



The Career College Information Source

# 101 Ways to Stay in Compliance

*By Jan V. and Stephen B. Friedheim, Education Systems & Solutions, LLC*

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Once upon a time many years ago, the primary concern by schools was how to be the best they could be. Steve and I composed a list of “101 Ways to Make a Good School GREAT” and enjoyed sharing the ideas with many of you in the field. Many of you joined us by sharing your ideas on what makes great really GREAT.

Well, now the climate has changed; and while being a great school is still important, it is far more important to survive. To survive, the primary focus must be on compliance. So in keeping with the times, we have composed **101 Ways to Stay in Compliance** because we want all career schools to be Great and to be in Compliance, thus keeping the field strong and growing.

What this list is **not**: it is **not** a substitute for reading the regulations carefully, and the following list should not be considered “all encompassing.” Rather, this is a starting point, a guide to identify compliance areas and issues of importance to every institution.

1. Engage a third party compliance specialist to annually review all aspects of the regulations and how your institution is measuring up to the standards.
2. Employ a full-time compliance person for your campus if your

institution has more than 500 students; employ a part-time person if your campus is smaller than 500 students. If you have more than one campus, have a Compliance Director at corporate and designate someone to serve as the point person on each campus.

3. Attend all available Webinars given by APSCU, your state association and others to keep current.
4. Attend state and national conventions to stay on top of the various regulations.
5. Understand that there is a high degree of variation in how the disclosures may be presented and that the U.S. Department of Education is constantly in the process of solidifying, as well as modifying, the requirements. Utilize all resources, especially [www.ed.gov](http://www.ed.gov), for information. Additional resources include: *Clery Act*; HEOA requirements; Gainful Employment regulations; and the *Federal Student Aid Handbook* (<http://ifaped.gov/fsahandbook/attachements/0910FSAHbkVol2Ch6Information.pdf>).

**Suggestions from the National Postsecondary Education Cooperative**  
(<http://nces.ed.gov/npec>):

- 6. When publishing required documented data, select a heading for the federal mandates that will be helpful such as “Student Consumer Information” or “Graduation Rates” rather than “Student Right-to-Know Act.”
- 7. Remember the “3-click” approach and provide all the disclosure information by clicking through no more than three Web pages (starting with the institution’s home page). The fewer clicks, the better.
- 8. Use consumer-friendly labels and language on your portal pages—rather than say “Federal Disclosures,” say “Refund Policy.” In other words, call it what it is not necessarily what the government or an agency calls it. Keep it simple.
- 9. Label the timeframe of the disclosures accurately; be clear if it is a calendar year or special periods such as the beginning and end dates for graduation rate calculations.
- 10. Know the difference about where various data must be posted and where it may be posted. Below are examples of where certain items must be; however, some of them are labeled may be provided. Then it is your choice where and how to provide it. Remember, putting everything on the Web site will not work unless you can prove the prospective student, for example, went to the Web site and read the information.

**Information that must be on institution’s Web site:**

- 11. Net Price Calculator.
- 12. Textbook information to include ISBN number and cost, as well as availability, and course schedule.

- 13. Gainful employment program statistics.

**Information that must be available to the public:**

- 14. Consumer information including student activities offered by the institution.
- 15. Services offered by the institution for individuals with disabilities.
- 16. Career and placement services offered to students during and after enrollment.



**STEPHEN B. FRIEDHEIM**, former president of AICS, and first chairman of the Board of the Career College Association, has been an active participant in the career college sector since 1984. His articles about public and government relations, as well as crises management, have appeared regularly in these pages. He is offering consulting assistance with his wife, Jan, through Education Systems & Solutions. They specialize in Strategic Coaching and Brand Development.

**JAN V. FRIEDHEIM** began her work in the career college sector in 1957. In 1960 she founded Executive Secretarial School in Dallas, which later became ESS College of Business. Through the years she has been very active in many organizations, playing a key role in most of them. She was the first female chairman of both the AICS Accrediting Commission and Board of Directors; she was honored as member of the year of AICS and in 2000 was chosen as Evaluator of the Year for ACICS. She now works with Steve in offering consulting services related to accreditation, curriculum development, faculty training, and “the kitchen sink,” she says.

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17. Transfer of credit policies to other institutions and articulation agreements.
18. Teacher Preparation Program Report, if the institution has a teacher preparation program.
19. Credentialing pass rates.
20. Crime Log, which must include four additional types of crimes committed on the campus: larceny-theft, simple assault, intimidation, and property destruction, damage, or vandalism. May be housed in security office and made available upon request.
21. Fire Log, which must include fire-related injuries (injury sustained from a natural or accidental cause, while involved in fire control, attempting rescue, or escaping from the dangers of the fire). First annual fire safety report was due 10-1-2010. First report to contain full three years of data will be due October 1, 2012. Available upon request.
22. Intercollegiate athletic program participation rates and financial support data, if appropriate.
23. Preferred lender arrangements annual report.
24. Policies of the institution related to transfer of credit from other institutions.
25. Code of conduct for education loans.
26. Preferred lender arrangements (Department has not yet developed its preferred lender arrangement annual report; therefore, it is not required as of 12-2011; however, directions will be outlined by the Department and schools should be alert to this publication).
27. Contact information for assistance in obtaining institutional or financial aid information.
28. Student financial aid availability.
29. Facilities and services available to students with disabilities.
30. Facts about student body diversity to include male; female; self-identified members of a major racial or ethnic group; and Federal Pell Grant recipients.
31. Price of attendance.
32. Refund policy, requirements for withdrawal and return of Title IV, and *HEA* financial aid.
33. Transfer of credit policies and articulation agreements that include any established criteria used regarding transfer of credit and a list of articulation agreements.
34. Institutional and programmatic accreditation, approval, or licensure.
35. Copyright infringement policies and sanction (including computer use and file sharing). Policy must inform students that unauthorized distribution of copyrighted material may subject student to criminal or civil liability and summarize the penalties for violation of federal copyright law, including any disciplinary actions that may be taken against the students who engage in such activities using the institution's IT system. Institutions must have procedures for periodically reviewing the effectiveness of the plan using relevant assessment criteria.
36. Vaccinations policies.
37. Retention rate of certificate or degree-seeking, first-time, undergraduate students as reported to IPEDS.
38. Completion/graduation and transfer-out rates (including disaggregated completion/graduation rates by gender, racial

**Information that must be available to current and prospective students:**

and ethnic subgroup, Federal Pell Grant recipients, subsidized Stafford Loan recipients who received no Pell Grant, and students who received no Pell Grant or subsidized Stafford Loan).

39. Placement or employment rate. Information may be gathered from various relevant sources, must identify source of information, time frames, and methodology, and disclose all placement rates that it calculates.
40. Types of graduate and professional education in which the institution's graduates enroll, if institution has four-year degree programs. Must identify source of information, time frames, and methodology.
41. Intercollegiate athletic program participation rates and financial support data, if appropriate.

**Information that must be made available to prospective students:**

42. Job placement rates (see 38).

**Information that must be provided to current and prospective students and their families:**

43. Preferred lender arrangements.
44. Preferred lender arrangements annual report.

**Information that must be provided to current students:**

45. Availability of institutional and financial aid information.
46. Federal student financial aid penalties for drug law violations.
47. Privacy of student records policy—*Family Educational Rights and Privacy Act (FERPA)*.

48. Drug and alcohol abuse prevention programs, crime prevention programs, and sexual harassment educational programs, which should include classroom presentations and employee training on a periodic basis.

49. Annual security report or notice of security report.
50. Policies for timely warnings and emergency notifications. Security report must state policies regarding immediate emergency response and evacuation procedures including the use of electronic and cellular communication (if appropriate). Policy must describe the process used to confirm a significant emergency or dangerous situation; determine appropriate segment of campus community to receive notification; determine content of notification; and initiate notification. Policy must list title of persons responsible for execution of the plan; test emergency response and evacuation procedures at least annually and document each test; and assess or evaluate the plan and its capabilities.

51. Fire safety report or notice of fire safety report.

52. Policy for crime victims and the results of disciplinary hearings. Alleged victims of a crime of violence or non-forcible sex, upon written request, must receive the results of any disciplinary proceeding conducted against a student who is the alleged perpetrator of such a crime.

53. Voter registration forms.

**Information that must be provided to current employees:**

54. Drug and alcohol abuse prevention program.
55. Annual security report or notice of security report.

56. Policy for timely warnings and emergency notifications.

57. Fire safety report or notice of fire safety report (can be combined with security report).

58. Code of conduct for education loans.

**Information that must be provided to prospective students:**

59. Notice of security report.

60. Notice of fire safety report.

61. Notice of intercollegiate athletic program participation rates and financial support data, if appropriate.

**Information that must be provided to prospective employees:**

62. Notice of the annual security report.

63. Notice of fire safety report.

**Information that must be provided to college bookstores:**

64. Textbook information. Hard copies of course schedules must include a notice that textbook information is available on the Internet.

**Information that must be provided to borrowers or prospective borrowers of education loans:**

65. State grant assistance.

66. Student loan information published by U.S. Department of Education.

67. National Student Loan Data System Web site.

68. Entrance counseling for student borrowers.

69. Exit counseling for student borrowers.

70. Private education loan disclosures (including self-certification form).

**Key elements of misrepresentation compliance:**

71. Understand that “any statement that has the likelihood or tendency to deceive or confuse” and “any communication made in writing, visually, orally, or through other means” can be determined to be a misrepresentation.

72. Understand that institutional liability for misrepresentation extends to acts by a “representative” of the college and by parties under an agreement “to provide educational programs, marketing, advertising, recruiting, or admissions services.”

73. Know that misrepresentation can be made to include “any member of the public.”

74. Know the four existing categories of misrepresentation are: 1) description of educational programs, 2) financial charges, 3) employability of graduates, and 4) declaring a supportive relationship with the U.S. Department of Education.

75. Increase monitoring efforts on advertising and marketing, as well as admissions.

76. Complete a comprehensive review of catalogs, Web sites, marketing materials, and fact sheets.

77. Train staff on correct program information and on prohibited statements and conduct.

78. Review procedures with third-party vendors regarding permitted and prohibited statements; get confirmation of desired involvement in writing.

79. Reinforce ethical environment (codes of conduct, encourage reporting of violations, engaging hotlines for complaints/concerns).

80. Conduct external reviews, mystery shopping, and take prompt review of complaints.

**Elements of credit-hour requirements:**

81. Review credit-hour assignments for all educational programs.
82. Examine outside preparation and equivalencies, where applicable.
83. Develop policies and procedures for credit-hour assignment.
84. Develop systems to review the administration of such policies and procedures.
85. Monitor accreditor's policies and procedures and its reviews of the institution.

**Elements of gainful employment requirements:**

86. Review the institution's loan repayment rate (LRR). At least 35 percent of former students must be repaying their loans.
87. Calculate the debt-to-earnings ratio (DTE) for each program. Actual earnings: Median annual loan payment for the program does not exceed 12 percent of the average graduate's total annual earnings. Or the median annual loan payment for graduates does not exceed 30 percent of the average graduate's annual discretionary income.
88. Examine the potential risk program-by-program of meeting the required gainful employment standard.
89. Take steps now to identify operational changes that can yield a solution such as enhancing a program for greater earnings, teaching out programs that cannot meet the standards, or determining the institutional strategy to ensure compliance.

**Consideration of a risk management plan:**

90. Ensure the institution's risk management program is based on the new rules and regulations.
91. Identify the risks that are unacceptable and control those activities closely.

92. Stay informed of the changes in laws and regulations.
93. Reduce overall exposure for your organization by policies and procedures designed to mitigate the risk.
94. Train employees on the policies and procedures, so they understand what they need to do to mitigate the risks.
95. Monitor compliance to make sure the employees are following the policies and procedures.
96. Assess the feedback from the monitoring to revise policies and procedures and retrain employees.
97. Understand that compliance is a never-ending, cyclical process of creating it, training to it, monitoring it, and improving it.

**Other compliance entities with specific compliance requirements:**

98. Accrediting agencies.
99. Licensing boards.
100. Certification boards.
101. State agencies.
102. Local workforce development boards.
103. Institution's goal: To serve students to the best of your institution's ability—this can only be accomplished by keeping all the regulators satisfied that your institution meets the standards, whatever they are and however they change.

Please note that the contents of this article are not intended to be, nor do they constitute, legal or regulatory advice. Readers are encouraged to consult with their legal or regulatory counsel before making decisions or taking action concerning the issues addressed in this article.