



The Commonwealth of Massachusetts

AUDITOR OF THE COMMONWEALTH

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AUDITOR

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MASSACHUSETTS PRIVATE OCCUPATIONAL SCHOOL LICENSURE PROGRAM

APPLICATION FOR PRIVATE OCCUPATIONAL SCHOOL FINANCIAL CERTIFICATION

(TO BE COMPLETED BY SCHOOL OWNER/ DIRECTOR/ AUTHORIZED REPRESENTATIVE)

Chapter 112, Section 263 of the General Laws requires the Office of the State Auditor (OSA) to investigate the ownership, organization, and financial condition of each person or entity licensed or applying to the Division of Professional Licensure (DPL) for an original license to offer non-degree-granting, career-oriented training programs in Massachusetts; to ensure that the Enrollment Agreements used by for-profit private occupational schools in MA contain the pro rata refund provisions required by Chapter 255, Section 13K, of the General Laws; to annually establish the level of indemnification/surety protection needed by each school to cover potential refunds payable to students, based on the school's maximum projected unearned tuition income; and to report the results of each investigation to the DPL Office of Private Occupational School Education.

Name of School: _____

Address of Main Campus: _____

Website: _____

School Owner/Chief Executive Officer: _____ Title: _____

Telephone: _____ Cell Phone: _____ Email: _____

School Director/ Contact Person: _____ Title: _____

Telephone: _____ Cell Phone: _____ Email: _____

Date Established/ State: _____ / _____

Year Initially Licensed to Offer Occupational Training Programs in MA: _____

MA DPL Private Occupational School License Number: _____

MA DPL License Period: _____

School Fiscal Year End Date: _____

Current School Indemnification/Surety Protection Level: _____

Actual MA Occupational School Tuition Income/ Enrollment Last Year: \$ _____ / _____

Projected MA Occupational School Tuition Income/ Enrollment Next Year: \$ _____ / _____

APPLICATION FOR PRIVATE OCCUPATIONAL SCHOOL FINANCIAL CERTIFICATION

I. NATURE OF BUSINESS: OWNERSHIP, ORGANIZATION & CONTROL

		Yes	No	N/A	Details/ Further Explanation
1	Is the Massachusetts occupational school a private entity that maintains a place of business within the Commonwealth or solicits business within the Commonwealth to provide classroom instruction, distance education, or both? (<i>MGL Chapter 112, Section 263, Subsection a</i>)				
2	Is the Massachusetts school a private educational organization not specifically exempted by MGL Chapter 112, Section 263 (c) that conducts courses for profit or by charging tuition for the purpose of training or preparing students for a business, trade, technical, or industrial occupation, or any other vocational purpose, including private correspondence schools, business schools, trade schools, or similar entities designated by the Division of Professional Licensure? (<i>MGL Chapter 112, Section 263, Subsection b</i>)				
3	Is the applicant a school, college, or educational institution chartered and authorized by the Commonwealth of Massachusetts to grant degrees? (<i>Per MGL Chapter 112, Section 263 (c)- Exempt</i>)				
4	Is the applicant a school conducted by a person or entity for the education and training of such person or entity's employees, with no fee or tuition charged to the employee? (<i>Per MGL Chapter 112, Section 263 (c)- Exempt</i>)				
5	Is the applicant a school providing distance learning or online correspondence services having no place of business within the Commonwealth? (<i>Per MGL Chapter 112, Section 263 (c)- Exempt</i>)				

APPLICATION FOR PRIVATE OCCUPATIONAL SCHOOL FINANCIAL CERTIFICATION

I. NATURE OF BUSINESS: OWNERSHIP, ORGANIZATION & CONTROL (CONTINUED)

		Yes	No	NA	Details/ Further Explanation
6	Is the institution offering training exclusively for the purpose of recreation or other non-career-related pastimes? (<i>Per MGL Chapter 112, Section 263 (c)</i>)- Exempt)				
7	Is the applicant a private school owned and operated by an established religious institution for the purpose of providing religious instruction? (<i>Per MGL Chapter 112, Section 263 (c)</i>)- Exempt)				
8	Is the applicant a public school district or combination of school districts? (<i>Per MGL Chapter 112, Section 263 (c)</i>)- Exempt)				
9	Does the applicant provide programs for the education of students in grades pre-kindergarten through twelve? (<i>Per MGL Chapter 112, Section 263 (c)</i>)- Exempt)				
10	Does the applicant offer incidental training associated with the purchase of a product from a vendor, provided that the training is to familiarize the purchaser with the use of the product and the purchaser is not awarded any form of a certificate or diploma for having received the training? (<i>Per MGL Chapter 112, Section 263 (c)</i>)- Exempt)				
11	If incorporated, has documentation been submitted to the OSA with documentation pertaining to the corporation's Articles of Organization and most recent Annual Report filed with the Secretary of the Commonwealth of Massachusetts, Corporations Division?				
12	If organized as a partnership, has the school provided the OSA with a copy of its Partnership Agreement listing the name and title of each partner and each partner's percentage of controlling interest?				
13	If organized as a sole proprietorship, has the school provided the OSA with copies of the Business Certificates filed with the respective City or Town Clerks for each location?				

APPLICATION FOR PRIVATE OCCUPATIONAL SCHOOL FINANCIAL CERTIFICATION

I. NATURE OF BUSINESS: OWNERSHIP, ORGANIZATION & CONTROL (CONTINUED)

		Yes	No	N/A	Details/ Further Explanation
14	If organized as a non-profit tax-exempt entity, has a copy of the IRS Exemption/ 501 (c) (3) Determination Letter been presented to the OSA?				
15	Is the school authorized by the Department of Veterans Affairs to offer training programs to Veterans under the Post 9/11 GI Bill?				
16	Is the school authorized by the U.S. Department of Education to participate in federal Title IV student financial assistance programs?				
17	Is the school accredited by a U.S. Department of Education-approved accrediting agency? (Please identify accreditor & accreditation period.)				
18	Has the applicant been denied accreditation, removed from accreditation, or voluntarily withdrawn its accreditation from an accrediting agency?				
19	Is the MA school corporately affiliated with any other schools? (Please identify school affiliates.)				
20	Is the school currently licensed or authorized to offer postsecondary occupational training programs in any other state? (Please identify other states)				
21	Are there currently any pending administrative or legal actions being taken against the school by the U. S. Department of Education, other federal or state oversight agencies, or any nationally-recognized accrediting agencies?				
22	Have any school owners or officials been directly or indirectly employed or affiliated with any school which has lost or been denied licensure by any state agency during that individual's period of employment?				
23	Have any school owners or officials been directly or indirectly employed or affiliated with any school which has closed or entered into bankruptcy during that individual's period of employment or affiliation?				

APPLICATION FOR PRIVATE OCCUPATIONAL SCHOOL FINANCIAL CERTIFICATION

I. NATURE OF BUSINESS: OWNERSHIP, ORGANIZATION & CONTROL (CONTINUED)

		Yes	No	N/A	Details/ Further Explanation
24	Has the school owner, director, or any corporation, partnership, association, or person holding an ownership or control interest in this school, or any employee responsible in a supervisory capacity for the administration of student funds or government funds, been convicted of a crime involving the operation of any educational or training program, or, in connection with the operation of any such program, a crime involving the unlawful acquisition, use, or expenditure of educational or training program funds?				
25	Is any action pending (e.g. court action, audit, inquiry, review, administrative action), or has action been taken, by any court or administrative body (federal or state court, grand jury, special investigator, U.S. Department of Education, or state agency) as to any owner or manager, or any school with which an owner or manager has been directly or indirectly employed or affiliated, in a civil or criminal forum that is not otherwise disclosed in this application?				

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II. COMPLIANCE WITH OSA STANDARDS OF FINANCIAL RESPONSIBILITY

		Yes	No	N/A	Details/ Further Explanation
1	Have comparative year-end financial statements been submitted to the OSA on behalf of the applicant to demonstrate a record of responsible financial management, with resources sufficient to ensure the continued operation of the school and the completion of training for all enrolled participants?				
2	Were the financial statements prepared on an accrual basis by an independent public accountant in accordance with generally accepted accounting principles (GAAP)?				
3	Does the Independent Auditor's Report state whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America?				
4	Did the independent public accountant express an adverse, disclaimed, or qualified opinion on the school's financial statements?				
5	Did the independent public accountant express doubt about the institution's ability to continue as a going concern?				
6	If the opinion expressed on the Independent Auditor's Report was modified, does the report include a paragraph describing the Basis for Qualified Opinion or Basis for Adverse Opinion, as appropriate?				
7	Did the Independent Auditor's Report include an "Other Matters" section that disclosed required supplementary information such as a Management's Discussion and Analysis (MD & A) narrative? (Please attach)				

APPLICATION FOR PRIVATE OCCUPATIONAL SCHOOL FINANCIAL CERTIFICATION

II. COMPLIANCE WITH OSA STANDARDS OF FINANCIAL RESPONSIBILITY (CONTINUED)

		Yes	No	N/A	Details/ Further Explanation
8	Has a bank statement or the equivalent documentation been submitted to the OSA to verify the level of resources available to the school <u>at fiscal year-end</u> (consistent with the level of cash, cash equivalents, and temporary investments reported on the school's year-end financial statements)?				
9	Has an updated bank statement or the equivalent documentation been submitted to the OSA to verify the <u>current level of resources</u> available to the Massachusetts school?				
10	If the organization is applying to the DPL for an <u>original</u> license to operate a private occupational school in MA, has the school <u>projected</u> its anticipated total revenue, expenses, and end-of-year balances for the first full 12 month period of operations (regardless of the fiscal year end date)?				
11	Have the records pertaining to the school's accounts and activities been maintained separately from the personal finances of the owner (s) and from other business activities of the owner(s)?				
12	Has the Massachusetts school reported positive net income for the most recent fiscal year, or for at least two of the three most recent fiscal years?				
13	Has the Massachusetts school experienced material increases or decreases in total revenue and/or expenses for the most recent year?				
14	Has the Massachusetts school maintained a current ratio of at least 1.0 to 1.0 (current assets / current liabilities) at fiscal year-end?				

APPLICATION FOR PRIVATE OCCUPATIONAL SCHOOL FINANCIAL CERTIFICATION

II. COMPLIANCE WITH OSA STANDARDS OF FINANCIAL RESPONSIBILITY (CONTINUED)

		Yes	No	N/A	Details/ Further Explanation
15	Has the Massachusetts school reported positive tangible net worth for the latest fiscal year, or for two of the three most recent fiscal years?				
16	If the Massachusetts school is a wholly-owned subsidiary and/or financially dependent upon a parent corporation or third-party entity, has the parent entity submitted consolidated audited financial statements to the OSA?				
17	Do the parent corporation's consolidated financial statements include a breakdown of total revenue, expenses, and net income per operating segment?				
18	Has the organization as a whole reported positive net income for the most recent year, or for two of the three most recent fiscal years?				
19	Has the organization as a whole experienced material increases or decreases in total revenue and /or expenses for the latest fiscal year?				
20	Has the organization as a whole maintained a current ratio of at least 1.0 to 1.0 (current assets / current liabilities) at fiscal year-end?				
21	Has the organization as a whole reported positive tangible net worth for the most recent fiscal year, or for two of the three most recent fiscal years?				

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III. FEDERAL STANDARDS OF FINANCIAL RESPONSIBILITY FOR HIGHER EDUCATION INSTITUTIONS

(US DEPARTMENT OF EDUCATION// TITLE IV - APPROVED SCHOOLS ONLY)

U.S. DEPARTMENT OF EDUCATION OPE ID: _____

NUMBER OF CAMPUSES INCLUDED IN OPE ID ABOVE: _____

LOCATION(S) OF ADDITIONAL CAMPUSES INCLUDED IN OPE ID: ABOVE: _____

		Yes	No	N/A	Details/ Further Explanation
1	Did the Massachusetts school's overall Composite Score for the most recent fiscal year, (based on its Primary Reserve, Equity, and Net Income ratios) meet the approval standard of 1.5 (on a scale of -1 to +3.0) established by the U.S. Department of Education? (Please identify latest composite score/ fiscal period.)				
2	Did the financial information reported on behalf of the Massachusetts school to the DOE under its OPE ID include consolidated data reported on behalf of other private educational institutions having no place of business in Massachusetts?				
3	Was the MA school in compliance with the Title IV/ HEA 90/10 Rule last year limiting the school's federal student financial assistance funds to no more than 90% of the school's total eligible cash receipts? (Please identify percentage and dollar amount received)				
4	Did the default rate on Title IV loans for attendees of the MA school exceed 40% for any one cohort (year) or 30% for three consecutive cohorts?				
5	If the U.S. Department of Education is allowing the school to continue to participate in Title IV programs under a Provisional Certification, has the school detailed the terms and conditions of the Provisional Certification to the OSA?				

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**IV. CALCULATION OF MASSACHUSETTS PROJECTED UNEARNED TUITION INCOME/
POTENTIAL REFUNDS PAYABLE TO STUDENTS FOR THE UPCOMING YEAR**

1. Total Students Enrolled in Massachusetts Occupational Training Program Last Year
(Identify Period): _____
2. Total Tuition Income Generated by Massachusetts Occupational Training Programs
Last Year

3. Total Revenue Generated by Massachusetts Occupational School as a Whole Last
Year: _____
4. Percentage of MA Occupational School Tuition Income to Total Revenue Last Year:
5. Please Attach MA Private Occupational School Course Calendar for the Upcoming
Year. _____
6. Please Attach MA Student Enrollment Agreement Listing Tuition/Course & Payment
Options. _____
7. Please Identify the Anticipated MA Occupational School/Enrollment/Program for the
Upcoming
Year: _____
8. Please Project the Total Anticipated Enrollment/Program for the Upcoming Year.

9. Please Project the Anticipated Breakdown of Students & Income/Payment Plan for
the Upcoming Year. _____
(Prepayment in Full, Quarterly/Monthly/Weekly/Installments, Employer Payment
upon Completion, etc.)
10. Please Identify the Payment Terms and Conditions for Projected Government-
Subsidized Students This Year _____
11. Please Attach a Spreadsheet detailing the Anticipated MA Occupational School
Tuition Income and Enrollment per Month for the Upcoming Year.