

February 16, 2018

Dr. Donna Loraine
President
Carrington College
8909 Folsom Blvd
Sacramento, CA 95826

Dear President Loraine:

This letter confirms that Carrington College is scheduled for its next comprehensive Peer Review Team visit on **Monday, March 4-Thursday, March 7, 2019**. The College will be evaluated against the Eligibility Requirements, Accreditation Standards, and Commission policies (collectively, the Standards).

As your College staff has learned during Institutional Self-Evaluation Report (ISER) training, the accrediting process will focus attention on evidence that the institution's policies and practices align with Commission Standards. The documentary evidence provided to the visiting peer review team should be organized so that it is easily accessible and available in the digital report provided to the team. You will provide this information to the team members on USB Flash drives before they arrive on campus.

To support your preparation, the Commission developed a guide for peer review team members to use for Standard III.D, **Financial Resources**. A copy of the Required Evidentiary Documents for Financial Review is enclosed. The peer review team may also ask for additional documentation or information from the College during the visit.

Peer review teams are also required to examine the quality of educational programs and student support services provided at off-campus sites. U.S. Department of Education regulations require all off-campus sites that offer 50% or more of a program, degree, or certificate to be reviewed by the team. You will want to anticipate this requirement as you establish the visit schedule with the team. The ACCJC *Manual for Institutional Self Evaluation* contains more information regarding how to prepare for the site visit.

Teams must also have appropriate access to courses, programs and student support services provided through electronic media, i.e. distance or correspondence education. The team will review them before the date scheduled for the campus visit. Please make sure you arrange for electronic access to these programs and services.

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I anticipate your accreditation visit will provide both a rewarding validation of Carrington College's strengths and helpful recommendations for continuous quality improvement.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Winn", with a long horizontal flourish extending to the right.

Richard Winn, Ed.D.
President

RW/tl

cc: Dr. Danika Bowen, Provost/Vice President and Accreditation Liaison Officer

Enclosure

**Required Evidentiary Documents for Financial Review
Supplemental Guidelines for Standard III.D for PRIVATE INSTITUTIONS**

ACCREDITATION QUESTIONS	EVIDENCE
Has the college received an unmodified opinion? Has the college received any qualified or adverse opinions or disclaimer of opinions in audit reports in the last 3 years from district, state or federal programs? Has an audit report included an emphasis-of-matter or other-matter paragraph?	Annual Certified Audit Reports (last 3 years)
Has the college implemented all audit recommendations? Have there been the same recommendations for more than one year? What is the auditor response to the management actions taken?	Management response to auditor's findings and recommendations (last 3 years)
What is the institution's unrestricted fund balance and reserves and how has it changed over the last three years?	Annual Audited Financial Statements, Statement of Stockholders' Equity, Stockholders Equity Notes to Financial Statements, Amount of Retained Earnings
Does the College maintain a minimum 5% unrestricted reserve of cash or cash equivalent?	Audit Report
Does the college have long term debt financing?	Annual Audited Financial Statements, Notes to Financial Statements dealing with Long-Term Debt
Does the institution have an obligation for post retirement health benefits (OPEB)? If they do, have they done the actuarial study and identified the liability? Is there a plan for funding it?	Annual Audited Financial Statements, Notes to Financial Statements dealing with Commitments and Contingencies and/or Employee Benefit Plan
Does the institution have limits on accrual of unused vacation time? Compensatory time? Is the institution enforcing its policy on limits?	Review Annual Audited Financial Statements and inquire about accrued liabilities, review Accounting Policies and Commitments and Contingencies Notes to Financial Statements. Review company's employee handbook to ascertain vacation/Paid Time Off.
Is the fiscal entity self insured for health benefits, workers compensation, and unemployment? How are reserve levels set?	Review Employee Benefit Plan. Inquire of management if company is self insured or if Parent Corporation provides self insurance. Review Commitments and Contingencies. Notes to Audited Financial Statements.

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Supplemental Guidelines for Standard III.D for PRIVATE INSTITUTIONS**

ACCREDITATION QUESTIONS	EVIDENCE
Does this fiscal entity have obligations for future total compensation expenditures driven by collective bargaining agreements or other agreements (corporate buy outs, management/employee agreements, etc.?) If so, what are they? Of what significance are they? What is the plan for funding these future obligations?	Inquire of management and obtain written acknowledgment from management as to the existence of any employment agreements or collective bargaining agreements with unions or other organizations. If so, obtain copies and review for future obligations and determine funding plans as necessary or required.
Does the institution and the foundation have an agreement/contract on the role of the foundation? Does it require that the foundation have an audit?	Generally there are no foundations involved with private companies. Inquiries should be made as to the ownership and funding arrangements with the parent corporation, if any. In addition, inquiry should be made as to arrangements for debt financing. Financial structures within private organizations often incorporate a combination of debt and equity sources of operating capital.
Does the college have policies and procedures regarding purchasing? Are they being followed?	A review of purchasing procedures should be conducted. There could be a purchasing procedures manual that should be reviewed; there should be an accounting procedures manual and, if a purchase order system is being used, a procedural review should be conducted.
Will additional buildings be opened in the next 2-3 years? Is there a plan to fund staff, utilities and operating expenses associated with additional facilities coming online within the next 2-3 years?	A review should be conducted of the current and coming year's capital expenditure budget. In addition, a review of the coming year's financial and operating plan should be conducted. Depending on the time of year the review is being conducted, a comparison of budget to actual revenue and expense should be performed. This review can be a leading indicator of the viability of plans for the future.
Is there evidence that the institution monitors student financial aid obligations such as student loan default rates and compliance with federal regulations?	Annual Financial Report, Financial Aid Compliance Reports

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Supplemental Guidelines for Standard III.D for PRIVATE INSTITUTIONS**

ACCREDITATION QUESTIONS	EVIDENCE
Is there evidence that the institution monitors and complies with the 90/10 rule?	Budget documents, audit reports

Edited: February 2, 2015

