

SUGGESTED EXAMPLE

MINIMUM DISCLOSURE



ABC School of Business

**Statement of Educational Conditions
AS OF 31 JULY [OR OTHER] 20X0, 20X1
AND PROSPECTIVE PERIOD**

and

Management Report of the Directors

and

Application Checklist and Affirmation

ABC School of Business
Statement of Educational Conditions¹
As of September 30, 2011



Directors/Trustees' Responsibility Statement

The directors/trustees are responsible for the preparation of the Statement of Educational Condition including the financial statements in accordance with the AASBI's Generally Accepted Educational Standard on Auditing.

The directors confirm to the best of their knowledge that:

- (a) the Statement of Educational Conditions submitted herein present fairly, in all material respects, (or *give a true and fair view of*) the educational conditions of ABC School of Business as at July 31, 20X1, and (of) its results of operation, including financial performance, for the year then ended in accordance with Generally Accepted Education Principles promulgated by the Association of Accredited Schools of Business International [formerly Asian Association of Schools of Business International];
- (b) the management report of the Directors presents fairly (or *gives a true and fair view*) of the important events that have occurred during the period and their impact on the Statement of Educational Conditions including the financial statements for the period ended July 31, 20X1.

On behalf of the Board

Ernest Goodwill

Director/Trustee

Date: XY September 20X1

¹ The names of the persons mentioned in this example of a Statement of Educational Conditions, institutions and countries are fictitious.

Historical information

ABC School of Business (“the School”) is an educational unit within the ABC State University of XYZland. The University has been in existence for 10 years. School has been in existence for 5 academic years.

Human Rights

XYZland is a States Party to the United Nations Declaration of Human Rights and adheres to the rights enumerated, except that the freedom of expression may be a sensitive matter when political issues are addressed in public, including the form of government, the judicial system, and labor movements.

Autonomy

ABC State University is an autonomous university, pursuant to State law....., subject to periodic licensing by the Ministry of Education of XYZland according to public law and regulations.

License

The said ministerial license was first granted on September 1, 20XX and presently current, to be renewed on or before July 30, 20XY.

Accreditation

ABC University of XYZland has been accredited on July 1, 20XX for an initial period of 5 years by [fictitious example} EXQUISITE (The Excellence of Quality Institutional Inquiry and Testing Entity). The School of Business is included in the EXQUISITE accreditation under standards applicable to the University as a whole. The School is not accredited by a special business school, or master’s of business administration, accreditation service. No application(s) have been made, approved or declined, other than the present application.

Facilities Available to the School of Business

Name of building	Net book value (in thousand of USD)	Class rooms	Average seating capacity per class room	Computer with overhead projector (Y/N)	Condition (Excellent, adequate, in need of repair)
Alpha	7,000	10	30	10 Y	adequate
Beta	12,000	12	50	10 Y	excellent
Cesar	6,000	12	30	12 Y	adequate
Domo	6,000	12	30	6 Y, 4 N	in repair

[Note: Applicants with a substantial number of physical facilities that are in need of repair should submit their application for accreditation after the repairs have been made.]

The School of Business is located a treed park of about 2½ acres with flower beds, bushes, walkways, 20 sitting benches, and a fenced tennis/basketball court. The park is lit during times of darkness and attended by one security guard, who is equipped

with a radio to call in support, and a plastic club. All security personnel are trained in medical first aid and are required to take refresher courses at least every three years. The School has access to an infirmary with the standard first-aid equipment including a supply of oxygen, staffed by one nurse during all times of teaching including evenings and weekends. The nurse is trained in first aid. The infirmary has a direct telephone line to call the city ambulance and fire department for assistance.

There has been one incident in the academic year 20XX, when the School of Business lost one of its professors who had experienced a heart attack while in his office. The city's ambulance arrived late. The School has since contracted with a private ambulance service to lower the risk to students, staff and faculty in medial emergencies.

The U.S. Geological Service has ranked the earthquake threat level for AAA City, in which the entire teaching facility of the School is located, as a Level 4 (the highest level assigned). The School's physical facilities are constructed using reinforced concrete, and have been retrofitted in the year 20XX at a cost of \$2 million, providing reasonable protection against loss of life, according to two recent independent earthquake engineering studies commissioned by the School in the year 20XY.

Overall, according to the studies referred to above, management's information and belief, the appearance and design, construction and maintenance, space, equipment, in particular from an aspect of safety, the School's facilities compare favorably with those of other schools, colleges and universities in the region and beyond.

Student Admission

For the student intake of first-year undergraduates for the present academic year , x,xxx students applied, of whom y,yyy have been accepted, of whom zzz students registered; xyz are in attendance. [Note: state all intakes by department, if applicable, separated by undergraduate, graduate, doctoral and visiting exchange students] The School of Business is looking to admit students you can benefit from, and contribute to, an educational experience with lasting, transformative effects, with a high level of curiosity, strong analytical thinking, and personal motivation to acquire knowledge and understanding. The School attempts to achieve a certain degree of national diversity, representing a wide range of interests and backgrounds. The application process is need-blind without regard to the prospective student's financial ability. Financial aid is provided to the best of the School's funding ability. Admission is competitive based on

- SAT scores (average total xxx out of max. 2400) for the undergraduate intake 20XZ academic year;
- GMAT socres (average of yyy out of max. 800) for graduate intake;
- High school grade point average (GPA) for undergraduates [state details, if available];
- Letters of reference from teachers and professors based on subjective values [state requirement, if any];
- Intake Examinations with an average score of xxx (max. zzz);
- Other criteria [Note: delineate what they are, why they are used, to what extent, and with what effect or result].

Curriculum

School of Business’s undergraduate and graduate curriculums are divided into two complementary parts. The core curriculum is taught in the first year of study and provides a common foundation of fundamental knowledge including all disciplines, namely accounting, finance, IT and organization, management and marketing, as well as communication. The elective curriculum in the following semesters provides both depth and specialization but also cross-registration, accompanied by field-based learning through case studies and internships. Details of the School’s curriculums for each program offered is attached and marked Exhibit “A”.

Departmental Information : List of courses, faculty, student enrollment, and financing

Financial information projected based on approved budget(s) for the current academic year in thousands of US dollars.

	Number of courses offered	Faculty members	Student enrolment	Tuition revenue	Direct costs	Contribution margin
Accounting	25	11	140	\$ 3,500	\$ 2,800	\$ 700
Finance	...	10	120	3,000	2,400	600
IT	...	...	40	1,000	1,200	(200)
Management	...	...	...	2,000	1,600	400
Marketing	...	...	...	3,500	2,900	600
Total		...	...	\$13,000	\$10,900	\$2,100

Department of Accounting

Chairperson: Anatole L. Pacioli
 BSc (IT) University of Luxelles; MBA (accounting),
 DC Tech, DBA (accounting) Arkansas State; CA (HKG).

Full-time faculty:)
 Visiting faculty:) [Provide listing in the above format]
 Adjunct faculty:)

Accounting courses and programs offered during the current academic year:

<p><u>Undergraduate accounting courses:</u></p> <p>Financial Accounting I Financial Accounting II Intermediate Accounting I Intermediate Accounting II Advanced Accounting Management Accounting Management Accounting Prospective Financial Statements Internal Auditing External Auditing Taxation in XYZland</p>	<p><u>Graduate accounting courses:</u></p> <p>Financial Accounting for Managers Managerial Accounting Strategic Control Systems Strategic Management Accounting Oil & Gas Accounting Advanced Accounting Selected Topics in Accounting Master's Thesis</p>
<p><u>Professional accounting programs:</u></p> <p>Becker CPA Review Course in preparation of the AICPA's Uniform CPA Examination.</p> <p>Certified Controller Review Course in preparation of the IICPA's CC Competency Examination.</p>	<p><u>Doctoral accounting courses:</u></p> <p>Development and Implementation of Accounting Principles and Standards; Development of External and Internal Auditing Standards; Principles of Prospective Financial Reporting; Issues of Convergence of IFRS and US-GAAP; Financial Reporting During the Global Financial Crisis; Doctoral Dissertation</p>

Summary of Teaching Faculty's Credentials and 'Teaching Effectiveness'

The identities of individual faculty members have been encoded. The names and supporting documentation are protected under the privacy laws of XYZland, made available to the accreditation auditor under conditions of confidentiality.

Faculty ID Code	Highest academic degrees in the field	Number and type of intellectual contributions per year (A) academic (P) professional	Professional degrees relevant to the teaching responsibility	Graduate courses relating to the teaching responsibility	Teaching & Professional experience at managerial level including consulting	Teaching effectiveness based on student survey (5.0 max.)
AB2211	MA	1 P	CPA, CMA	12 courses	8 years	4.1
AC2222	PhD	1 A	-	10 courses	0 years	2.9
AD1114	DBA	2 P		11 courses	3 years	3.8
AE1112	DBA, JD	0		8 courses	25 years	4.5
CA2111	PhD	3 A	CA	15 courses	22 years	4.8
DA1112	MA	1 A	RIA	10 courses	2 years	3.7
EZ0099	DBA	1 (A) , 1 (P)	CIA	12 courses	1 year	4.0
...						
...						
...						

[Provide a listing according to the format and content for the Department of Accounting above for the other departments of the School:]

Department of Finance
Department of Information Technology
Department of Management
Department of Marketing

Faculty Development

The School of Business maintains a policy to encourage (and does monitor) continued academic and/or professional development of members of the faculty including adjuncts supervised by the Vice President of Academic Affairs, as further described in the School's Code of Practice and Conduct. All full-time faculty are entitled to the attendance of seminars provided arrangements can be made to cover their absences without disruption of teaching obligations, continued professional education (CPE) as required by their relevant membership of professional institutes and organizations, and to have their direct expenses reimbursed. In the past academic year, fifteen (15) faculty members attended seminars with aggregate allowed absence of 105 work days. Ten (10) faculty members completed their CPE. The aggregate reimbursed faculty expenses for faculty development for prior academic year came to \$75,000. One faculty member has been reminded to renew a relevant professional license. Although the School does not impose sanctions for failure to comply with relevant professional license renewal, the Dean will make an entry in the faculty member's personnel record, which is taken into consideration by the Vice President of Academic Affairs at the annual performance review, and for purposes of salary adjustment, promotion or demotion.

Faculty Teaching Loads

School's Code of Practice and Conduct requires full-time faculty to teach three courses per semester, or six courses during the academic year. One over-load course is permitted as of right, a second over-load course is permitted in one semester provided it is taken as a reduction in course load from the subsequent semester, if the faculty member is teaching (if not teaching there is no consequence). Five faculty members are teaching one course overload, and one faculty member is teaching two course overloads in the current semester.

Faculty Leisure

The School's Code of Practice and Conduct requires full-time faculty to be in attendance on three teaching days, not including Sundays, for an aggregate number of 24 hours during a week. Attendance records submitted by faculty on a self-reporting basis indicate an average attendance of 32 hours per week during the past semester. A letter from the Faculty Association requests that hours of attendance in excess of the

required 24 hours should be remunerated by the School of Business, if justified by committee and other work performed at the Dean's request. The VP Academic Affairs has made a recommendation to the School's Executive Committee who are expected to make a decision after hearing the VP Finance and the President on the issue. Present indications are, that the Faculty Association's request is seen as reasonable, and that the School financial budget can bear the expenditure.

Faculty Association

The School's Faculty Association faculty was constituted in the year 20XX, is open to, and consists of, nearly all of the School's full-time and adjunct faculty members, and is represented by an elected board consisting of a president, a vice president, and three members, all of whom are members of the faculty. The Association and Board meet in private. Officers of the Schools, including Deans, may attend on invitation only but are never present during times of discussions and voting, and discourages the taking of notice of any information that is not officially rendered by the Board of the Faculty Association. The membership has adopted a resolution in support of the present application for accreditation. A true copy of the resolution attached and marked as Appendix C, "Resolution of the Faculty Association of ABC School of Business in Support of the Application for AASBI Accreditation" dated August 20, 200XX. To promote the independence and impartiality of its Board, the Faculty Association is self-funded, the members and the Board are not held in any particular regard, and any dealings with them are at arm's-length.

Financial Statements

[Note: The School of Business should disclose financial information according to the following format and captions to the extent applicable, for the current as budgeted, the previous and one prior to the previous fiscal years. Adapted and expanded as to budgeted amounts from Harvard Business School's Annual Report 2007 at <http://www.hbs.edu/about/annualreport/2007/financialstatements.html> Retrieved 2011-02-25]

SAMPLE 'Statement of Educational Conditions'

Consolidated Statement of Actual and Forecast [Budgeted] Activity and Cash Flows

For the fiscal years ended [eg, July 30]

In thousand [or in millions]. See disclaimer below the tabulations, disclaiming application of accounting principles.

	Prior to Previous 20XX	Previous 20YY	Forecast 20ZZ
Revenues			
Tuition and fees			
Undergraduate	...	...	...
Graduate	...	...	...
Doctoral	...	...	...
Executive education	_____	_____	_____
Total tuition and fees	...	...	...
Publishing [if material]	...	...	...
Endowment distribution	...	...	...
Unrestricted use of gifts	...	...	...
Housing, rents, and other	...	...	...
Interest income	_____	_____	_____
Total receipts	_____	_____	_____
Expenses			
Salaries and benefits	...	...	...
Publishing and printing	...	...	...
Space and occupancy	...	...	...
Supplies and equipment	...	...	...
Professional services	...	...	...
Fellowships	...	...	...
University assessments	...	...	...
Debt service	...	...	...
Other expense	_____	_____	_____
Total expenses	_____	_____	_____
Cash from operations	...	...	...
Use of endowment gifts of appreciation	_____	_____	_____
Cash before capital activities	_____	_____	_____
Capital expenses	...	...	...
Use of gifts for capital projects	_____	_____	_____
Net capital expenses	_____	_____	_____
Net borrowing (investments)	...	...	...
Debt principal payments	...	...	...
Other activity	_____	_____	_____
Net debt and other	_____	_____	_____
	Prior to Previous: 20XX (continued)	Previous: 20YY (continued)	Forecast: 20ZZ (continued)
Change in unrestricted reserves	...	...	...
Beginning balance, unrestricted reserves	_____	_____	_____
Ending balance, unrestricted reserves	_____	_____	_____

SAMPLE 'Statement of Educational Conditions'

Consolidated Actual and Budgeted Balance Sheet

For the fiscal years ended [eg, July 30]

In thousand [or in millions]

	Prior to Previous 20XX	Previous 20YY	Forecast 20ZZ
Assets			
Cash
Unrestricted reserves
Receivables, loans, and other assets
Invested funds			
Endowment investments
Current fund investments
Interest in trust held by others
Facilities, net of accumulated depreciation	_____	_____	_____
Total assets	_____	_____	_____
Liabilities			
Deposits, advances, and other
Deferred revenue
Other debt owed
Building debt	_____	_____	_____
Total liabilities	_____	_____	_____
Composition of net assets			
Unrestricted reserves
Undistributed income and other
Pledge balances
Student loan funds
Investment in facilities
Endowment and other invested funds	_____	_____	_____
Total assets net of liabilities	_____	_____	_____

Disclaimer: This statement presents a managerial view of ABC School of Business's operations focused primarily on cash available for use. It is not intended to present the financial results in accordance with generally or international accepted accounting principles or standards. A presentation in accordance with GAAP would report higher operating revenues for gifts and endowment distribution and would include depreciation expense, yielding income from operations of xxx thousand [or million] in fiscal [state the year]. Cash flows, however, would be equivalent under [state the accounting principle applied in the computation].

**Notes to the Statement of Educational Conditions
and Consolidated Financial Statements**

Include information on

- Educational policies and practices
- Explanations of items
- Significant accounting polices
- Etc.

[Note: Required disclosure should be presented on the face of the Statement of Educational Condition, and the Consolidated Financial Statements, rather than the notes.]

[signed]

President or designated
or designated person

[signed]

Vice President for Academic Affairs
or designated person

Attachment

Management Report of the Directors

Please report significant achievements, setbacks and/or developments over the past three years, contingencies, and future outlook relating to students, faculty and staff, finance, licensing (disregard ranking, popularity contents, etc.).

[signed]

Director/Trustee

On behalf of the Board of Directors/Trustees

Please enclose hardcopies of the official catalogues for the past three years or more.

AASBI ASSOCIATION OF ACCREDITED SCHOOLS OF BUSINESS INTERNATIONAL
Formerly Asian Association of Schools of Business International

APPLICATION CHECKLIST and AFFIRMATIONS

PLEASE FILL IN BY HAND IN CAPITAL LETTERS, IN THE ENGLISH LANGUAGE, CHECK THE "YES" OR "NO" BOXES, DATE AND SIGN. AND SUBMIT TO (1) AASBI AND TO (2) THE ACCREDITATION AUDITOR TOGETHER WITH THE APPLYING SCHOOL'S (OR COLLEGE'S OR DEPARTMENT'S) *STATEMENT OF EDUCATIONAL CONDITIONS AND DIRECTORS' REPORT*.

NOTE: THE AASBI BOARD'S ACCREDITATION DECISION (INCLUDING RENEWAL(S) IS/ARE DISCRETIONARY WITHOUT RECOURSE, BASED ON THE ALL AVAILABLE INFORMATION, FACTS AND SURROUNDING CIRCUMSTANCES IN THE APPLICANT'S EFFORTS TO COMPLY WITH AASBI'S *GENERALLY ACCEPTED EDUCATION PRINCIPLES* (GAEP).

Line A	Name of the legal entity applying:		
Line B	Name of the operating entity applying, if different:		
Line C	Main physical location and address:		
Line D	Contact person:	Telephone number:	Email address:
Line E	Additional contact person(s), if any :		
1	GAEP Statement 1 The Applicant is a degree-granting institution (eg, associate and bachelor, master, or higher	Yes	No
2	GAEP Statement 2 The Applicant's jurisdiction is a States Party to the United Nations Universal Declaration of Human Rights (UDHR), and respects and protects the human rights in particular of movement, thought, conscience, religion and expression.	Yes	No
2-1	If Applicant's affirmation is "no", describe in key words below the reasons for your information and belief, in particular as they relate to former or present faculty, staff and students detained for "political offences" in the widest sense, and prospect of release from detention (attach a separate sheet, if more space is needed).		
3	GAEP Statement 3 The Applicant's practices and policies affirm the UDHR.	Yes	No
4	GAEP Statement 4 The Applicant provides equal opportunity to all (faculty, staff and students) based on merit without discrimination on the basis of unchangeable personal characteristics including nationality, religion and sexual orientation.	Yes	No
4-1	If Applicant's affirmation is "no", describe in key words below the Applicant's reasons (attach a separate sheet, if more space is needed).		
5	GAEP Statement 5 The Applicant's teaching location(s) is/are accessible and safe, with a bookstore and library (or adequate internet access), recreational facilities or a park, cafeteria or restaurant access on campus or close-by, as well as medical facilities for emergencies.	Yes	No
6	The Applicant has been in existence for a period of four academic years or more, graduated at least one cohort, and is expected to continue to exist (as a "going	Yes	No

SAMPLE ‘Statement of Educational Conditions’

	concern”) until the end of the accreditation period (which is normally two full academic years, in some cases three)		
7	GAEP Statement 7 The school (college or department) is autonomous and distinguished from any and all other units of the larger educational entity, if any; subject to governmental regulation only as required by law.	Yes	No
7-1	If Applicant’s affirmation is “no”, describe in key words below (attach a separate sheet, if more space is needed)		
8	GAEP Statement 8: The teaching facilities are sufficiently spacious with teaching aids including overhead projectors and the like, computer labs, student access to physical or digital books, recreational facilities, park and/or sitting areas, medical emergency facility(ies), in a geographical area relatively free natural disasters or adequate protection eg by designed or retrofitted construction(s), and is not in a war zone or zone of continuous military conflict.	Yes	No
9	GAEP Statement 9: The Applicant’s curriculum focuses on general management and business administration and related fields.	Yes	No
10	GAEP Statement 10: The Applicant provides professional certification programs at the School by members of the faculty or qualified outside professionals, including but not limited to accounting programs preparing students for the uniform examinations for the certified public accountant, chartered accountant and/or certified controller or certified management accountant, or chartered financial analyst..	Yes	No
11	GAEP Statement 11: The Applicant accepts students on the basis of their demonstrated preparation, academic and/or Professional curiosity, who, the Applicant believe, will benefit from the education offered within a set time frame to become contributing members of society.	Yes	No
12	GAEP Statement 12: The Applicant is making continuous efforts in measuring teaching effectiveness, eg by way of measuring learning outcomes.	Yes	No
13	GAEP Statement 13: The Applicant’s teaching faculty are academically and/or professionally qualified within the meaning of GASP Statement 13, and as outlined in detail in the Applicant’s accompanying <i>Statement of Educational Conditions</i> .	Yes	No
14	GAEP Statement 14: The Applicant allows faculty members sufficient time for personal activities including research, CPE and seminars and/or consulting activities insider or outside the business schools, or college, or department. The faculty members’ teaching load does not exceed six (6) semester courses per academic years; and does not exceed eight (8) semester course per academic year if co-teaching.	Yes	No
15	GAEP Statement 15: The Applicant allows faculty members adequate time for leisure, seminars and other extra-curricular activities.	Yes	No
15-1	Re GAEP Statement 15: The Applicant attaches a written statement from the School’s Faculty Association, addressing GAEP Statement 15.	Yes	No
16	GAEP Statement 16: The Applicant encourages and monitors its faculty members’ including adjuncts’ CPE (Continued Professional Development) including but not limited to publication requirements.	Yes	No
17	GAEP Statement 17: AASBI does not distinguish between full-time and adjunct (in particular, if professionally qualified and active) faculty. The Applicant is not required to affirm on this checklist.		
18	GAEP Statement 18: The Applicant should and does maintain an independent Faculty Association for the purpose of amicable resolutions, or, if deemed necessary as a last resort, collective action.	Yes	No
19	GAEP Statement 19: The Applicant has an adheres to an accepted code of conduct for all members of the School including faculty, staff and students.	Yes	No
20	GAEP Statement 20:		

SAMPLE 'Statement of Educational Conditions'

	The AASBI place no value on the School's general reputation. The Applicant is not expected to affirm on this checklist.		
21	GAEP Statement 21: The Applicant has access to sufficient liquid funds to cover one semester of the aggregate of staff and faculty salaries and facility maintenance.	Yes	No
22	GAEP Statement 22: The Applicant is aware of its discretion to withdraw from accreditation at any state, and at any time with reasons in order to assist the AASBI, or without reasons.	Yes	No
23	GAEP Statement 23: The Applicant acknowledges that Director(s) of AASBI is obligated to request an accredited School to withdraw from accreditation under the circumstances further described in GAEP Statement 23.	Yes	No
24	GAEP Statement 24: The Applicant acknowledges and specifically waives any right(s) to recourse in the courts of competent jurisdiction or any other panel, as further described in GAEP Statement 24.	Yes	No
25	GAEP Statement 25: The Applicant acknowledges its right and obligation to appoint one of its teaching faculty as a liaison and member of the AASBI's informal steering committee during the entire period of accreditation including renewal(s).	Yes	No
26	GAEP Statement 26: The Applicant undertakes to reimburse the AASBI for any reasonable outlays incurred for this application including travel and accommodation for site visit and other expenses.	Yes	No

I affirm on behalf of the Applicant that the information provided above is true and correct.

DATED at _____, on this _____ day of _____ 20____.

Authorized signature(s)

Signed

Name in capital letters: _____

[Seal]

Title or function: _____

Signed

Name in capital letters: _____

[Seal]

Title or function: _____