategic plan), it may use documents prepared by the system for other institutions or for other purposes in its report to the Commission.

If information submitted by an institution on behalf of itself or a related entity, proves to be substantively different from the actual or projected institutional performance, the Commission may reconsider its action or take other action. The institution will inform the Commission, through the substantive change process, of any change in the related entity's financial status, ownership, or governance, and any other development that might significantly affect the institution.

The institution will provide certification from the related entity or entities, and other information requested by the Commission, at the time of application, candidacy, review for initial accreditation, comprehensive or interim evaluation, and all other times deemed relevant by the Commission. The Commission may ask for a guarantee or different form of certification. Failure of an institution to provide the required certification, guarantee, or other information regarding the institution or related entity, as requested by the Commission, will be addressed as provided in the Commission's policies.

The Commission may modify provisions of this policy under appropriate circumstances.