

MEMORANDUM OF UNDERSTANDING

BETWEEN

ALABAMA COMMISSION ON HIGHER EDUCATION (ACHE)

AS

ALABAMA STATE PORTAL ENTITY

AND

(_____)

NAME OF INSTITUTION

This Memorandum of Understanding (MOU) is entered into by the aforementioned parties to facilitate membership in the interstate distance education compact known as the State Authorization Reciprocity Agreements (SARA), which is coordinated through the National Council for State Authorization Reciprocity Agreements (NC-SARA). Membership in SARA establishes recognition of comparable standards in the interstate delivery of postsecondary distance education courses and programs.

Purpose of MOU: This MOU is provided in compliance with the Code of Alabama Section 16-67-1 "Reciprocity committee and fund" (Code Of Alabama), which established the Alabama State Reciprocity Committee (SRC) and provides for offering and receiving distance education (delivery) within any reciprocity exchange as determined and agreed by the Governor or the Alabama Commission on Higher Education (ACHE) to ensure the following:

1. Identity of the institutions and ACHE (the Parties) and their roles and responsibilities;
2. Provide a process to review and to act upon complaints concerning the institution(s) and enforcement within the limits of agreement and/or applicable state law(s); and
3. Support consistent consumer protection in interstate distance delivery of postsecondary education.

Responsibilities of the ACHE serving as the designated "State Portal Entity" (SPE):

1. Establish a website contact point to allow institutions to download membership materials and general information, and students enrolled in distance education to file complaints.
2. Receive and review complaints from out-of-state distance education students against a member institution related to a) postsecondary licensure, b) consumer protection, and c) educational services (quality) provided by member institutions.
 - a) Postsecondary licensure is defined for the purposes of operating as a member of SARA and under the guidelines requiring accreditation recognition, authorization and recognition by the state (portal), and having met all requirements of membership.

b) Consumer protection complaints are identified as the protection of the consumer against false advertising, sale, or distribution of merchandise or services through a deceptive means. SARA student complaints that are resolved in favor of a student because of a deceptive practice at a SARA institution in Alabama will be forwarded to the Alabama Attorney General's office for disposition, and the findings will be forwarded to the Attorney General's office.

c) Educational Services (Quality) as defined under this agreement pertains to an institution's courses and programs provided at an appropriate level to a certificate or degree.

- i The faculty and staff meet appropriate training and degree levels to offer said courses and programs including all student services.
- ii In all, "Interregional Guidelines for the Evaluation of Distance Education" established by the Council of Regional Accrediting Commissions (C-RAC) are to be applied.
- iii Professional licensure and certification in Alabama are subject to all applicable law and Code. Any Institution offering programs that require licensure and/or state certification to practice in any state or territory must meet state law or Code to practice in said state (enrollee's state of residence or a state that the student plans to move to). Notification of the requirements must be provided the student.

3. Follow the established process for handling student complaints against a member institution:

- a) A written complaint by the student must be filed with the portal (SPE) on any alleged violation of postsecondary licensure, consumer protection, or educational services (quality) that falls within the parameters of the enrollment agreement. The complaint form is available on the ACHE website ([StudentComp.pdf](#)).
- b) In all complaints, the affected parties will be notified as to the nature of the complaint, process to be followed, the possibility of an onsite review, and release of the findings.
- c) A formal complaint file will be maintained by the SPE creating a record of all pertinent information related to the complaint, the review, and the outcome (findings) for the permanent record. A final determination notice will be provided to all involved parties and as applicable to SARA for any action that may be required.
- d) Typically, the decision regarding a student complaint made by the SPE is the final determination. However, a complaint may be submitted to the Alabama State Reciprocity Committee and after that the SARA Regional Compact, if the complainant has evidence the SPE acted outside SARA Rules and Procedures in its review and decision making.

4. Preserve all records/materials handled by the SPE in electronic formats (under state protection and preservation guidelines) and protect said records from any catastrophic event, which includes archives, off-site server protection, and state electronic protection.

5. Comply with SARA and State regulations around surety bonds

A surety bond is required to provide protection for the enrolled student in case of financial loss due to closure or catastrophic loss of the institution. This bond is to protect only out-of-state students enrolled under the SARA program. The signature or stamp/seal of the bond company must be included on the surety bond form and submitted with the complete MOU to the portal. The signature must be an officer/director authorized under the bond company's authority to operate and to enter into said agreements. A private non-profit or for-profit may become eligible to participate in the SARA, if the institution has been authorized under Title IV and has a financial liability composite score of 1.5 or higher as reflected in the annual audit. All applications are considered on a case-by-case basis.

If required as part of the membership application process, evidence/certification of a surety bond that is in force to protect all eligible third-party participants under the SARA membership agreements. The surety bond is apart and above the institution's requirement to have a formal plan to deal with any catastrophic and/or closures during the term of the agreements under §602.24(c) of federal requirements. The surety bond requirement will be enforced to ensure that a non-public institution participating in SARA is financially stable. Each identified institution will be reviewed annually to determine its continuing eligibility to participate in SARA. Institutions with three consecutive years below 1.5 and/or below 1.0 are not eligible to participate in NC-SARA.

Alabama requires a surety bond to operate within the state that is associated with licensure through the Alabama Community College System. Proof of the surety bond is sufficient to meet eligibility under SARA providing all other requirements have been met. Surety bonds set by the Alabama Community College System are \$50,000 for degree granting institutions. Nondegree institutions do not qualify for SARA.

6. Review and process institutional applications for SARA Membership in accordance with applicable Alabama law and regulations:

a) Full Membership:

All public and private degree-granting institutions in Alabama that are accredited and meet SARA's requirements for membership (SEE "Section 3.1" of the "[SARA Policy Manual 24.1](#)": [SARA Policy Manual 24.1. blackline 06.26.24 0.pdf](#)) are eligible to join SARA. Existing members that abide by all requirements and are in good-standing are eligible for renewal. Initial and renewal application requirements and deliverables are identified on ACHE's website: [Alabama Commission on Higher Education \(ache.edu\)](#)

b) Provisional Membership

Institutions applying for initial or renewal membership that do not qualify for full membership status may be considered for provisional status. Any institution that has a circumstance identified in section "3.2, a." of the "[SARA Policy Manual, Version 24.1](#)" ([SARA Policy Manual 24.1. blackline 06.26.24 0.pdf](#)) may be considered for provisional member status on a case-by-case basis. The SPE reserves the right to request additional documentation to make an informed decision. Within thirty days (30) of receipt of a written

request and additional documentation if requested, the SPE will render a decision in writing to the institution and the State Reciprocity Committee. Institutions denied membership may appeal to the State Reciprocity Committee. The Committee will make its decision and respond in writing within thirty days of receipt of a written request. If approved by either the SPE or the Committee, the SPE will notify SREB and SARA of the institution's status.

c) Membership Denial:

Institutions that are denied membership may appeal in writing to the State Reciprocity Committee. Appeals are sent to ACHE, and ACHE will forward them to the Committee. A decision will be rendered within 30 days of receipt.

Appeals should be sent to the following address:

ATTN: Executive Director
Alabama Commission on Higher Education
P.O. Box 302000
Montgomery, AL 36130-200

d) Memorandum of Understanding:

For the purpose of joining the SARA, the State of Alabama Memorandum of Understanding must be completed and submitted with all appropriate documents.

7. Collect and process state membership fees

Two payments of annual fees are required for participation in SARA. One fee is paid to the State Portal Entity/SPE (ACHE-ASPA), while the other fee is paid directly to NC-SARA. Fees are submitted with the application packet along with all appropriate documentation.

NC-SARA and State Annual Fees are based upon Institutional Full Time Enrollment (FTE) which is determined by established IPEDS records.

1. State Portal Entity (SPE): Portal Fees are paid to the Alabama Commission on Higher Education by submission of an institutional or corporate check (warrants).

Make the check out to: **State of Alabama (ACHE-ASPA)**

Warrants (checks) should be mailed to the applicable address:

UPS or FedEx:

Alabama Commission on Higher Education
 100 North Union Street, Suite 782
 Montgomery, AL 36104-3758

Standard US Mail:

Alabama Commission on Higher Education
 P.O. Box 302000
 Montgomery, AL 36130-2000

SPE Fee Structure:

| Institutional Enrollment (FTE)..... | Annual Fee* |
|-------------------------------------|-------------|
| Under 2,500..... | \$2,200 |
| 2,500 - 9,999..... | \$4,400 |
| 10,000 – 29,999..... | \$6,600 |
| 30,000 or more..... | \$8,800 |

2. NC-SARA Fees: Payment of fees are made directly to NC-SARA. Upon state level approval, the NC-SARA System will email the Primary Institution Contact with their institution specific registration and payment URL (FYI – the same URL will be used for NC-SARA renewal payments).

NC-SARA Fee Structure:

| Institutional Enrollment (FTE)..... | Annual Fee** |
|-------------------------------------|--------------|
| Under 2,500..... | \$2,200 |
| 2,500 - 9,999..... | \$4,400 |
| 10,000 – 29,999..... | \$6,600 |
| 30,000 or more..... | \$8,800 |

* As of January 1, 2025, the SPE fees mirror the national fees. The SPE fees may be revised as needed in accordance with SARA compliance.

**NC-SARA may revise fees as needed.

ACHE-SPE-SARA Contact Information:

Mr. Ron Leonard, State Portal Entity Contact
Alabama Commission on Higher Education
100 North Union Street
Montgomery, Alabama 36104-3758
Telephone: 334-242-2211
Email: ron.leonard@ache.edu

INSTITUTIONAL RESPONSIBILITIES:

With this application and aligned with SARA, the limits of this agreement apply solely to distance education activity conducted across state lines. It does not apply to inside the state or on-grounds distance education activities. Membership in SARA or distance education activities promoted or handled by SPE have no effect on state professional licensing requirements. A formal notification by the institution to the student indicating that the SARA programs/courses meet or do not meet the student's state professional certification/licensure requirements as part of the enrollment process is required. Failure to do so by the institution invalidate SARA eligibility of any course or program offered without said notice.

It is highly recommended that all institutions applying for NC-SARA participation review the SARA Policy Manual ([SARA Policy Manual 24-2 Blackline 12-16-24.pdf](#)), prior to application.

I (the) undersigned representing _____ (institution) are hereby authorized to enter into this Memorandum of Understanding and Agreement to participate in SARA through collaboration with the Alabama Commission on Higher Education, the SPE for purposes of providing distance education activities to non-Alabama residents. In meeting the requirements of SARA and having submitted all fees and application materials request formal membership.

Authorizing Institutional Official Signature

Date of Application

Print Name

Print Title

Institution Name and Location

Enrollment (FTE)

Accrediting Agency Name

Last Accreditation Date

Name of Contact Person, if not authorizing official

Phone

Address

Email

ACHE/Portal (SPE)

Coordinator, Alabama SPE

Date

A copy of the completed MOU will be returned to the institution for its records.