Article V : ESTABLISHMENT OF PRIVATE HIGHER EDUCATION INSTITUTIONS

Section 20. Incorporation of Private Higher Education Institutions; Limitations. - All private higher education institutions shall be established and incorporate as a non-stock or as a stock educational corporation in accordance with the Corporation Code of the Philippines and the Education Act of 1982 (B.P. Blg. 232) as amended by Republic Act No. 7798. Ownership is vested solely upon citizens of the Philippines or to corporations or associations at least sixty percent (60%) of their capital is owned by such citizens, except those schools established or to be established by religious groups and mission boards pursuant to the Constitution and special laws. Provided, that the minimum paid-up capital for stock higher education institutions shall not be less than Five Million Pesos (PhP 5,000,000.00), except existing higher education institutions organized as stock corporations, which may retain their original capitalization.

In any event that there is a change in ownership of the institution, it shall be the duty of the Board of Trustees/ Regents/Governing Board of the private higher education institution to disclose such change in writing, within thirty (30) days, to the Commission and the members of the academic community.

Sec. 21. Articles of Incorporation and By-Laws. - In accordance with the Corporation Code, the Securities and Exchange Commission shall accept, approve and register the articles of incorporation and by-laws of a private higher education institution only upon the favorable recommendation of the Commission.

Any group of persons desiring to open or establish a higher education institution must first secure the permission of the Commission by filing a petition setting forth the following:

1. The name and location of the institution or college;
2. The names and addresses of all officers, directors, governing boards and faculties;
3. Date of the organization and the intended operation;
4. The total amount of money actually invested and other information relative to the financial condition of the institution or college;
5. A description of the buildings occupied or to be occupied by the institution or college, with full details regarding the number and dimensions of rooms, plumbing and sanitary arrangements, and facilities for the proper lighting and ventilation;
6. A list of required teachers, and assistants, showing their academic degrees, profession, experience and qualifications, and the subjects to be taught by each;
7. Complete information concerning the curriculum to be established, with full details regarding the amount of instruction to be given on each subject.
8. Full information relative to laboratories, equipment and libraries; and
9. All other details and data that the Commission may require for the purpose of passing upon the application.

The Commission shall issue a favorable recommendation for the registration of the institution with the Securities and Exchange Commission upon substantial compliance of the foregoing requirements. However,
the favorable recommendation shall not be construed as an authority to operate a higher education institution or a permit to conduct higher education programs.

An educational institution offering basic education or post-secondary education courses may also amend its articles of incorporation and by-laws to offer degree programs upon favorable recommendation of the Commission.

No higher education institution shall call itself or be called as a University or University System unless all the requirements for such status shall have been complied with. The status of a university or university system may only be granted in accordance with policies and rules of the Commission.

Sec. 22. Establishment of a Foreign Higher Education Institution. - The establishment and operation of a foreign higher education institution shall be governed by applicable provisions of the Philippine Constitution, laws, and the policies and rules of the Commission. Unless otherwise provided by the Constitution, law, or this Manual, the same terms and conditions or requirements governing the grant of government authority to operate degree programs provided in this Manual, shall likewise be invariably and equally applicable to any foreign institution that may operate any degree program directly or indirectly, in the Philippines.

No higher education institution shall be established exclusively for aliens, and no group of aliens shall comprise more than one-third of the enrolment of any school except for institutions established for foreign diplomatic personnel and their dependents and, unless otherwise provided for by law, for other foreign temporary residents.

Sec. 23. Establishment of a Branch and Simple Transfer of Institutional Site or Location. - Except for higher education institution expressly exempted under this Manual, the establishment of a branch shall require the prior approval of the Commission, where it is located in a separate city or municipality from the main campus. However, the privilege of establishing a branch within the same city or municipality without need for prior approval shall not be applicable in the National Capital Region and its component cities and municipalities.

A school facility shall be considered a branch where (1) a separate site and attendant educational facilities such as building and classrooms specifically for the institution have been established, (2) the branch is offering higher education programs which may also be offered in the main school, and (3) the programs offered in the branch are not restricted to a special clientele such as employees of a company, but are open to the qualified general public.

The institution may, at its discretion, apply as a separate higher education institution rather than as a branch. As such, the applicant must comply with the requirements for the establishment of a new school.

A higher education institution which desires to transfer its institutional site or location shall not be required to apply for a new Government Permit or Recognition provided that: (1) the new site/location is better than the previous location (2) no new program shall be offered without government authority immediately after the transfer (3) all the minimum requirements are maintained subject to verification by the Commission and (4) the Commission is duly informed before the transfer.
Sec. 24. Establishment of Extension Classes. - A school facility shall be considered an extension class where it possesses the characteristics of a school branch as above provided, except that (1) administrative and support facilities mentioned are not available at the site but merely the classrooms; (2) enrolment in an extension class is restricted to a special clientele, and not available to the general public; and (3) such extension classes are temporary in nature.

The offering of extension classes under a recognized degree program shall require prior approval of the Commission, and after full compliance with the requirements, as follows:

1. Proof of Level II Accreditation of the degree program; and
2. Proof of compliance with the policies and rules of the Commission on extension classes.

Sec. 25. Dissolution. - The provisions of the Corporation code of the Philippines on dissolution of corporations shall govern, as far as applicable, the dissolution, liquidation, and distribution of assets of a higher education institution.

Article VI : INSTITUTIONAL FACILITIES

Section 26. Institutional Sites and Buildings. - The school site of every private higher education institutions must be suitable and adequate for its activities. The institution should own the site. If not owned, there should be a definite and feasible program for ownership thereof within a reasonable period, or reasonable and adequate provisions for continued use by the school through a long-term lease or usufruct of at least ten (10) years.

In the selection of a prospective school site, consideration should be given, among others, to such factors as total floor area required for occupancy at any one time, traffic situation in the vicinity, a reasonable distance from other schools already existing, and location and distance from distracting establishments such as cockpits, dancing halls, bars or recreational places of questionable character, bowling alleys, movie house, markets, garbage dumps, funeral parlors, jails, cemeteries and others.

School buildings shall be designed and constructed in conformity with the provisions of the Building Code. As much as possible, the school buildings:

1. Shall be so situated that they are sufficiently far from all fire hazards and that instruction and study can be conducted without undue interference from neighbors and passing traffic, and so arranged that activities going on in classrooms, study rooms, laboratories, or the library do not interfere with each other;
2. Shall be adequately planned and constructed that in case of fire, typhoon, earthquake, etc., all students can evacuate the building promptly and safely;
3. Shall be equipped with fire escapes, fire extinguishers, and other safety devices;
4. Shall have enough lavatories for both sexes which shall, at all times, be kept clean;
5. Shall be adequately lighted and ventilated;
6. Shall contain sufficient space, furniture and fixtures for the general needs of the administrative staff, faculty and students;
7. Shall not be used for private residence or in any way that might directly or indirectly interfere with school operations;
8. Shall have an easily accessible and well-furnished, well-equipped library, as well as administrative offices and faculty rooms;
9. Shall have adequately outfitted laboratories and equipment for the science courses;
10. Shall have a sufficient area for student personnel services;
11. Shall have allotted specific areas for home economics and other vocational courses;
12. Shall be adequately planned that classrooms and laboratories open on to a corridor; and
13. Shall, if a multi-storey building, have at least two staircases with a minimum width of two meters, subject to government regulations. Ramps shall be provided for students with special needs as required by the BP Blg. 344 otherwise known as the "Accessibility Law".

All higher education institutions, are also required to provide for adequate auditoriums, lecture rooms and gymnasiums, and are further required to be sufficiently equipped to give adequate instruction to the public.

In addition, the following are required for school sites and buildings:

1. **For Safety**

   To ensure the safety of students while in the premises, all higher education institutions are enjoined strictly to observe and follow the applicable provisions of Presidential Decree (PD) No. 1185, otherwise known as the "Fire Code" and PD No. 1059, otherwise known as the "National Building Code".

   The Regional Offices are authorized to evaluate and monitor compliance by institutions to the said Presidential Decrees, and to report in writing any violations thereof to the Commission.

   Any higher education institution found guilty, after due process, for violations of any provisions of the aforementioned laws, shall be dealt with accordingly, which may include the revocation of permits and/or authority to operate and/or offer courses.

2. **For Sanitation, Waste Disposal and Environmental Hygiene**

   In the interest of public health and safety, particularly of students, faculty and non-teaching personnel, all higher education institutions are required to conduct appropriate and effective measures to ensure that all campus facilities and premises are properly maintained according to sanitation and hygiene standards as prescribed by the Code of Sanitation of the Philippines and other pertinent laws.

   All higher education institutions are also enjoined to: (1) coordinate closely with local and national government agencies responsible for sanitation and waste disposal; (2) inspect and undertake remedial measures where necessary, potable water supply and distribution systems located in campus; and (3) institute appropriate preventive and responsive measures to combat the development and spread of communicable diseases on campus.

   To prevent and address outbreak of water and food-borne diseases in campuses, all higher education institutions are further required to conduct the following activities as part of student services:

   a. Monitoring and assurance of potable water supply;
   b. Maintenance of cleanliness and sanitation of school surroundings, including comfort rooms and canteens;
   c. Health and sanitation clearances of food handlers;
   d. Sanitary preparations and serving of foods and beverages;
   e. Proper refrigeration of foods;
   f. Appropriate equipping and supply stocking of school clinics; and
   g. Conduct of public awareness campaigns, with emphasis on preventions.

**Sec. 27. Library Standards.** - Every higher education institution shall maintain library or libraries for each degree program with adequate collections and materials in accordance with the policies and standards prescribed by the Commission for each degree program. The library collection shall include the following:

1. Basic collection of well-selected relevant books and non-print materials to support the core needs of the general education curricula; and
2. Such additional specialized collections, periodicals, electronic materials, on-line data bases, internet access and other multi-media resources, not violative of the Intellectual Property Code, as may be necessary to
meet the requirements of the various courses of study and major programs offered by each institution.

3. In view of the advent of new institutions may establish and provide for an e-library. The presence and availability of this facility may be considered as substantial compliance in lieu of books and other required printed materials. Provided however, that the required minimum collection of professional books in particular degree program shall still be maintained.

Additionally, the library:

1. Shall vary in extent and nature with the kind of courses offered and the size of the enrollment;
2. Shall have separate library book collections and materials by educational level, if applicable, and provisions of reading rooms;
3. Shall be adequate in quality and quantity, including the currency of its collection;
4. Shall be helpful in serving the needs of scholarship and research; and
5. Shall be administered by a professional librarian with library assistant when necessary.

**Sec. 28. Library Development Program.** - Every higher education institution shall adopt a continuing and innovative acquisition and development program for its library, as well as the improvement of facilities and resources.

**Sec. 29. Textbook Selection Criteria.** - Every higher education institution shall use textbooks that are suitable for the degree programs offered, of fairly recent edition, up-to-date in methods of presentation and content, not violative of the Intellectual Property Code, and preferably written by Filipino authors.

**Sec. 30. Change in Textbooks.** - Every higher education institution shall have the right to prescribe its textbooks and instructional materials.

**Article VII : INTERNAL ORGANIZATION: ADMINISTRATORS**

**Section 31. Governing Board** - Every private higher education institution shall have a governing board that shall exercise general supervision, have exclusive control and direction of all funds, prescribe policies, make rules and regulations and establish practices that are not inconsistent with law and the policies and rules of the Commission.

A private higher education institution organized as a non-stock corporation shall have a Board of Trustees composed of not less than five (5) nor more than fifteen (15) members, provided, that the total number of trustees shall be multiples of five (5), unless otherwise provided for by law.

For an institution organized as Stock Corporation, the provisions of the Corporation Code shall govern the number and term of the Board of Directors.

The control and administration of higher education institutions shall be vested in citizens of the Philippines except those established by religious groups or foreign mission boards. Every member of the Board of Trustees or Directors of a private higher education institution shall possess at least a bachelor’s degree.

**Section 32. Qualifications of the Head.** - Every private higher education institution shall have a head who may be President, Rector or Director and shall be the chief executive officer responsible for the efficient and effective administration of the institution towards the realization of its goals and objectives.

The head must (1) be a Filipino citizen, except for institutions established by religious groups or foreign mission boards, (2) possess at least a master’s degree or a professional license requiring at least a bachelor’s degree; (3) have managerial competence or have a background of demonstrated service and competence in his previous field of endeavor, and (4) be of good moral character.

**Section 33. Qualifications and Functions of the Dean.** - The dean for undergraduate degree programs
shall hold at least a masters degree and, where applicable, a professional license requiring at least a bachelor's degree. However, in specific fields where there is dearth of holders of Master's degree, a holder of a professional license requiring at least a bachelor's degree may be qualified. The dean for graduate degree programs must hold an appropriate doctoral degree and has published research works.

A dean must have at least five (5) years of satisfactory teaching experience an at least two (2) years of satisfactory managerial experience. He shall assist the school head in the attainment of institutional goals and objectives, and shall perform the functions and responsibilities as may be expressly and legitimately prescribed by the school.

The general functions and responsibilities of a dean usually include the following:

1. To assist the school head in all matters affecting the general policies of the entire institution;  
2. To provide academic leadership in his/her college or unit; and  
3. To provide overall administrative supervision over all activities in his/her college or unit.

Among the specific duties and responsibilities of a dean are the following:

1. To recommend, through channels, the curriculum and program of study to be adopted for approval by the Commission;  
2. To recommend the appointment, promotion, or separation of faculty members in his/her college or unit;  
3. To recommend subject assignment of faculty members in his/her college or unit;  
4. To help formulate educational policies in his college, and to issue necessary rules and regulations for their effective implementation;  
5. To institute a definite program of supervision to raise the efficiency of instruction;  
6. To supervise all the curricular and co-curricular activities of all departments under his charge in collaboration with other officials concerned.  
7. To enforce the institution's policies, rules and regulations on admission and registration of students, transfer of credits, subject loads, subject sequence and subject pre-requisites, scholarship, residence, promotion, and others; and  
8. To approve the list of candidates for graduation of the college or department.

A dean may perform such other functions and responsibilities that are inherent to the position.

Section 34. Qualifications and Functions of the Registrar. - The registrar shall hold a bachelor's degree and have at least three (3) years of training or experience in the servicing and maintenance of student academic records and related school work.

The Registrar shall be responsible for the school records of students, and shall perform the functions and responsibilities that the institution may expressly and legitimately require. Unless otherwise indicated by the school, the Registrar shall be the institution’s principal liaison with the Commission.

Every private higher education institution shall preserve and maintain the integrity and confidentiality of its student records. The Registrar shall issue student records in accordance with law and this Manual.

Article VIII : INTERNAL ORGANIZATION: ACADEMIC AND NON-ACADEMIC
PERSONNEL

Section 35. Minimum Faculty Qualifications. - The minimum qualifications of a faculty in a higher education institution shall be as follows:

1. For undergraduate programs:
   a. Holder of a master's degree; to teach mainly in his major field and where applicable, a holder of appropriate professional license requiring at least a bachelor's degree for the professional courses. However, in specific fields where there is dearth of holders of Master's degree, a holder of a professional license requiring at least a bachelor's degree may be qualified to teach. Any deviation from this requirement will be subject to regulation by the Commission.
   b. For Physical Education: A holder of a degree in Bachelor of Science in Physical Education, or Bachelor of Science in Education, with major or minor in physical education, or, any other bachelor's degree with certificate in physical education.
   c. For Music Education: A holder of a degree in Bachelor of Music, or Bachelor of Science, with major or minor in music, or any other bachelor's degree with certificate in music.

2. For graduate programs:
   a. For the master's program: There shall be at least one (1) full-time faculty who holds a doctoral degree, and at least three (3) full-time faculty who are master's degree holders in the discipline.
   b. For professional master's program: A holder of at least a professional master's degree. Faculty complement required in specific fields shall be defined in the policies and standards set by the Commission specific to the field.
   c. For the doctoral program: There shall be at least three (3) full-time faculty members who are doctoral degree holders, and who have published research works in refereed journal(s) in the discipline.
   d. For professional doctoral program: A holder of a professional doctoral degree. Faculty complement required shall be define in the policies and standards set by the Commission specific to the field.

Section 36. Full-time and Part-time Faculty. - As a general rule, all private higher education institutions shall employ full-time faculty or academic personnel consistent with the levels of instruction.

A full-time faculty or academic personnel is one who meets all the following requirements:

1. Who possesses at least the minimum academic qualifications prescribed under this Manual for all academic personnel;
2. Who is paid monthly or hourly, based on the regular teaching loads as provided for in the policies, rules and standards of the Commission and the institution;
3. Who devotes not less than eight (8) hours of work a day to the school;
4. Who have no other remunerative occupation elsewhere requiring regular hours of work, except when permitted by the higher education institution; and
5. Who is not teaching full-time in any other higher education institution.

All faculty or academic personnel who do not meet the foregoing qualifications are considered part-time.

Except when permitted by the higher education institution, all faculty or academic personnel who are at the same time holding positions in the government, whether appointive or elective, shall also be considered part-time.

Section 37. Full-time Faculty Complement. - In every higher education institution, at least fifty percent (50%) of the courses in the Liberal Arts and Education courses of study shall be taught by full-time academic personnel. This requirement, although desirable, does not apply for the professional courses of study requiring licensure examination or where full-time expertise is not available.

Section 38. Faculty Classification and Ranking. - Academic teaching positions shall be classified in accordance with academic qualifications, training and scholarship preferably into Professor, Associate Professor, Assistant Professor, and Instructor, without prejudice to a more simplified or expanded system of faculty ranking,
at the option of the institution.

An academic teaching personnel, who does not fall under any of the classes or ranks indicated in the preceding paragraph shall be classified preferably as professorial lecturer, guest lecturer, or any other similar academic designation on the basis of his qualifications.

Section 39. The Other Institution Officials, Academic Support and Non-Academic Personnel. - The officers, including academic personnel, who are occupying supervisory positions involved in the implementation of the policies of the institution, are classified as other institution officials.

Those who perform certain prescribed academic functions directly supportive of teaching, such as registrars, librarians, guidance councilors, researchers, and others performing similar functions including institution officials responsible for academic matters and affairs shall be considered academic support personnel.

The non-academic personnel of an institution shall comprise the rank-and-file employees of the institution engaged in the administrative functions and maintenance of the institution, but are not classified under the foregoing paragraphs.

Article IX : UNIVERSITY STATUS

Section 40. Policy. - University status, being a distinctive honor, is reserved only for truly deserving higher education institutions that have proven their excellence in the areas of instruction, research and outreach.

Section 41. Standard Requirements. - The Commission, after an evaluation of the application, may grant a university status to a higher education institution that has complied with the requirements as follows:

1. Degree Programs.: The higher education institution currently operates recognized degree programs as follows:
   a. A four-year program in Liberal Arts;
   b. A four-year program in the Basic Sciences/Mathematics;
   c. A four-year program in the social Sciences;
   d. At least three (3) other active and duly recognized professional program that require special studies towards a specific competence and a license to practice;
   e. At least two (2) graduate level programs leading to a doctoral degree.

2. Accreditation. The higher education institution must have Level III accreditation or its equivalent for at least two (2) of the undergraduate programs, one (1) in the Arts and one (1) in the Sciences, and Level III or its equivalent for any one (1) of its graduate programs.

3. Instruction. The higher education institution must exhibit a continuing quest for excellence in instruction through the quality of its educational program, outstanding achievements of its students, and above national average performance in majority of the programs offered requiring government examinations.

4. Research. The higher education institution must maintain a track record of at least three years of high research standards as evidenced by a research program funded by an adequate budgetary allocation and manned by qualified faculty. The results of these researches must be published in refereed journals.

5. Outreach Program. The higher education institution must have credible outreach program which may take the form of continuing education, application of research results, community services and the like.

6. Faculty Complement. The institution applying for University Status must comply with the following faculty profile:
   a. At least fifty percent (50%) of its faculty in the Arts and Sciences must be full time;
   b. At least twenty percent (20%) must be doctoral degree holders in their area of teaching, at least half of whom must be full time.
   c. At least thirty five percent (35%) of the total faculty must have master's degrees in their areas of teaching and at least seventy percent (70%) of whom must be full time.
   d. There must be provisions for reward or recognition of the specialized skills of faculty who are nationally and/or internationally renowned.

7. Site and Buildings. The higher education institution must own its institutional site and buildings provided
with adequate facilities suitable for its activities. The buildings must comply with the requirements provided under Section 26, Article VI of this Manual.

8. **Library, Laboratory and Equipment.** The institution’s facilities for library, laboratory and physical education, etc., must conform to the standards set by the Commission. Facilities for student access to other libraries and database through the Internet must be installed.

**Section 42. Revocation of University Status.** - The Commission may revoke the university status granted to a higher education institution for cause and after due process. The inability of an institution to maintain compliance with the substantive conditions provided in the immediately preceding section is considered a valid basis for revocation.

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**Article X : CENTERS OF EXCELLENCE (COEs) AND CENTERS OF DEVELOPMENT (CODs)**

**Section 43. Policy.** - In accordance with the Education Commission Report of 1991 which called for fostering of the development of world class scholarship in the various disciplines in the Philippines, qualified higher education institutions are designated by the Commission as Centers of Excellence or Centers of Development and, as such, are eligible for substantial funding assistance, particularly in the priority programs as determined by the commission.

**Section 44. Application for COE/COD and the Criteria for Selection.** - Higher education institutions must apply for identification as Center of Excellence (COE) or Center of Development (COD) in those programs where the Commission declared the application for such status open. These higher education institutions may either be invited to apply upon the recommendation of the Technical Panels or may apply on their own initiative.

The selection and identification of COE or COD from among the applicant higher education institutions shall be based on the result of an assessment of the following factors: (a) instructional Quality; (b) Research and Publication; (c) Outreach Program and Institutional Linkages; and (d) Institutional Qualifications.

**Section 45. Responsibilities.** - Centers of Excellence and Centers of Development shall have the following responsibilities and minimum expectations:

**For Centers of Excellence:**

1. Act as leaders/role models for the discipline in the local, regional and national community;
2. Sustain and enhance research capabilities and upgrade professional or research graduate programs in the discipline;
3. Provide assistance to agencies/institutions within their locality;
4. Undertake other activities and projects necessary for the continuous development of the discipline.

**For Centers of Development:**

1. Develop their instructional programs through faculty development activities and upgrading of facilities and library holdings;
2. Establish linkages with Centers of Excellence in the same discipline to further improve their capability to undertake research in the field.

For Centers of Excellence and Centers of Development that would receive funding assistance from the commission, the following shall be the responsibilities and minimum expectations:

1. Accelerate the development of the discipline through strategic development programs and projects;
2. Develop their instructional program quality through faculty development activities and upgrading of facilities and library holdings;
3. Undertake basic and applied research activities on emerging trends and advancement in the field; and
4. Undertake outreach and linkage projects through regional or national consortia agreements, internationalization activities and industry-academe collaborations.

**Section 46. Benefits.** - A higher education institution identified as Center of Excellence or Center of Development in particular degree programs shall enjoy the title and the corresponding benefits for a period as determined by the Commission.

**Article XI : AUTONOMOUS AND DEREGULATED STATUS OF PRIVATE HIGHER EDUCATION INSTITUTIONS**

**Section 47. Policy.** - The Commission on Higher Education takes cognizance of the demonstrated and consistent adherence to high standards of instruction, research and scholarships by certain private higher education institutions and thus accords to these institutions special regulatory treatment and benefits through the grant of autonomy and deregulated status.

**Section 48. Criteria for Selection** - The three general criteria used in the selection of an institution for the grant of autonomous or deregulated status are as follows:

1. **Long tradition of integrity and untarnished reputation.** This is an attribute ascribed to a higher education institution that has consistently adhered to existing laws, rules and regulations and hence has no record of confirmed violations of Philippine laws, CHED Memorandum Orders (CMOs), and Policies, Standards and Guidelines (PSGS). Integrity and untarnished reputation is a must criterion. Failure to meet this criterion is a ground for disqualification.
2. **Commitment to excellence.** This means that the higher education institution demonstrates academic excellence as evidenced by its status as CHED-identified Center of Excellence or Center of Development (COE/COD) in particular academic programs, Level of program accreditation granted by existing recognized accrediting bodies as certified by the Federation of Accrediting Agencies of the Philippines (FAAP), or category granted by the CHED through the Institutional Monitoring and Evaluation for Quality Assurance (IQuaME). Other forms of existing quality assurance mechanisms applicable to Philippine higher education institutions may be considered by the higher education institution to demonstrate its commitment to excellence.
3. **Sustainability and viability of operations.**

**Section 49. Benefits of Autonomous Status.** - A higher education institution identified as Center of Excellence or Center of Development in particular degree programs shall enjoy the title and the corresponding benefits for a period as determined by the Commission.

a. Exemption from the issuance of Special Order (S.O.) for their graduates;
b. Free from regular monitoring and evaluation by CHED. However, in cases when there will be complaints filed against the private higher education institutions, or there are reported violation of existing laws, rules and regulations by the private higher education institutions, or there are sensational issues/problems raised about the operation of the private higher education institutions, the CHED may conduct verification, monitoring or investigation activities.
c. Priority in the grant of subsides and other financial incentives/assistance from the Commission on Higher Education whenever funds are available.
d. Privilege to determine and prescribe their curricular programs to achieve global competence. In case of curricular revisions, for record purposes, the private higher education institutions should inform the CHED Central office at least one semester prior to the start of the intended academic year the revised curriculum shall be implemented. The revised curriculum shall be applicable only to the entering students of the specified academic year.
e. Privilege to offer new courses(s)/programs(s) in the undergraduate or graduate level without securing permit/authority from CHED except in disciplines that are under moratorium. The private higher education institutions can offer a maximum of two (2) new courses/programs in a given academic year and should ensure that the CHED minimum requirements as embodied in the existing policies, standards and guidelines (PSGs) for a particular degree program are fully complied with. The private higher education institutions should inform the CHE Central office of the new course(s)/program(s) at least one semester prior to the start of the academic year such will be offered. The institutions should also inform the CHED Regional Office in January, six months before the start of the new academic year for which the new program(s)/course(s) will be offered.

f. Privilege to establish branch/es or satellite campus/es without securing government authority from CHED. The private higher education institutions should ensure that the new branch/campus complies with the CHED minimum requirements with regard to the establishment of a new higher education institution and the existing CHED PSGs for the course/(s)/program(s) to be offered. The private higher education institutions should inform the CHED Central Office at least one semester prior to the start of the intended academic year that the new branch/campus shall operate.

g. Privilege to offer extension classes and distance education course(s)/program(s) to expand access to higher education, and to establish affiliation with recognized foreign higher education institutions in pursuit of international standards of education. The private higher education institutions should ensure that the existing CHED PSGs for the offering of extension classes and distance education programs are fully complied with.

h. The private higher education institutions should also ensure that the existing CHED PSGs for twinning/networking/linkage programs are fully complied with. The private higher education institutions should inform the CHED Central Office at least one semester prior to the start of intended academic year such will be offered or established.

i. Authority to grant Honoris Causa to those deserving, per pertinent provisions of existing CHED issuance on conferment of honorary degrees.

Section 50. Benefits of Deregulated Status. - The benefits granted to autonomous private higher education institutions shall likewise be accorded to institutions with deregulated status, except the privileges provided in item letter e, f, and g of Section 49, Benefits of Autonomous Status in this manual.

Section 51. Conditions of Grant - Private higher education institution granted autonomous and/or deregulated status are required to submit to the concerned CHED Regional Office their enrollment list per semester, graduation list of the current school year, and other institutional data/information as part of data gathering of CHED for the Higher Education Management Information System (HEMIS) following the prescribed format or specifications and deadline set for submission.

Section 52. Re-evaluation of Status - Six (6) months before the expiration of the grant, the CHED shall evaluate the private higher education institutions granted autonomous and deregulated status to determine retention/withdrawal or upgrading/downgrading of the status. The criteria for evaluation shall be the same when the status was granted; otherwise if there is any change in criteria, the school shall be given a period of two years from notice within which to comply.

Article XII : OPERATION AND RECOGNITION OF PROGRAMS

Section 53. Establishment and Recognition Distinguished. - The establishment of a private higher education institution refers to the creation, founding or organization of an entity resulting in its legal existence as a higher education institution. Recognition presumes an existing institution and refers to the authority granted by the Commission for the institution to conduct or operate a degree program. Establishment precedes recognition.

Section 54. Authority to Operate. - No private higher education institution shall operate any degree program without the approval of the Commission. The authority to operate degree programs shall be applied for, and shall be granted by the Commission in two different phases. For programs in the undergraduate level, the grant of authority to operate consists of: (a) the Permit Phase, and (b) the Recognition Phase. For programs in the graduate level, applications for authority to operate shall immediately be for recognition.
Section 55. Nature of Permit or Recognition. - The permit or recognition shall be exclusive to the grantee and subject to the conditions set forth therein. The permit or recognition cannot in any way be alienated or be subject of any contract.

Section 56. The Permit Phase. - The grant of authority to operate a degree program begins with the Permit phase as follows:

1. A duly established private higher education institution desiring to open a new degree program, through its chairman of the Governing Board, or its president or head when so authorized by the Governing Board, shall file with the Regional office concerned an application or petition under oath for a permit to operate a degree program not later than June 30 of the year preceding the intended academic year of operation, setting forth among others the requirements enumerated under Section 21 of this Manual, provided, that a letter of intent submitted without the supporting documents required hereof shall not be considered an application.

2. The Regional Office shall assess the completeness of the documentary requirements in the application and shall inform the applicant higher education institution of the deficiencies note, if any, not later than September 30 of the same year the application was filed. In which case, the applicant higher education institution shall be allowed to comply with the deficiencies not later than October 31 of the same year.

3. When all documentary requirements are complete, the Commission shall dispatch a Quality Assessment Team to conduct an ocular inspection and evaluation of the applicant institution’s compliance with the minimum standards set for the program applied for, not later than November 30 of the same year the application was filed.

4. After the inspection and evaluation, the applicant higher education institution shall be officially informed of the deficiencies, if any, not later than December 15 of the same year and shall be given until January 31 of the following year to correct the same. Thereafter, the Commission, through the Quality Assessment Team, re-evaluates and validates compliance with the CHED requirements. In any case, a written approval or disapproval of the application shall be issued not later than February 28 of the same year.

Applications for permit not disapproved within the above-prescribed period, are deemed approved.

If the application for permit is disapproved, only one appeal for reconsideration shall be allowed. The appeal shall be filed with the Commission within one (1) month from receipt of the written disapproval by the applicant institution. If the Commission does not favorably consider the appeal, the application for permit shall be considered for the next school year subject to compliance of the requirements for the program applied for.

The initial permit to operate, as described above, applies only to the first and second year levels of the program applied for, and second year level requirement are met. On the second year of operation of the degree program, the higher education institution must apply for permit to operate the third year level or may apply for recognition if the applicant institution has complied all the requirements for the continuous operation of the degree program applied for.

A permit to operate which had been previously issued shall be considered renewed and continue to be valid for purposes of graduating students during the period where the higher education institution has already applied for recognition of the program and the Commission has not officially responded to the same in writing, either favorably or unfavorably, through no fault of the applicant institution.

A higher education institution which attained Level III accreditation for Arts and Sciences and for three (3) other professional courses may open and operate a new degree program in any field without prior approval from the Commission, provided, that the Commission through the Office of Programs and Standards and the Regional Office concerned are informed in writing of the opening of the new degree program, and provided further, that the opening of the new degree program meet the minimum requirements set by the Commission.

All institutions must post copies of new permits and recognition of their programs on bulletin boards located inside their campuses.
**Section 57. The Recognition Phase.** - At the start of the third year of operation of the degree program under permit, the higher education institution must file an application to the Commission for the recognition of such program. Upon such application, the Commission shall conduct an assessment of compliance of the applicant institution, and if all the minimum requirements for the operation of the program are met, the Commission shall issue the corresponding Certificate of Recognition.

An application for government recognition signed under oath by the President/Head of the applicant Institution shall be filled with the Regional Office concerned not later than the first working day of November of the school year prior to that for which recognition is sought.

An application for recognition not disapproved within a period of three(3) months from date of filing shall be deemed approved.

If the application for recognition is disapproved, only one appeal for reconsideration shall be allowed. The appeal shall be filed with the Commission within one (1) month from receipt of the written disapproval by the applicant institution. If the Commission does not favorably consider the appeal, the decision of the Commission denying the appeal shall be final and executory.

**Section 58. Validity of The Government Recognition.** - The Certificate of Recognition granted for a degree program shall remain valid, unless withdrawn or revoked for cause. After due process, the Commission shall issue a written order of revocation or withdrawal.

**Section 59. Effects of Government Recognition.** - A Certificate of Recognition issued by the Commission to a higher education institution for a particular degree program shall have the following effects:

1. It authorizes the higher education institution to confer the students who have completed a program including a ladderized program, a certificate, title, diploma, or degree, whichever is applicable; and
2. It entitles the graduates of recognized programs to all the benefits and privileges enjoyed by graduates of similar recognized programs in all higher education institutions authorized by the government.

**Section 60. Effects of the Disaproval/Denial of Recognition.** - The disapproval or denial of an application for the Recognition of a degree program shall have any or all of the following effects:

1. Closure of either the higher education institution or the degree program, for lack of authority to operate;
2. In exceptional cases, issuance of special authority or permit to enable the higher education institution to operate the degree program until the last curricular year, or for a period of one academic year or term;
3. Disqualification of the higher education institution from conferring any title or degree or awarding any certificate or diploma to students enrolled in a non-recognized degree program;
4. Disqualification of the higher education institution from applying for another authority or permit to operate another degree program;
5. Forfeiture of the permit or recognition bond, if any, filed by the higher education institution, in favor of the Government pursuant to existing rules and regulations; and
6. The payment of fine by the higher education institution as may be determined by the Commission.

**Section 61. Closure of a Program.** - The closure of any degree program offered by a certain higher education institution may either be voluntary or involuntary. In any case, the closure may be outright or one through phase-out process. The institution shall remain obligated to furnish the necessary transfer credentials and records to students affected by the closure.

1. Voluntary closure of a degree program through phase-out process, when the higher education institution, for valid cause, on its own initiative, chooses to close any of its programs offered through phase-out process, provided, that no fresh man student shall be admitted for enrollment beginning the school term the closure shall take effect; provided further, that students that are already in the second, third and fourth year levels of the program shall be allowed to finish their study until graduation or to transfer to other institutions, at the option of the student(s) and provided finally, that the Commission shall be duly informed before the closure takes effect.
2. Voluntary but outright closure of a degree program, when the higher education institution, for valid cause, on its own initiative, chooses the outright closure of any of its degree programs offered, provided, that the higher education institution shall assist and facilitate the immediate transfer of the students affected by the closure, and provided further, that the Commission shall be duly informed before the closure takes effect.

3. Involuntary closure of a degree program, when the Commission, for just cause and after due process, orders the phase-out or outright closure of a degree program by revoking the permit or certificate of recognition previously issued. The Commission shall determine the grounds thereof.

In any case, the termination or closure of a degree program shall be effected at the end of an academic year.

Section 62. Closure of a Higher Education Institution. - The closure of any degree program offered by a certain higher education institution may either be voluntary or involuntary. In any case, the closure may be outright or one through phase-out process. The institution shall remain obligated to furnish the necessary transfer credentials and records to students affected by the closure.

Closure of a Higher Education Institution. - The closure of a higher education institution may also be voluntary or involuntary. In any case, the closure of a higher education institution may also be outright or done through phase-out process. The higher education institution shall remain obligated to: (1) furnish the necessary transfer credentials and records to students affected by the closure and (2) cause the preservation of all the students' academic records by submitting the same to the CHED Regional Office concerned or to the National Archives Office.

1. Voluntary closure of a higher education institution through phase-out process, when the higher education institution, for valid cause, on its own initiative, chooses to terminate its existence as an educational institution through gradual phase-out of all of its degree programs offered, provided, that the conditions set-forth phase-out process in the immediately preceding section shall apply.

2. Voluntary but outright closure of a higher education institution when the higher education institution, for valid cause, on its own initiative, chooses to terminate its existence as an educational institution by outright closure of all of its degree programs offered, provided, that the conditions set-forth for outright closure in the immediately preceding section shall apply.

3. Involuntary closure of a higher education institution, when the Commission, for just cause and after due process, orders the outright or gradual closure of a certain higher education institution by revoking all the permits or certificates of recognition previously issued. The Commission shall determine the grounds thereof.

In any case, the termination or closure of a higher education institution shall be effected at the end of an academic year.

Section 63. Actions for Revocation of Permit to Operate or Recognition. - Any action for closure or termination of a degree program must be in accordance with existing policies and rules of the Commission and applicable laws. Upon receipt of a verified complaint or petition for revocation, the Commission may, when public welfare demands, motu proprio, order a higher education institution to cease and desist from operating the degree program pending the outcome of the complaint.

The Commission shall inform the higher education institution in writing of the substantial deficiencies or grounds leading to revocation of permit or certificate of recognition, and shall require the institution to explain in writing, or remedy the deficiencies or violations within a reasonable period determined by the Commission. Thereafter, the resolution or order of revocation of permit or certificate of recognition shall be issued if the explanation is found unsatisfactory, or for failure to correct the deficiencies.

Any resolution or order for revocation of permit or certificate of recognition shall be approved by the Commission en banc upon the recommendation of the Regional Director.

The certificate of recognition may also be revoked, or reverted to a permit for a period of one academic year without prejudice to institution of actions and impositions of appropriate sanctions against the responsible higher education institution officials, for any of the causes as follows:
1. Fraud or deceit committed by the institution in connection with the application to the Commission for Government permit or Government recognition;
2. Unauthorized operation of a new institution or branch, or a new degree program or course of study, or any major components thereof;
3. Mismanagement or gross inefficiency in the operation of the institution or its degree programs or courses of study;
4. Gross inefficiency of the academic personnel in the discharge of their assigned functions;
5. Violation of approved standards governing institution advertisements or announcements;
6. Violation of the constitutional prohibition on ownership and control of educational institutions, or the appointment of administrators who do not meet the qualification standards set by the Commission;
7. Operation or re-opening of a recognized degree program not operated for more than two (2) academic years or more, without confirmation from the Commission that all the minimum requirements or standards are still complied with;
8. Transfer of the institution to a site or location detrimental to the operation of its programs, or the transfer of which resulted to failure of the institution to maintain compliance with minimum requirements for the operation of its programs; and;
9. Permission, approval, or commission of practices or activities that are contrary to law, public policy, public order, or morals, or inimical to integrity of the Philippine educational system.

Within sixty (60) days from receipt of the notice of revocation or reversion, the higher education institution may file a request for reconsideration, indicating specifically the grounds thereof and its responses to the specific adverse findings that led to the revocation or reversion. Only one motion for reconsideration shall be allowed by the Commission.

Section 64. School Advertisement. - Any advertisement or announcement referring to the degree programs being offered which are under permit status shall include the words "As per Commission on Higher Education Permit Number..."

It is prohibited for any private higher education institution to advertise or cause the publication of any advertisement or announcement before a permit to operate is granted by the Commission.

Section 65. Prohibited Acts; Penalties. - The operation of any higher education institution or degree program; the operation of a branch or extension, whether locally or foreign-based; the operation of any entity representing itself as a higher education institution when it is not legally established as such; or the issuance of any certificate, as such; or the issuance of any certificate, degree or title by an institution without prior permit or authorization issued by the Commission, are hereby declared punishable acts subjects to civil and criminal penalties and administrative sanctions as provided by law.

It shall be unlawful for any higher education institution to offer or enroll any student in any degree program without prior permit to operate or authority issued by the Commission.

Any person convicted for any of the above-mentioned offenses shall be punished with a fine of not less than twenty thousand pesos (P20,000.00) nor more than one hundred thousand pesos (P100,000.00) or imprisonment for a maximum period of two (2) years or both at the discretion of the Court. If the institution commits the at, the official responsible for the offense shall be liable, without prejudice to the imposition of any administrative sanction against the higher education institution concerned by the Commission.

Article XIII : GRADUATE EDUCATION

Section 66. Policy. - Graduate Education is at the apex of the educational system. As such, it shall showcase the best of the Academic and intellectual products and processes of the system. Specifically:

1. Graduate education shall be so structured as to enhance quality, efficiency and effectiveness in higher education;
2. Graduate education shall be made more relevant and responsive to the development needs of the
educational system as well as to the regional and national development thrusts; and

3. Graduate education shall take the lead role in enhancing the quality of Philippine Higher Education towards global competitiveness and world-class scholarship.

Section 67. Structure of Graduate Education. - No private higher education institution shall operate any degree program without the approval of the Commission. The authority to operate degree programs shall be applied for, and shall be granted by the Commission in two different phases. For programs in the undergraduate level, the grant of authority to operate consists of: (a) the Permit Phase, and (b) the Recognition Phase. For programs in the graduate level, applications for authority to operate shall immediately be for recognition.

The Commission recognizes that advanced degrees are of two types: practitioner's graduate degrees and research degrees.

Section 68. Standard Requirements. - Level III accreditation shall be a major consideration in granting government authority to offer graduate programs. COEs/ CODs or Level II accreditation with a strong research program shall also be considered in granting government authority to offer graduate programs.

Article XIV : ACCREDITATION

Section 69. Policy. - For higher education institutions which desire to meet the standards or quality over and above the minimum required for government recognition and in aid of its regulatory functions, the Commission encourages the use of the mechanism of voluntary accreditation. Towards this end, it shall (1) maintain a policy environment, which enhances the private and voluntary nature of accreditation and protects its integrity, and (2) establish a scheme for progressive deregulation of qualified higher education institutions or specific programs of such institution.

Section 70. Certifying Agency. - For the purpose and grant of deregulated status and other benefits, the Commission recognizes the Federation of Accrediting Agencies of the Philippines (FAAF) as the agency to certify, pursuant to its general or common standards, the accredited status of private higher education institutions and their programs.

The accrediting agencies now federated under FAAF are hereby recognized and authorized to continue their accreditation activities. Specifically, these agencies are (1) The Philippine Accrediting Association of Schools, Colleges and Universities, (2) the Philippine Association of Colleges and Universities Commission on Accreditation, (3) the Association of Christian Schools, Colleges and Universities Accrediting Agency, Inc. and (4) Technical Vocational Education Accrediting Agency of the Philippines. For brevity, these accrediting agencies are commonly referred to as PAASCU, PACU-COA, ACSCU-AAI and TVEAAP, respectively. However, this recognition shall be without prejudice to the subsequent inclusion of such additional accrediting agencies as may be recognized by the FAAF.

Section 71. Recognition of Accrediting Bodies/Agencies/Associations. - The Commission, from time to time, shall issue formal recognition to accrediting bodies for higher education institutions, subject to the guidelines as it may prescribe.

Section 72. Levels of Accreditation Status. - The levels of accreditation status are as follows:

1. Candidate Status-for programs which have undergone a preliminary survey visit and are certified by the federation/network as being capable of acquiring accredited status within two years;
2. Level I Accredited Status-for programs which have been granted initial accreditation after a formal survey by the accrediting agency and duly certified by the accreditation federation/network, effective for a period of three years;
3. Level II Re-Accredited Status-for programs which have been re-accredited by the accrediting agency and duly certified by the accreditation federation/network, effective for a period of three or five years based on the appraisal of the accrediting agency;
4. Level III Re-Accredited Status-for programs, which have been re-accredited and have met the additional
criteria/guidelines set by the federation/network for this level.

Level III Re-Accredited under graduate programs must satisfy the first two of the following criteria and two others of the succeeding ones;

a. A reasonably high standard of instruction
b. A highly visible community extension program. A description of the program, the nature and extent of student, faculty and staff involvement, and other details shall be required documentation for this indicator;
c. A highly visible research tradition the following must be observable over a reasonable period of time.
   1. Provision for a reasonable budget
   2. Quality of completed outputs
   3. Measurable result such as publication others
   4. Involvement of a significant number of faculty
   5. Visible, tangible and measurable impact on the community
d. A strong faculty development tradition evidenced by an appropriate budget allocation and/or systematic plan for faculty developments programs;
e. A highly creditable performance of its graduates in licensure examinations over the last three (3) years; (will apply only to those programs where such examinations are required)
f. Existence of working consortia or linkages with other schools and/or agencies. Documentary evidence shall include a description of the nature, mechanism, working arrangement and other details of consortia
g. Extensive and functional library and other learning resource facilities.

Level III accredited graduates program must satisfy "a" and "c" and any two (2) of "b", "d", "e", "f", and "g" above.

The institutions must submit pictorial and documentary evidence to support its claims.

5. Level IV accredited status accredited programs, which are highly respected as very high quality academic program in the Philippines and with prestige and authority comparable to similar programs in excellent foreign universities.

These programs must have met the following additional criteria/guidelines:

Excellent outcomes in-

a. Research as seen in the number, scope and impact of scholarly publications in refereed national and international journals;
b. Teaching and learning as proven in excellent performance of graduates and continuing assessment of student achievement;
c. Community service and the impact of contributions to the economic and social uplift, on both regional and national levels;
d. Evidence of international linkages and consortia; and
e. Well-developed planning processes which support quality assurance

Higher education institutions should provide adequate documentation in support of application for Level IV accredited status.

Section 73. Benefits of Program Accreditation. - In general, the benefits of accreditation for the duration of accredited status for higher education institutions classified by levels shall be, among others, administrative and academic deregulation, and the grant of subsidies and other similar financial incentives subject to approval of fund appropriations as a part of the national budgets process. The benefits provided for the different accreditation levels
are as follows:

1. **Level I / Level II**
   a. a) Full administrative deregulation, provided, that the reports of promotion of students and lists of graduates are available for review by the Commission at all times;
   b. b) Financial deregulation in terms of setting of tuition and other school fees and charges;
   c. c) Authority to revise the curriculum without the Commission and the Professional Regulation Commission minimum requirements and guidelines, where applicable, are complied with and the revised curriculum is submitted to the Regional Office concerned;
   d. d) Authority to graduate students from accredited programs in the levels accredited without prior approval of the Commission and without need for Special Orders;
   e. e) Priority in the awards of grants/ subsidies or funding assistance from the Commission on Higher Education(CHED) Higher Education Development Fund (HEDF) for scholarships and faculty development, facilities improvement, and other development programs;
   f. f) Right to use on its publications or advertisements the word ACCREDITED pursuant to the Commission policies and rules; and
   g. g) Limited visitation, Inspection and supervision by the Commission supervisory personnel or representatives.

2. **Level III**
   a. a) All benefits for Level I/II;
   b. b) Authority to offer new programs allied to existing Level III programs without need for prior approval, provided, that the Regional Office concerned is duly informed; and
   c. c) Privilege to apply for authority to offer new graduate programs, distance education, and extension classes and to participate in transitional education

3. **Level IV**
   1. a) All the benefits for Levels I,II and III
   2. b) Grant of full autonomy for the program for the duration of its Level IV accredited status
   3. c) Authority to offer new graduate programs allied to existing Level IV programs distance education and extension classes without need for prior approval by the Regional office concerned is duly informed.