

ADDENDUM TO DOCUMENT 27 - GUIDELINES FOR FILING FINANCIAL REPORTS (ALTERNATIVE FINANCIAL REPORTING)

The object of financial reporting is to ensure that the institution has adequate financial resources to meet its obligations to deliver agreed upon and represented services to its students and consumers. Requirements for financial reporting should balance the reporting burdens with the need for accurate and complete information. ACCET recognizes that past performance, length of time required to deliver services and programs, financial reporting requirements and oversight of the institution by other entities, the cost of reporting compared to alternatives that offer even greater protection to the student or consumer, and availability of third-party financial assurances should be considered in seeking the balance between burden on the institution and protection of the student and consumer.

The ACCET Accrediting Commission may grant exceptional financial reporting to an ACCET accredited institution when that institution (the franchisee/licensee) stands in the position of a licensed independent contractor with another ACCET accredited institution (the franchiser/licensor) and the following conditions are met:

- The Franchiser/Licensor has been continuously accredited for at least 10 years by ACCET.
- The Franchiser/Licensor has a consistent record that demonstrates compliance with all of the ACCET Standards for Accreditation.
- The Franchiser/Licensor has not been on financial review for the past 5 years.
- The Franchiser/Licensor has in the past consistently demonstrated its willingness to assure the protection of the students and consumers of its Franchisee/Licensees.
- The Franchiser/Licensor has given ACCET written assurances that it will continue to protect the students and consumers of its Franchisee/Licensees from loss of prepaid tuition.
- Students or consumers of a Franchisee's/Licensee's services have not suffered loss of prepaid tuition through closure of the Franchisee/Licensee.
- The accredited services provided by the Franchisee/Licensee do not require more than four months to deliver.
- The accredited services provided by the Franchisee/Licensee are considered avocational by ACCET.
- The Franchisee/Licensee is not required by another agency to provide financial statements.
- Greater protection is provided to the students and consumers of the Franchisee/Licensee by the exceptional reporting.

The written assurance of the Franchiser/Licensor may be for an indefinite period, but shall be for a period at least equal to the fiscal year of the Franchiser/Licensor. If the written assurance is for an indefinite period, the Franchiser/Licensor may withdraw it by giving notice to ACCET and to the Franchisee/Licensee. The notice to withdraw shall be in writing and delivered in a manner that provides proof of delivery. The written assurance shall then continue in full force for a period of four months following receipt of the notice by ACCET.

An eligible institution seeking an exception to the reporting requirements must file a written request with ACCET showing that the above conditions are met, stating in detail the reporting that it asks for permission to provide. Permission for exceptional reporting may be withdrawn by the Commission at anytime it finds that any of the above conditions have ceased to exist and may then require the effected institution to provide such documentation as it deems appropriate to the circumstances. Institution's seeking initial accreditation must submit the prior two (2) years of financial statements, per ACCET Document 27, with their application. Institutions seeking reaccreditation that have been approved to participate in the Alternative Financial Reporting plan must submit financial statements that are internally generated, compiled, reviewed, or audited in accordance with Document 27 for the two most recently completed fiscal years. The financial statements must be signed by the CEO or CFO attesting to the accuracy of the information and that they fairly reflect the financial condition of the institution.

**ANNUAL AFFIDAVIT OF AN INSTITUTION FILING UNDER
ALTERNATIVE FINANCIAL REPORTING**

Instructions for Completing the Affidavit

This affidavit must be signed before a notary public and submitted to ACCET within 45 days following the close of the institution's fiscal year. Execution by the various legal entities shall be as follows:

- Privately held corporations and limited liability companies: The president or chief executive officer must sign the affidavit.
- Limited partnerships: The managing general partner must sign the affidavit.
- General partnerships: The managing general partner must sign the affidavit, if such exists, otherwise a general partner.
- Sole proprietorships: The owner must sign the affidavit.

If there are not exceptions to the statements, write "none" in the blank space following each statement. If exceptions exist, write "see attached explanation" in the blank space following the statement to which exceptions exist, and attach a full explanation of the exceptions. By its attachment, the explanation becomes a part of the certificate.

Material misrepresentations contained in this certificate, including attached explanations, may result in withdrawal of the institution's accreditation.

AFFIDAVIT

State of _____ County of _____
Comes now _____ being of legal age and
duly sworn or affirmed, and states the following:

1. This affidavit is made on behalf of _____ and I have authority from the institution to make the representations contained in this affidavit. The period covered by this affidavit is from _____ to _____ (fiscal year).
2. I state that the institution has been and is current in all payments of federal and state payroll taxes, FICA payments, and income taxes, and that all required W-2 and 1099 forms were issued and filed, except _____.
3. I state that all salaries due exempt, non-exempt, and contract employees were timely paid, except _____.

4. I state that all tuition refunds due students were made on a timely basis, except _____.
5. I state that all licenses, approvals, and bonds required by governmental authorities are in force, except _____.
6. I state that the institution is in compliance with workers' compensation laws in all states in which the institution operates, except _____.
7. I state that the institution is current in all rent and loan payments, except _____.
8. I state that the institution has in force adequate fire, casualty, and liability insurance on accredited locations, except _____.
9. I state that there are no lawsuits pending against the institution and that there are no administrative actions pending against the institution by any local, state, or federal regulatory body, except _____.
10. I state that the institution has not been the subject of audits, or investigations by any local, state, or federal regulatory body that resulted in findings reflecting on the institution's ethical integrity or affecting the institution's financial stability, except _____.
11. I state that for the period covered, the institution has maintained continuous financial good standing with Dale Carnegie & Associates, Inc., except _____.

Name of Institution

ACCET ID

Typed Name and Title of Person Signing

Signature