**Occupational Schools Financial Certification Form**

**for Renewal Applicants**

**General Information** *(Items with \* are required.)*

Legal Name of Institution\*

School Address\*

Address Line 1

Address Line 2

City

State

ZIP Code

Phone\*

Email\*

Website URL\*

Contact Person\*

First Name

Last Name

Contact Person Title\*

Contact Person Phone\*

Contact Person Email\*

School Owner or CEO (if different from Contact Person)\*

First Name

Last Name

Owner/CEO Phone

Owner/CEO Email

MA DPL License Number\*

MA DPL License Expiration Date\*

**Ownership & Organization**

Form of Business\*

Sole Proprietorship

General Partnership

Corporation

S Corporation

Limited Partnership

Limited Liability Partnership

Limited Liability Company

Other:

Attachment A-1: Articles of Incorporation, Articles of Organization, or Business Certificate\*

Attach articles of incorporation, articles of organization, and/or business certificate and label as Attachment A-1.

Is the school not for profit?\*

Yes

No

If yes, attach IRS 501(c)(3) determination letter and label as Attachment A-2.

Is the school registered with the Secretary of the Commonwealth?\*

Yes

No

If yes, attach the annual report submitted to the Secretary of the Commonwealth and label Attachment A-3.

Is the school accredited by an accreditor recognized by the U.S. Department of Education?\*

Yes

No

If yes, attach current documentation/accreditation and label as Attachment A-4.

Is the school subject to pending litigation or disciplinary actions, in Massachusetts or another state, which has the potential to materially affect the school’s ability to remain an ongoing concern?\*

Yes

No

If yes, attach documentation or a written explanation of the litigation or disciplinary action and label as Attachment A-5.

Has the school or any of its officers been subject to disciplinary action by the Massachusetts Division of Professional Licensure or a licensor in any other state in which the company operates? \*

Yes

No

If yes, please attach Consent Agreement from the DPL or its equivalent in any other state and label as Attachment A-6.

**Financial Condition**

**Financial Statements**

The financial statements must be (1) prepared on an accrual basis, (2) must be presented using a comparative format showing side-by-side information for the two most recently concluded fiscal years ended, and (3) be prepared in conformity with generally accepted accounting principles (GAAP). At its discretion, the Office of the State Auditor may require an audited financial statement at any time or interim financial statements (financial statements for specified dates and accounting periods other than the entire fiscal year). **Note- Internally-generated financial statements or financial statements prepared on an income tax or cash basis of accounting will not be accepted as reliable evidence of financial viability.**

**Documentation Requirements for Financial Statements:**

Audited or reviewed financial statements must be prepared by an independent public accountant on an accrual basis in accordance with generally accepted accounting principles (GAAP), provide a side-by-side comparison of the current period with the prior period, and must include the following:

* A cover letter on letterhead by the independent accountant that prepared the financial statements.
* An independent accountant’s report.
* A Balance Sheet that reflects the assets, liabilities, equity and retained earnings of the institution.
* An Income Statement that reflects the revenues, expenses, and profit and losses of the institution. (**NOTE**- You must submit separate income statements for the entity as a whole and for each branch campus.)
* A Statement of Cash Flows that reflect the sources and use of working capital.
* A Statement of Changes in Shareholders’ Equity or Owner’s Equity; or in the case of a non-profit institution, changes in fund balances, including designation of restricted and unrestricted funds for the periods presented.
* Notes to the Financial Statements which include all of the disclosures or footnotes required by generally accepted accounting principles and must disclose an explanation of the method utilized for recognizing tuition income.

The following statements are required under the following conditions:

1. Audited Financial Statements  
   a. For institutions whose gross annual revenue from student tuition and fees, less refunds, is greater than or equal to $100,000.  
   b. For institutions required by federal or state law or regulation, or by their accreditor, to provide audited financial statements.
2. Reviewed Financial Statements  
   a. For institutions whose gross annual revenue from student tuition and fees, less refunds, is less than $100,000.

**\*Licensed institutions engaged in activities that are not governed by MGL Chapter 112 must provide the OSA with consolidated financial statements that include both the occupational school and non-private occupational school activities so that the overall financial viability of the applicant can be determined. A separate income statement prepared for the occupational school activities must be included in order to determine the continued solvency of the occupational school can be independently assessed.**

**\*Private educational institutions reliant upon a parent company for financial stability must submit financial statements for the parent entity to the same extent as if the entity were the institution itself. As such, those organizations with greater than $100,000 in gross revenue must submit audited financial statements and organizations with less than $100,000 in gross revenue must submit reviewed financial statements.**

B-1: Financial Statements\*

Attach the documents above and label as Attachment B-1.

**Bank Statements**

The Massachusetts school’s financial accounts must be maintained separately from the personal finances of the owner(s), and from other financial accounts or business activities of the owner(s). A bank statement of account in the name of the school that demonstrates sufficient capital must be submitted. The institution must demonstrate that it has sufficient cash on hand to cover average monthly operating expenses for 3 months.

**Please Note: An account must be maintained in the name of the school with no intermingling of funds.**

B-2: Bank Statement(s) as of fiscal year-end date\*

Attach bank statements from the end of the most recent fiscal year for all accounts and label as Attachment B-2. (If you have multiple accounts, please combine the statements into a single file attachment.)

B-3: Current Bank Statement(s)\*

Attach bank statements for all accounts for most recent completed month and label as Attachment B-3. (If you have multiple accounts, please combine the statements into a single file attachment.)

**Surety Assessment**

Purpose of Indemnification/ Surety Assessment:

As part of the licensure process, the Office of the State Auditor is required to annually determine the appropriate tuition compensation amount (based on maximum projected unearned tuition) needed to cover potential tuition refunds to students in the event of fraud, bankruptcy, or any other unwarranted situation. Such tuition compensation may take the form of a surety bond, an irrevocable letter of credit, or a term-deposit account payable to the Commonwealth.

Current School Indemnification/Surety Protection Level:\*

Current Form of Massachusetts Indemnification/ Surety Protection Level\*

Surety Bond

Letter of Credit

Term-Deposit Account

Attachment C-1: Evidence of Current Surety\*

Attach documentation of bond, letter of credit, or term-deposit account and label as Attachment C-1.

Total Actual MA Occupational School Enrollment (new starts only) within the prior licensing period (July 1, 2020 - June 30, 2021):\*

Total Actual MA Occupational School Tuition Income (new starts only) within the prior licensing period (July 1, 2020- June 30, 2021):\*

Total Projected MA Occupational School Enrollment (projected new starts only) anticipated during the upcoming licensing period (July 1, 2021- June 30, 2022):\* Indicate how many students are projected to enroll in MA Occupational School programs within the upcoming licensing period (July 1, 2021 – June 30, 2022).

Total Projected MA Occupational School Tuition Income (pertaining to projected new starts only) within the upcoming licensing period (July 1, 2021- June 30, 2022):\* Indicate the amount of MA Occupational School Tuition Income projected to be generated by Starts (New Students) enrolled during the upcoming licensing period (July 1, 2021 – June 30, 2022).

**Unearned Tuition Income**

Unearned tuition income, for surety assessment purposes, is defined as tuition or other charges that have been collected by the school, for which no education, goods, or services have been provided in return to-date. Unearned tuition includes down payments/ deposits, advance payments, and the initial first day installment for students on a tuition payment plan.

To enable the OSA to determine the appropriate surety level for the upcoming year, include the following information/ documentation with your application submission:

C-2: Enrollment Agreement\*

Attach Enrollment Agreement that references the pro-rata tuition refund provisions as per MGL Chapter 255, Section 13K and label as Attachment C-2.

C-3: Tuition costs per course and payment plans\*

Provide a listing of tuition costs per course and the details of any payment plans made available to students. Indicate the details of the plan, when payment is due (before the start of class, at time of registration, after the course is completed, monthly on the 1st of each month, etc.). Indicate how much is due at the time of payment and how many students are projected to use each payment plan option or pay the total tuition amount in full before the start of class. Attach the above tuition and payment plan information and label as Attachment C-3.

C-4: Projected Course Schedule\*

Attach Projected Course Schedule (including start and end dates for each class offered) for the upcoming licensing period (July 1, 2021- June 30, 2022) and label as Attachment C-4.

C-5: Projected unearned tuition income and projected enrollment per class\* Provide projected unearned tuition income and projected enrollment per class broken down by month and include the totals for projected unearned tuition income and projected enrollment for the upcoming licensing year (July 1, 2021- June 30, 2022). Projected unearned tuition income is defined as the amount of tuition that the school projects to receive in terms of payment made in advance for instruction not yet provided/ prior to the start of class and would include any down payments, deposits, or payments received prior to the student receiving any instruction. Attach the monthly projected breakdown of unearned tuition income and enrollment per class and label as Attachment C-5.

C-6: School Catalog/Brochures/Promotional Literature (optional)

Attach school catalog/ brochures/ promotional literature and label as Attachment C-6.

Is the school eligible to participate in U.S. Department of Education Title IV Student Financial Aid?\*

Yes

No

If yes, please attach current documentation and label as Attachment C-7.

**Annual Adjusted Gross Revenue**

Is this school applying to the Division of Professional Licensure for renewal licensure this year?

Yes

No

If yes, please provide the following information.

|  |  |
| --- | --- |
| **AAGR Calculation:** Enter separately below the total revenue from tuition, fees, and profit on books and supplies for **the most recent fiscal year**. Total the three entries to determine the AAGR. | |
|
|
| 1. Tuition                              *(total of all funds paid to the school for student instruction)* | $ |
| 2. Fees                                                *(additional costs charged to students by the school)* | $ |
| 3. Profit on Books and Supplies | $ |
| **AAGR                                                                                                                   *(1+2+3=AAGR)*** | **$** |

***The OSA may, at its discretion, require the management or ownership of a school to submit additional information if deemed necessary in order to complete our evaluation.***

**Representations of Ownership & Management**

I hereby affirm that I am an owner, director, or authorized agent of the institution named above, and that the attached documents have been prepared by management from the records of the institution. To the best of my knowledge and belief, they are true, correct, and complete.  I understand that the financial statements and supporting documentation on behalf of the school are for a confidential investigation by the Office of the State Auditor, and will be used to evaluate the school’s current solvency and continued financial eligibility to offer non-degree granting, career-oriented training programs in Massachusetts in accordance with Chapter 112, Section 263, of the General Laws.

I certify that any and all public funds received by my school have been obligated and expended in accordance with the provisions for which such funds were appropriated or otherwise authorized; and that the school is currently maintaining effective controls over revenues, expenditures, assets, and liabilities.

I certify that I have no knowledge of fraud or suspected fraud involving management or employees involved in maintaining internal control that could have an adverse effect on the operations and activities of the school.

I certify that there have been no communications from regulatory, accrediting, oversight agencies or auditors regarding noncompliance or deficiencies in practices that could have an adverse effect on the overall financial viability of the school.

I certify that this institution has not filed for bankruptcy during the past five years, nor has it been managed by or otherwise under the control of a person that has filed for bankruptcy associated with the operation of another educational institution during the past five years.

I certify that no owner or manager of this institution has been convicted of or plead guilty to a crime involving abuse of public funds, nor has any owner or manager of this institution controlled or managed another institution that has ceased operation during the past five years without providing for the completion of its programs by its students.

I certify that no event has occurred or matters been discovered since the last fiscal year-end reporting date that would render the school’s financial statements misleading and/or inaccurate.

Name of Owner/Authorized Agent\*

First Name

     \*

Last Name

     \*

Title\*

Signature\*

Date\*