



# NORTH CAROLINA PROPRIETARY SCHOOLS

**NEW SCHOOL ORIENTATION**



# KEY POINTS

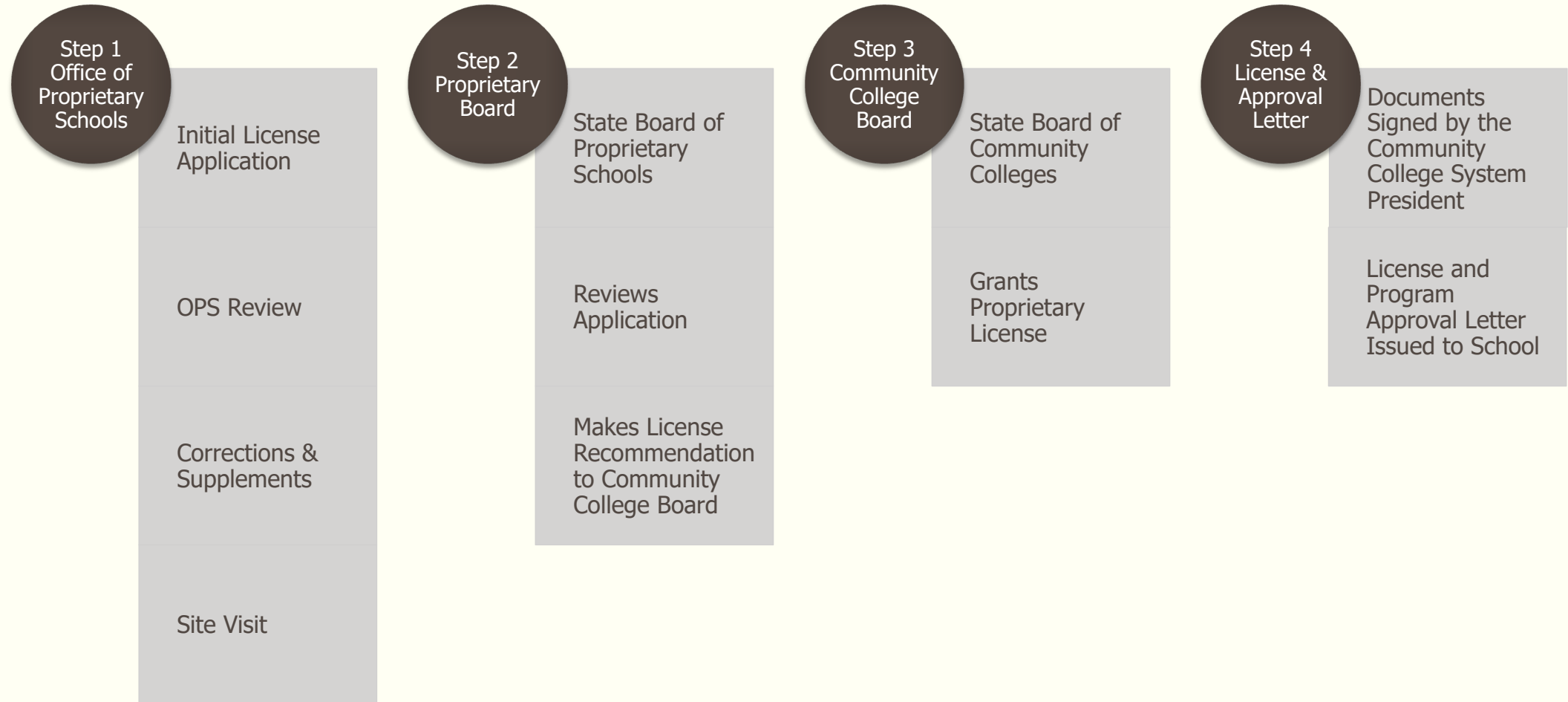
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- State licensing is NOT accreditation!
- NO advertising or enrolling until fully licensed!
- Know and follow all licensing rules and regulations!
  - Proprietary Statute - [https://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByArticle/Chapter\\_115D/Article\\_8.html](https://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByArticle/Chapter_115D/Article_8.html)
  - Title 2 of the State Board of Community Colleges Code - <https://www.nccommunitycolleges.edu/sbcccode>
- Immediately notice the Office of Proprietary Schools if the school will close and transfer academic records to the North Carolina Archives upon final closure!



# INITIAL LICENSING PROCESS

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# ANNUAL LICENSE RENEWAL

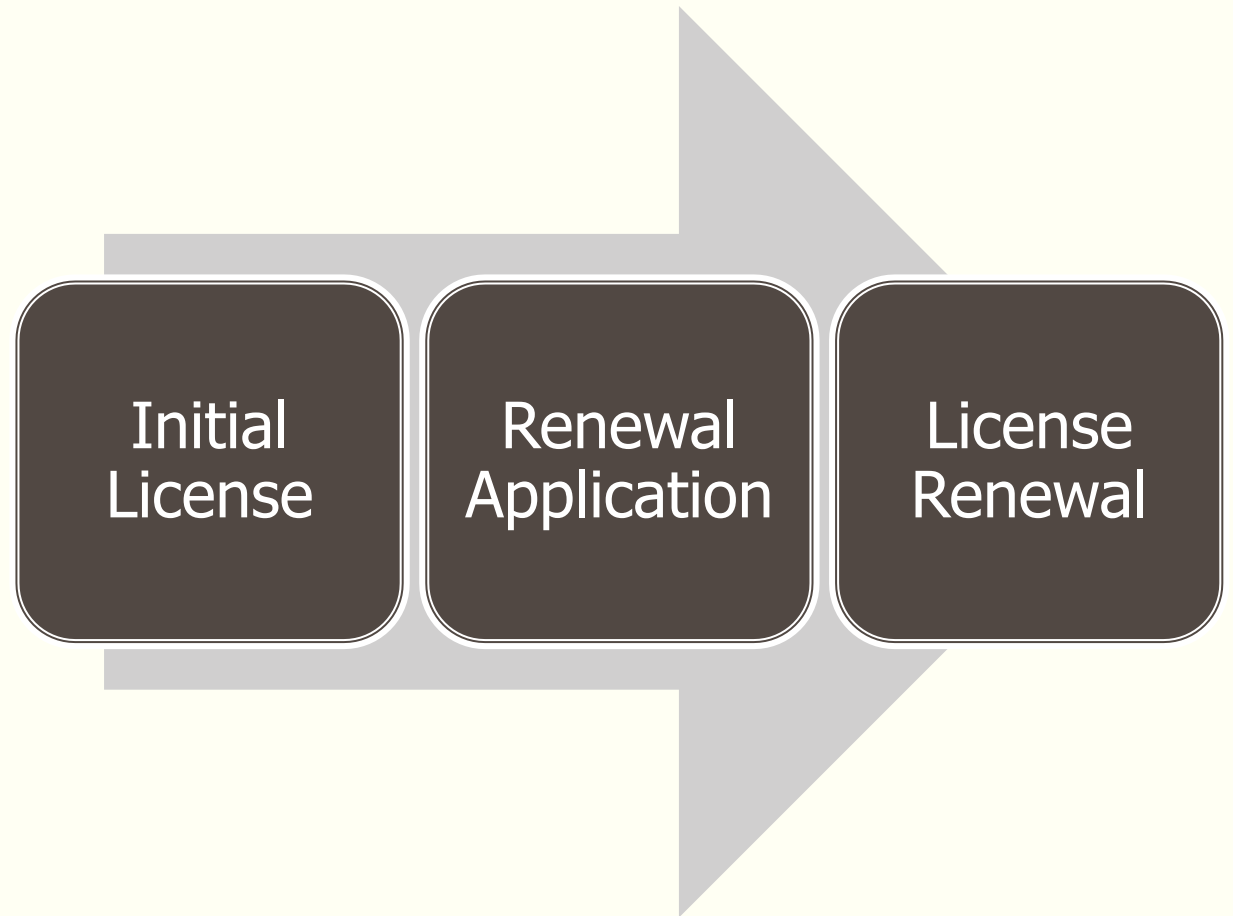
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License Year: July 1<sup>st</sup> – June 30<sup>th</sup>

Annual Renewal Deadline: March 15<sup>th</sup>

Consideration of Renewals: May Meetings

License Renewal Documents Issued: June



# LICENSING FEES

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- License Fees
    - Initial License = \$5,000
    - Renewal Fee = \$2,500
  
  - Related Fees
    - Program Addition or Revision = \$200; requires prior approval
    - Relocation Fee = \$500; requires prior approval
    - Remote Site = \$1,000 initial fee; \$750 renewal fee
  
  - Student Protection Fund
    - Initial License Assessment = \$1,250
    - Renewal Assessment – Statutory formula based on tuition receipts (Example: \$50,000 - \$100,000 = \$300 assessment)
- ✓ Certified bank checks or money orders only



# **SCHOOL CAMPUS & REMOTE SITES**

**The school premises and facilities must be safe and appropriate for students; have adequate parking, restroom facilities, and other amenities; be adequately sized and have equipment on-hand to carry out the number and types of instructional programs requested for licensing.**

# RIGHT OF OCCUPANCY

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- Main campus:
  - Lease or Ownership Deed
  - Floor Plan
  - Safety/Fire Inspection by local fire department



- Remote Site: Instructional environments in the same county that do not have administrative staff or administrative functions such as recruiting, accounting, and record keeping taking place.
  - Lease or Ownership Deed
  - Floor Plan (if applicable)
  - Safety/Fire Inspection by local fire department (if applicable)



# **SCHOOL FACULTY**

**Once licensed, additional faculty must be submitted to the Office of Proprietary Schools for approval within 30 days of the respective start date of any such employee.**



# DIRECTOR AND FACULTY REQUIREMENTS

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## SCHOOL DIRECTOR

- One person must be designated as the school's Director.
- The Director is directly responsible for the school programs, the methods of instruction, the employment of instructors, the advertising used, and the maintenance of proper administrative records and all other procedures related to the administration of the school or class.
- Directors must meet the following minimum requirements:
  - Be a person of good moral character.
  - Be a graduate of an accredited college or university accredited by an agency that is recognized by the U.S. Department of Education.
  - Have the experience, competency, and capacity to lead the school.
- Personnel who lack the educational requirement above, but who are otherwise qualified based on relevant work experience, may be approved on an individual basis by the State Board of Proprietary Schools.

## INSTRUCTORS & FACULTY

- Instructors must be qualified by education and/or relevant work experience.
- Instructors must meet the following minimum qualifications:
  - Be a person of good moral character.
  - Be at least 18 years of age.
  - Be a graduate of an accredited college or university and hold an associate degree that is recognized by the U.S. Department of Education or meet the requirements of other occupational licensing or approval bodies requested to approve instructor adequacy.
- Personnel who lack the educational requirement above, but who are otherwise qualified based on relevant work experience, may be approved on an individual basis by the State Board of Proprietary Schools.



# **CURRICULUM**

**Approved programs must be taught as they were licensed. Students must receive all training hours they contracted to receive. Schools must obtain approval from the Office of Proprietary Schools prior to changing program curriculum.**

# CURRICULUM DESIGN

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- The number of programs offered shall not exceed the number of faculty employed on a full-time basis.
- List the major job competencies the curriculum is designed to offer. Job competencies are statements that describe the performance skills and level of skills that a person would normally be expected to achieve in order to perform the tasks or duties of the jobs identified for the curriculum.
- Prepare a catalog description that briefly describes the training program including statements concerning the purpose of the curriculum, subject areas or types of courses offered, the sequence of courses by modules, terms, quarters, etc., the contact hours by categories (class/lecture, lab, shop/clinical/work experience), and the credit hours if the institution is accredited.
- Class periods shall be a minimum of 50 minutes net instruction.
- Create a program syllabus containing instructor name; course name and meeting times and location; descriptions of the topics/courses to be covered during the program; the number and type of training (Lecture/Lab/Externship or Clinical) covered in each topic/course; total hours of instruction students will receive; and the text or instructional materials required.
- 3<sup>rd</sup> - Party contracts for Externships & Clinicals.

Program	Lecture Hours	Lab Hours	Externship or Clinical Hours	Total
Class 1	6	2	0	8
Class 2	5	3	0	8
Class 3	3	5	0	8
Class 4	0	6	0	6
Externship	0	0	40	40
	14	16	40	70



# **SCHOOL CATALOG**

**The catalog must be in published form and given to students at the time of their admission. It must be dated and identified with volume and number indicated on the front page and be formatted as a complete document with pagination.**

# REQUIRED CATALOG ELEMENTS

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1. Identifying data, including volume numbers and date of publication.
2. Names of the institution and its governing body, officials and faculty.
3. A calendar of the institution showing legal holidays, beginning and ending dates of each quarter, term or semester, and other important dates.
4. Policy and regulations relative to leave, absences, class cuts, make-up work, tardiness and interruptions for unsatisfactory attendance.
5. Policy and regulations on enrollment with respect to enrollment dates and specific entrance requirements for each course.
6. Policy and regulations relative to standards of progress required of the student by the institution. This policy must define the grading system of the institution and identify:
  - a. The minimum grades considered satisfactory.
  - b. Conditions for interruption for unsatisfactory grades or progress and description of the probationary period, if any, allowed by the institution.
  - c. Conditions of reentrance for those students dismissed for unsatisfactory progress.
7. A statement regarding the process and cost of requesting academic records kept by the institution and furnished to the student.
8. Policy and regulations relating to student conduct and conditions for dismissal for unsatisfactory conduct.
9. Detailed schedule for fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges. If the total tuition of a program exceeds \$5,000, you must comply with the following Community College Code rule: ***"If total tuition is greater than five-thousand dollars (\$5,000), the school may collect up to 50 percent of the total tuition prior to that mid-point of the program. The remainder of the tuition may be collected only when the student has completed one-half of the program. Federal regulations regarding the disbursement of tuition shall supersede state disbursement regulations stated in this Rule."***
10. Policy and regulations of the institution relative to the refund of the unused portion of tuition, fees and other charges in the event the student does not enter the course or withdraws or is discontinued therefrom. **The policy and regulations shall provide for, at a minimum, a full refund if a student withdraws before the first day of class or the school cancels the class and a seventy-five percent (75%) refund if the student withdraws within the first twenty-five percent (25%) of the period of enrollment for which the student was charged.**
11. A description of the location, available space, facilities and equipment of the school.
12. A course outline for each program requested for approval. Schools may measure instruction on a clock-hour or credit hour basis. The catalog must provide a clear definition of the method used. Courses offered on a credit hour basis must show class hours, laboratory hours, and credit hours to be earned. The course outline of each program shall include at minimum:
  - a. The total clock hour or credit hour measurement of the program and identification of the full costs of the program.
  - b. A brief description of each course making up the program, complete with the knowledge, skills, or objectives acquired from each course.
  - c. Approximate time, clock hours, and credit hours or credit hours equivalent, as appropriate, to be spent on each course.
  - d. Identification of any special admission requirements for enrollment into the program (i.e. background check/immunizations)
  - e. Identification of any industry-recognized certification(s) students may qualify to sit for by completing the training program.
13. Policy and regulations of the institution relative to granting credit for previous educational training.

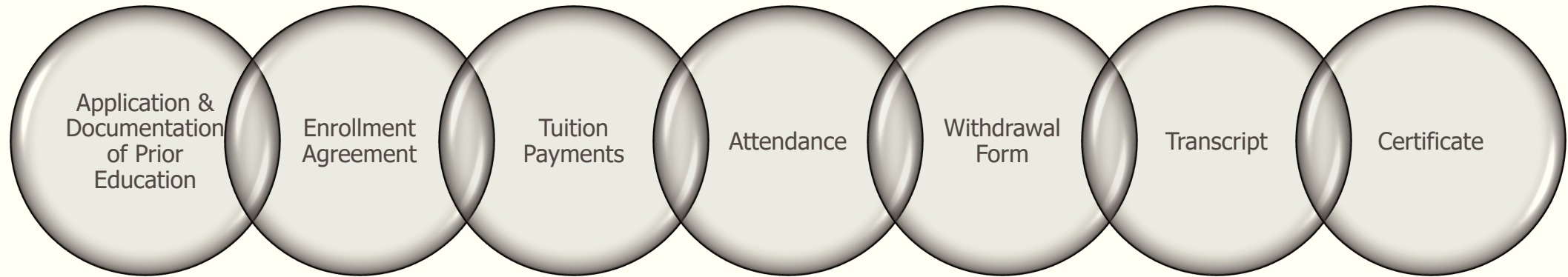


# ACADEMIC RECORDS

**The school must maintain academic files for each enrolled student. Each student file must contain a signed application for enrollment, signed enrollment agreement, documentation of prior education, documentation of payments received on behalf of the student, signed withdrawal form (if applicable), and copies of the transcript and certificate issued to the student.**

# STUDENT FILES

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- **Enrollment: HS Transcript or Equivalency; CC or University Transcript; Attestation; Ability to Benefit**
- **Format: Paper (Secure in locked filing cabinet & room) or Electronic**
- **Retention: Indefinitely; Maintain at least 5 years on-site for auditing purposes**
- ✓ **ACCURACY! + SCHEDULE REGULAR BACKUPS!**

# INSTITUTIONAL OUTCOMES – ANNUAL REPORT

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Total Receipts

Operating Profit  
or Loss

Total Enrollment  
in Each Licensed  
Program

Total Withdrawals  
in Each Licensed  
Program

Total Graduates in  
Each Licensed  
Program

Job Placements in  
Each Licensed  
Program

- ✓ **Annual Report: Only programs licensed by the Community College Board**
- ✓ **Reporting Period: The last calendar year (January – December)**
- ✓ **Documentation: ONLY report what you can document!**



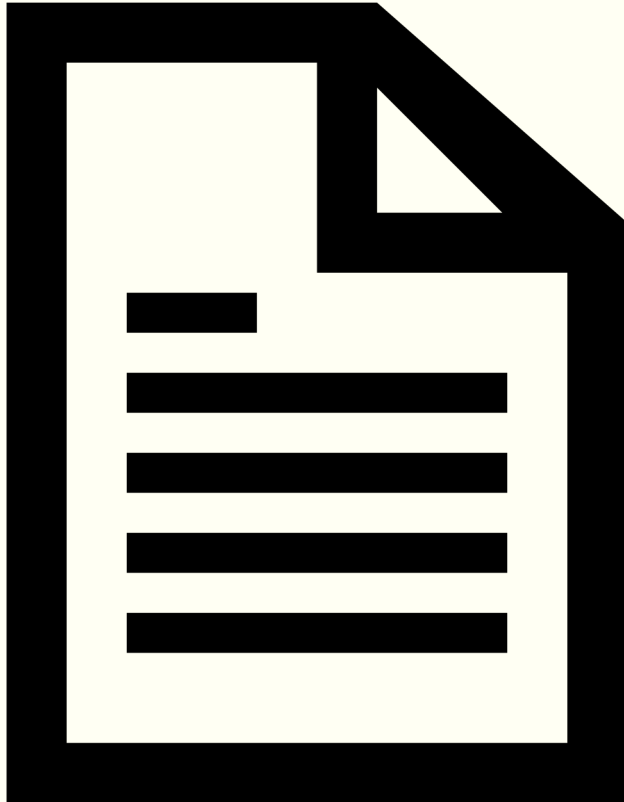


# SCHOOL BOND

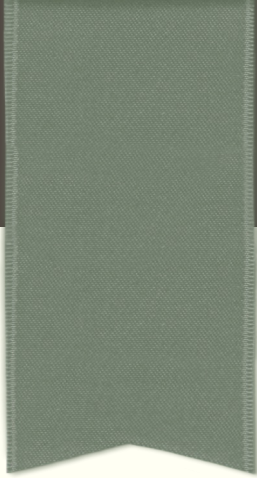
**Schools must obtain a guaranty bond with minimum coverage of \$25,000 from a company authorized to conduct business in NC. A fully executed original copy of the bond must be filed in the county in which the school operates.**

# BOND PROVIDED IN APPLICATION

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- Set initial bond coverage at \$25,000.
- File original copy of bond in county the school operates. Send file-stamped original to Office of Proprietary Schools.
- Quarterly financial reporting until licensed longer than 5 years.
- Bond may increase as school grows – send Rider to Office of Proprietary Schools.
- Must be renewed annually – send Continuation Certificate to Office of Proprietary Schools.

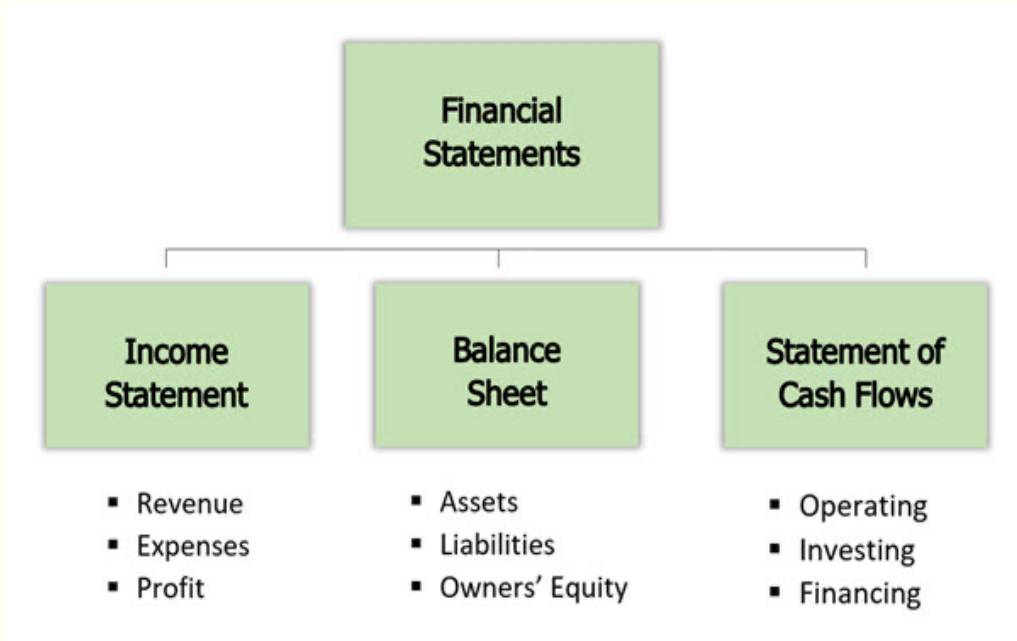


# **FINANCIAL REPORTING**

**Applicants must show they have adequate financial resources to equip and maintain the school. Schools must work with Certified Public Accountants and submit financial documents to the Office of Proprietary Schools.**

# FINANCIAL DOCUMENTS

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- Newly established schools with no history of operation:
  - If maintaining current employment while establishing school: Submit your most recent pay stub and a copy of your most recently filed federal income tax forms. **Redact all personally identifiable information (Social Security Numbers, bank numbers, etc.) prior to submission.**
  - If financing school from savings: Submit a copy of the most recent bank statement for the account. **Redact all personally identifiable information.**
  - If financing school from a loan or other source: Submit documentation of the loan or other source of funding. **Redact all personally identifiable information.**
- Established schools:
  - Schools that are accredited by an agency recognized by the U.S. Department of Education must submit the school's most recent Audited Financial Report accompanied by an opinion by a Certified Public Accountant.
  - All other schools submit a Financial Compilation prepared by a CPA, including at minimum: 1) a current balance sheet showing total assets, liabilities and equity; 2) a profit/loss statement; and 3) a cash flow statement.



# **SCHOOL SALES**

**Proprietary school licenses are not transferable to a new owner. A new owner may be granted a 90-day temporary license while he or she completes the initial licensing process.**

# PROVIDE IMMEDIATE NOTICE OF SCHOOL SALE

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A proprietary school sale occurs when a new owner acquires ownership interest in greater than 50% of a company's stock or assets.

## **Q: Are there any exceptions?**

A: Yes. There are two exceptions:

1. Transfers of the entire portion of an owner's ownership interest and control to a member of the owner's family (whether or not the family member works at the school) that includes parent, step-parent, sibling, step-sibling, spouse, child or step-child, grandchild or step-grandchild; spouse's parent or step-parent, spouse's sibling or step-sibling, spouse's child or step-child, spouse's grandchild or step-grandchild; child's spouse, and sibling's spouse; or
2. Transfers of the entire portion of the owner's ownership interest and control, upon the retirement or death of the owner, to a person (who is not a family member) with an ownership interest in the school who has been involved in management of the school for at least two years preceding the transfer, and who has established and retained the ownership interest for at least two years prior to the transfer.

## **Q: Does the proprietary license transfer to the new owner?**

A: No. All classes are required to stop upon completion of a sale because the license held by the former owner becomes void and does not transfer to the new owner.

## **Q: How does the new owner obtain a proprietary license?**

A: The new owner obtains a license through a two-step process:

1. The new owner requests a 90-day temporary license from the Office of Proprietary Schools (OPS). Once granted, the 90-day license runs from the date of sale and allows the new owner to operate the school while they complete the initial license process.
2. The new owner must submit an Initial Proprietary School License Application with OPS and complete the initial licensing process.

## **Q: What does the seller need to provide to OPS when a sale occurs?**

- A. A signed *Notice of Proprietary School Sale* form (Office of Proprietary Schools Website) along with a statement on official school letterhead noticing OPS of the sale. The statement must include: 1) sale date; 2) name and contact information (phone and email) of the seller and buyer; 3) confirmation of whether the sale will impact the name, location, program offerings, instructors, or administration of the school; 4) name and contact information of bond company, bond number, and current bond amount; 5) acknowledgement and date that all programs licensed by the State Board of Community Colleges ceased; 6) confirmation that other applicable federal (Department of Education - Title IV Funding) or state agencies (Board of Governors for degree programs; State Approving Agency for GI Bill approval; DHHS for Nurse Aide I programs; Board of Nursing for Nurse Aide II programs; Dental Board for Dental Assistant programs) were noticed; and 7) surrender of the school's proprietary school license issued by the State Board of Community Colleges.



# **SCHOOL CLOSURES**

**School owners have a responsibility to close their institution in an orderly fashion without harm to students. Upon final closure, the school must transfer academic records to the North Carolina Archives.**

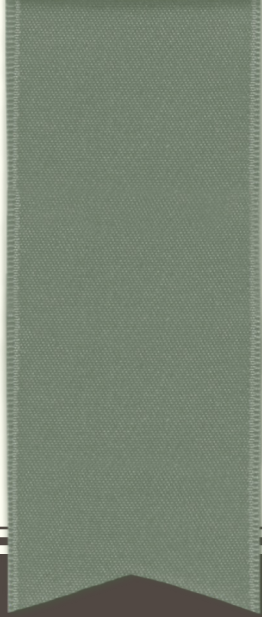
# PROVIDE IMMEDIATE NOTICE OF SCHOOL CLOSURE

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- All schools must adopt a teach-out plan in the case of school closure. The plan must be kept on file for audit purposes and shall include:
  - a. The procedure for notifying students of a pending school closure;
  - b. The arrangements for students to complete their programs prior to the closure;
  - c. The possibility to transfer to other equivalent programs at other institutions;
  - d. The process and timeline for refunding the portion of prepaid tuition and fees not earned by the school.
  
- Each student shall be given a minimum 30-day written notice of the school's intent to close.
  
- Prior to final closure, the school shall file a copy of all student academic records with the North Carolina Archives.
  
- **Notice of Closure to Office of Proprietary Schools:** Any closing institution (including schools that do not renew their license) must file a *Notice of Proprietary School Closure* with OPS. It is available online at: <https://www.nccommunitycolleges.edu/proprietary-schools>.





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THE END

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