



Republic of the Philippines  
OFFICE OF THE PRESIDENT  
COMMISSION ON HIGHER EDUCATION

**CHED MEMORANDUM ORDER**

No. 08  
Series of 2003

**SUBJECT : GRANT OF UNIVERSITY SYSTEM TITLE TO  
HIGHER EDUCATION INSTITUTIONS**

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In accordance with the pertinent provisions of Republic Act No. 7722, otherwise known as the "Higher Education Act of 1994" and by the virtue of CHED Resolution Number 044 dated February 17, 2003, the Commission on Higher Education hereby promulgates the guidelines governing the use of "University System" title by higher education institutions in the country.

**Article I. STATEMENT OF POLICY**

The Commission on Higher Education (CHED) as stated in the Medium Term Higher Education Development and Investment Plan (MTHEDIP) has adopted several strategies to address the trend towards mass higher education without sacrificing quality in the delivery of higher education. These are all geared towards the attainment of the four goals, namely, quality and excellence, relevance and responsiveness, access and equity, efficiency and effectiveness. One of the strategies identified is for excellent higher education institutions (HEIs) to transform themselves into University Systems where common academic policies and administrative structures are used to the greatest advantage, without restricting academic freedom and institutional mandates.

There is also a growing concern on the cost-effectiveness of higher education and the efficiency of operating higher education institutions especially in developing countries where phenomenal growth in population has resulted in rapidly increasing student enrollment. Alternative organizational structures like the "University System" model may be used to address institutional efficiency for better financing schemes, to adjust to new and emerging conditions, and to provide wider access to higher education.

**Article II. OBJECTIVES**

This set of policies and guidelines is intended to define the establishment or creation of a "University System" by higher education institutions and to clarify the application of CHED Policies, Standards and Guidelines relative to the University System as a whole and to its constituent units.

### Article III. COVERAGE

The policies and guidelines apply to all HEIs, both private and public.

### Article IV. DEFINITION OF CONCEPT

A University System is an organized academic entity composed of separate but interrelated units, at least one of which has university level status. A single board responsible for the formulation of system-wide policies and programs governs a University System. The System shall have the general powers of a corporation set forth in the Corporation Law. A University System must have a clearly defined organization that is governed primarily by the board and by a set of officers, both system-wide and for each constituent unit.

### Article V. GUIDELINES

In addition to the existing standards and guidelines for the grant of government authority to establish colleges and universities and to offer programs, the following are the guidelines for establishment of a University System:

**Sec. 1. Governing Board.** The governing body or board which is commonly called as Board of /Trustees/ Directors/Regents has full powers of organization and governance of the System and is vested with the responsibility of formulating policies common to all units of the System. The exercise of the university's corporate power is also vested exclusively in the board.

**Sec. 2. System Administration.** The system administration shall coordinate and integrate system-wide functions and activities. The University System's Chief Executive Officer and head of the system administration (may be called President) is appointed directly by and is responsible to the governing board. All other officers of the University System are responsible to the Chief Executive directly or through designated channels. The Chief Executive is responsible for the implementation of policies approved by the governing board and the administration of all operations of the University System. Among the Chief Executive's most important functions are consultations with the heads of the constituent universities/colleges of the System on academic policies, recommendations to the board on the academic plans of the constituent universities/colleges and presentation of a single budget for the entire University System.

**Sec. 3. Constituent Units.** A college/university may be made part of the University System only if at least fifty-percent (50%) of its tertiary program offerings have Level II accreditation and if more than fifty-percent (50%) of its student population is at the tertiary level.

An existing University System intending to include an additional constituent unit must seek the prior approval of the Commission and prove compliance with the requirements under this Order.

Each constituent unit in the University System will have its own Chief Executive Officer (may be called Chancellor) to whom broad powers shall be delegated by the board for the organization and operation of the constituent unit. The governing board shall define the extent of autonomy of each constituent unit. The board shall also define the organizational structure of each unit. The administration of a constituent unit shall be responsible for the academic, administrative, and service functions of the unit.

**Sec. 4. Academic Senate.** The University System shall have an Academic Senate where the regular faculty members of all constituent units are represented. The Senate passes on all academic policies for recommendation to the governing board and which would be applicable to all units of the System, from the admission to the graduation of students, their discipline and the courses of study.

**Sec. 5. University Council.** Each constituent unit in the University System will have its own University Council, analogous as to composition and function to the system-wide Academic Senate. It shall approve for recommendation to the governing board all academic policies which would be applicable only to the unit but which are consistent with system-wide policies.

The governing board shall clearly define and delineate the role of the University Council and Academic Senate.

**Sec. 6. Budget.** Each constituent should have an independent/separate budget but with provisions, as may be prescribed by its board, to share finances between constituents if and when the need arises.

**Sec. 7. Faculty and Staff.** Each constituent unit should have its own roster of faculty and staff. However, the sharing and mobility of faculty members among units may be effected through policies formulated by the governing board in order to maximize the use and sharing of resources, physical, financial and human resources. Notwithstanding the possibility of sharing of faculty resources, each constituent unit must fulfill the faculty requirements set forth for a separate university/college.

**Sec. 8. Program Offerings.** Program offerings of the constituent units in the system should complement each other, taking into account the physical and human resources of the constituent unit and the needs and development priorities of the area where the unit is located.

For private HEIs, the authority to operate programs shall be awarded to a specific unit of the system as indicated in the award or permit or recognition. The authority granted to one unit does not necessarily apply to the entire system unless the authority specifically states such.

**Sec. 9. Research and Extension Services.** While each constituent unit may have its own thrust in research and extension that responds to their resources and the needs of their service area, the University System may institute mechanisms for the coordination and integration of these activities for more effective use of resources and in order to achieve bigger goals.

**Sec. 10. Cross Crediting.** A university system shall provide a mechanism for recognition of units earned by a student in one constituent unit of the University System to the other units within the same system.

**Sec. 11. Facilities and Equipment.** Each constituent unit should have its own facilities and equipment for instruction and laboratory purposes. The facilities and equipment of each unit should conform to the standards set by the Commission in the particular programs being offered.

**Sec. 12. Site and Buildings.** The physical plant of each constituent unit should conform to the existing laws, rules and regulations on the same.

**Sec. 13. Status.** Designations given by the Commission such as deregulated status, autonomy or center of excellence shall apply only to the specific university/college to which the award is made and not necessarily to the entire University System unless otherwise specified in the award. Any status previously awarded to a constituent unit prior to this Order shall not be automatically applied to the University System of which it becomes a part nor to the other constituent units of the University System.

**Sec 14. Establishment.** Higher education institutions, both public and private, complying with the foregoing requirements must file their application for University System status and seek the prior approval of the Commission for the use in their corporate name/s the term "University System" or "Academic System" or "Educational System" or any term similar thereto or purporting to the public that it is a University System within the definition stated in this Order before they can register with the Securities and Exchange Commission as such and use the aforesaid terms in its corporate seal or name or in advertisements to the public.

The use of the terms indicated above shall not be limited to the use in the corporate name of the HEIs but shall likewise include the use of the said terms as trademarks or tradenames by the HEIs, in any form, through advertisements, directly or indirectly, or any other representations made to the public creating the impression that the HEI possesses the qualifications of a University System within the definition of this Order.

**Sec. 15. Appropriate Sanctions for Violations.** Any HEI found after due hearing to have violated or continues to violate any of the provisions stated herein shall be imposed any of the following administrative penalties but not limited to:

- a. Loss of status currently held

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- a. Loss of status currently held

- b. Withdrawal of government authority to operate specific programs depending on the gravity of the violations
- c. Ineligibility for or cancellation of grant of autonomy or deregulated status
- d. Recommendation to the SEC on the revocation of registration of the HEI for violation of this order

The above shall be exclusive of other possible sanctions, i.e., filing of the proper civil, criminal or administrative actions against responsible school officials found initiating or abetting the violations.

The Commission shall hereafter issue further guidelines as may be deemed proper on a case to case basis, and coordinate with the Securities and Exchange Commission concerning the possible cancellation of violators' corporate registration.

**Sec. 16. Effectivity.** The grant of University System is valid for five (5) years from date of approval of university system status and shall be subject to review by the CHED.

**Sec 17. Transitory Provisions.** All existing new systems shall be given a period of three (3) years from the effectivity of this CMO to comply.

#### **Article VI. REPEAL**

All existing issuance inconsistent herewith are hereby deemed revoked, revised, amended and /or repealed accordingly.

**SO ORDERED:**

Pasig City, Philippines, May 6, 2003

  
**ESTER A. GARCIA**  
Chairman