AFCSB INTERNATIONAL
POLICY ON SUBSTANTIVE CHANGES RELATIVE TO AACSB ACCREDITATION

Introduction: Defining Substantive Change Events

The stated mission of a business school or accounting program is the foundation of an AACSB review. Substantive changes that affect mission and supporting strategic directions along with subsequent effects on programs, participants, and/or resources are of vital interest to AACSB, given the potential to impact quality and alignment with AACSB standards. Therefore, in an effort to assess the impact the substantive change has on accreditation, as well as to provide schools with expert consultative guidance on these circumstances, changes meeting the criteria below must be reported to AACSB early in the planning process for anticipated events, or within 90 days after the occurrence of an unanticipated event.

Examples of anticipated and unanticipated substantive changes are shown below. Please note this list is not intended to be exhaustive. Any questions regarding what is or what is not a substantive change should be addressed to AACSB accreditation staff.

Anticipated Substantive Changes:
- Reorganization of the business school or accounting program that has a material impact on mission, programs, resources, etc.;
- Merger or acquisition among institutions where one or more of the participants is AACSB-accredited or is formally in the process of seeking AACSB accreditation;
- Launching a program at a new degree level (e.g., school historically offering undergraduate and master’s programs plans to offer a doctoral degree);
- Other significant anticipated changes that affect mission, resources, participants or educational quality.

Unanticipated Substantive Changes:
- Natural disaster;
- Financial exigency;
- Other significant unanticipated changes that affect mission, resources, participants and/or educational quality.

Changes that result from normal continuous improvement processes and strategic management decisions (e.g., initiation of new degree programs at the same degree level, revisions in curricula of existing programs, internal reorganization of the business school/accounting program not having a major effect on mission, programs, or resources, etc.) are not normally considered to be substantive changes. These actions are addressed through the normal initial accreditation or continuous improvement review processes. For such changes, there are no unique reporting requirements beyond the processes outlined in the Initial Accreditation Handbook or the Continuous Improvement Review Handbook.

Key Assumptions

The following key assumptions apply:

- AACSB International accreditation cannot be “acquired” as part of a subsequent event that involves a merger or acquisition and can only be conveyed to a surviving institution resulting from such events following appropriate self-assessment and AACSB peer review processes and ratification by the AACSB Board of Directors.

- AACSB assumes that an institution that has experienced a substantive change described in this document wants to earn or maintain AACSB accreditation. If the institution does not wish to earn or maintain AACSB accreditation as a result of a substantive change, the senior administration (e.g. president, chief academic officer, and dean) of the institution should notify AACSB in writing as soon as possible.
Substantive Change Process for Institutions in the Initial Accreditation Stage

If an institution is formally approved to be in the initial accreditation stage of AACSB accreditation and experiences a substantive change, the institution must provide written notification of the change to the appropriate committee (Initial Accreditation Committee (IAC@aacsb.edu) or the Accounting Accreditation Committee (AAC@aacsb.edu). Unanticipated substantive changes should be disclosed no later than 90 days following occurrence or knowledge of the event. Anticipated substantive changes must be disclosed prior to the event occurring. Early discussions with AACSB accreditation staff are encouraged.

The formal written notification should provide the following information:

- A brief description of the substantive change and an assessment of the continuing commitment of the institution to the business and/or accounting programs affected by the substantive change;
- The revised organizational and administrative structure that emerges from the substantive change;
- Narrative describing how the change is expected to impact the school’s alignment with AACSB standards, including impact on mission, participants, and/or quality of educational outcomes.

AACSB will provide consultative guidance to the school in the form of a decision letter, and will also determine the next course of action which may include:

1. Continue with the current accreditation process with additional reporting on the substantive change;
2. Discontinue the accreditation process for a minimum of one year, and request the school reapply for accreditation due to the significant level of change that has occurred as a result of the substantive change.

Substantive Change Process for Institutions that Currently Hold Business/Accounting Accreditation

An institution that holds AACSB business/accounting accreditation and experiences a substantive change must provide written notification of the change to the Continuous Improvement Review Committee (CIRC@aacsb.edu) and, if appropriate, the Accounting Accreditation Committee (AAC@aacsb.edu). Unanticipated substantive changes must be disclosed no later than 90 days following occurrence of the event. Anticipated substantive changes must be disclosed prior to the occurrence of the event. Early discussions with AACSB accreditation staff are encouraged.

The formal written notification should provide the following information:

- A brief description of the substantive change and an assessment of the continuing commitment of the institution to the business and/or accounting programs affected by the substantive change;
- The revised organizational and administrative structure that emerges from the substantive change;
- Narrative describing how the change is expected to impact the school’s alignment with AACSB standards, including impact on mission, participants, and/or quality of educational outcomes.

AACSB will provide consultative guidance to the school in the form of a decision letter, which the school will be expected to address as part of its next Continuous Improvement Review. Additionally, the committee will determine the next course of action which may include:

1. The next accreditation review may be accelerated. In such a case, the committee will notify the institution of the revised visit schedule.
2. The committee may request a full self-evaluation report from the institution prepared on a standard-by-standard basis or on selected standards to determine the impact of the substantive change on the business school and/or accounting program and its ability to align with AACSB standards.

Approved by the Business Accreditation Policy Committee on (March 20, 2018).