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2013 ANNUAL REPORT MAILED HARD COPY DOCUMENTS

~~Checklist for the 2013 Annual Report Package
Form S-10 Section: Summary of Enrollment, Completion, and Employment Data
RSVP Form For Orientation Training on July 29, 30, 31 or August 2, 2013~~

2013 ANNUAL REPORT ATTACHED DOCUMENTS

~~Form S-5 Section: Private Career School Financial Information
Form 7 Section: Enrollment, Completion, and Employment Data
Form 8 Section: Verification of Employment Data Reported on Form 7
Form 9 Section: License Exam Pass Rate and Verification of Pass Rate (If Applicable)
Performance Bond Form
Letter of Credit Form
Catalog Checklist for a Private Career School
Enrollment Agreement Checklist for a Private Career School
Student's Permanent Transcript Checklist for a Private Career School
Student Permanent Account Card Checklist for a Private Career School
Personnel Form for Private Career Schools—Faculty, Staff, and Administrators~~



MHEC

MARYLAND HIGHER EDUCATION COMMISSION

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS

Name of School:

Mailing Address:

City: State: Zip:

Director's Name:

Telephone:

FAX:

E-Mail:

Web Address:

Initial Approval Date *(See S-10)*:

Comment [AK1]: Pre-populate this section, *but* allow schools to modify info. Track any modifications/send notices to staff (this will alert to staff to schools that have made unapproved changes)

Comment [AK2]: Pre-populate school name and address from PCS inventory

Comment [AK3]: Pre-populate director's name, telephone, fax, email.

Comment [AK4]: Blank text field? Or pre-populated? (We do not have URLs for all schools/web site not req'd for approval)

Comment [AK5]: Pre-populate

Send to: **Private Career School Annual Report
Maryland Higher Education Commission
6 N. Liberty Street, 10th Floor
Baltimore, MD 21201**

All required documentation must be received by the Commission by September 3, 2013.

Save and continue

Save and close

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
SCHOOL:

I. GROSS TUITION COLLECTED

Complete the enclosed Form S-5 (*Private Career School Financial Aid Information*) prior to completing this section. Enclosed is a Form S-5 Section that contains: (1) Form S-5 and (2) directions for completing this form. Once the Form S-5 has been completed, transfer the appropriate dollar amount from Form S-5 to this section.

Report the total gross tuition collected during the fiscal year (July 1, 2012 through June 30, 2013) and provide a breakdown by source.

<u>Source</u>	Gross Tuition Collected (7/1/12-6/30/13)
A. Self-Paying (Students' Own Funds)	<u>\$0.00</u>
B. Financial Aid (Enter amount from Form S-5, line V-A)	<u>\$0.00</u>
Total Gross Tuition Collected (A+B)	<u>\$ 0.00</u>

Comment [AK6]: Can this whole section auto-populate using information from the S-5?

Save and continue

Save and close

NAME OF SCHOOL: THE SCHOOL

II. TUITION REFUNDS MADE

Report the total tuition refunded during the fiscal year (July 1, 2012 through June 30, 2013) and a breakdown by funding source. Identify the number of students who received these tuition refunds.

<u>Source</u>	Tuition Refunds Made (7/1/12-6/30/13)
A. Self-Paying (Students' Own Funds)	\$0.00
B. William D. Ford Federal Direct Loans	\$0.00
C. Stafford Loans	\$0.00
D. PLUS Loans	\$0.00
E. Perkins Loans	\$0.00
F. Pell Grant	\$0.00
G. FSEOG Grant	\$0.00
H. Tolbert Grant Program	\$0.00
I. Other (Please Specify:)	\$0.00
Total Tuition Dollars Refunded (A-I)	\$ 0.00
Number of Unduplicated Students Receiving Refunds	

Save and continue

Save and close

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
SCHOOL:

III. PAYMENT INTO THE GUARANTY STUDENT TUITION FUND (GSTF)

Your payment into the Guaranty Student Tuition Fund is based upon your adjusted gross tuition. The adjusted gross tuition is the gross tuition collected during the reporting cycle (July 1, 2012 through June 30, 2013) minus any tuition refunds paid to or on behalf of students.

Using the data from the previous page, you will subtract the amount identified in Section II., Tuition Refunds Made, from the amount calculated in Section I., Gross Tuition Collected. The difference will be your adjusted gross tuition.

$$\begin{array}{r} \$ \underline{\hspace{2cm}} \\ \text{(Gross Tuition Collected)} \end{array} - \begin{array}{r} \$ \underline{\hspace{2cm}} \\ \text{(Tuition Refunds Made)} \end{array} = \begin{array}{r} \$ \underline{\hspace{2cm}} \\ \text{(Adjusted Gross Tuition)} \end{array}$$

Comment [AK7]: Autocalculate:
I. GROSS TUITION COLLECTED-
II. TUITION REFUNDS MADE

With the changes to the Code of Maryland Regulations, the payment fee structure for the assessment year covered by the 2013 Annual Report will be calculated by using a factor of .21%.

To calculate your school's payment into the Guaranty Student Tuition Fund, perform the following calculation:

$$\begin{array}{r} \$ \underline{\hspace{2cm}} \\ \text{Adjusted Gross Tuition} \end{array} \times .0025 = \begin{array}{r} \$ \underline{\hspace{2cm}} \\ \text{GSTF Payment} \end{array}$$

(cannot be less than \$250.00)

Comment [AK8]: Autocalculate:
Adjusted Gross Tuition (above) x .0025

If the product is less than \$250.00, populate \$250.00 as the GSTF payment.
Otherwise, populate the actual product, rounded to the nearest cent \$xxxx.xx

A GSTF \$ email reminder should be sent to the school at the time of submission/completion

Please be aware that the *minimum* payment into GSTF is \$250.00 and is *required* even if tuition is not charged.

Your payment must accompany this report. Make your check payable to: **Maryland Higher Education Commission Guaranty Student Tuition Fund.**

Please be advised that failure to make this payment is a violation of Education Article, §11-203(d)(3)(i) of the Annotated Code of Maryland and will constitute grounds for revocation of the school's approval to operate.

If payment is sent under separate cover from the report, send remittance to:

**Attn.: Private Career School Annual Report
Maryland Higher Education Commission
6 N. Liberty Street, 10th Floor
Baltimore, MD 21201**

Save and continue

Save and close

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
SCHOOL:

IV. FINANCIAL REPORT(S) OR FINANCIAL GUARANTEE

Current financial guarantee amount: \$

Financial guarantee type (including %):

Does the school collect tuition in multiple installments?

Yes

No

If no, you must provide a financial guarantee in an amount sufficient to cover **100%** of the tuition liability of the school and in the form and manner described in Table 1.

If yes, you must provide:

A financial guarantee sufficient to cover **100%** of the tuition liability of the school and in the form and manner described in Table 1;

OR

A financial report(s) that meets the requirements described below in Table 2 **and**

A financial guarantee in an amount sufficient to cover **%** of the tuition liability of the school and in the form and manner described in Table 1.

Note: Electronic copies of audited financial reports and/or continuations of financial guarantees must be uploaded in the upload portal

Any new financial guarantee documents, however, must be mailed to the Commission

Comment [AK9]: This text should be visible only if the school selects no. Make Table 1 a pop-up/new tab

Comment [AK10]: This text should be visible only if the school selects yes

Comment [AK11]: Use the PCS inventory to determine if a school currently operates under a 100% financial guarantee. Provide this instruction for any school that selects "yes" AND has a 100% FG

Comment [AK12]: Provide this instruction for any school that selects "yes" AND has less than a 100% FG (50%, 30%, or no guarantee). Make Tables 1 & 2 pop-ups/new tabs

Save and continue

Save and close

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
SCHOOL:

V. PROGRAM INFORMATION (Form 5) – Excel Spreadsheet)

On the Excel Spreadsheet Form 5, identify the *approved name* of each program approved to be offered by your school. ~~Double check program names with the corresponding Form S-10 provided by MHEC. If a disparity exists, contact Commission staff.~~

For each program listed, identify the clock hours, tuition, total program cost, whether the program is approved for Veterans' Educational (VA) benefits (for "yes" insert "1"; for "no" leave blank), and whether the program has a signed articulation agreement with a degree-granting institution for the transfer of credits (for "yes" insert "1"; for "no" leave blank).

Total cost = tuition + fees + books + supplies + equipment. Exclude transportation and living expenses.

Articulation Agreement: If an articulation agreement exists, submit a copy of the current agreement.

Comment [KA13]: Max student enrollment in all sessions at any point in time

Comment [AK14]: Pre-populate program names from PCS inventory

Comment [AK15]: Pre-populate clock hours

Comment [AK16]: Schools will enter costs

Comment [AK17]: Will VA approval be pre-populated from PCS inventory? Or a check box for schools?

Comment [AK18]: Schools will identify articulation agreements with a yes/no check box. If yes is checked, text fields should appear (to identify partner institution(s)). Schools will need to upload articulation agreement PDF(s) in the upload portal

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
SCHOOL:

VI. PERSONNEL INFORMATION (Form 6 – Excel Spreadsheet)

On Excel Spreadsheet Form 6, list all current full- and part-time staff members, including admissions representatives, financial aid officers, instructors, and administrators.

Comment [AK19]: Web entry

~~For **NEW employees hired between July 1, 2012 and June 30, 2013**, submit a copy of their **MHEC personnel form by either a viewable/printable electronic format (preferable) or hard copy.**~~

Note: Sections 13B.01.01.07 D and 13B.01.01.10 C of the Code of Maryland Regulations state:

At the time of initial approval and renewal of approval, the school shall submit to the Secretary, on forms provided by the Secretary, such information as the Secretary may require on the education, training, and experience of its administrative, marketing and sales, supervisory, and instructional staff. These forms shall be maintained at the school for each new and continuing employee.

The qualifications of the instructional staff shall be documented in their personnel files, including but not limited to evidence of formal educational attainment, certificates and degrees earned, and relevant experience.

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
SCHOOL:

VII. BUSINESS ORGANIZATION

A. Provide the following information regarding the name of the school:

Current business entity name (LLC, corporation, etc.):

Current trade name (school name): _____

B. **If the business entity is an LLC or corporation, submit evidence that the business entity is in good standing with Maryland Department of Assessments and Taxation (SDAT). The documentation can be a copy of the Certificate of Good Standing or the SDAT on-line confirmation of good standing status. (Please note this item does not apply to a sole proprietorship.)**

B. **For the trade name, submit evidence of the registration of the trade name with SDAT. (This item applies to all schools.)**

Comment [AK20]: Pre-populate entity and trade names from PCS inventory

Comment [AK21]: Schools will upload SDAT good standing evidence in the upload portal. Although this does not apply to sole proprietorships, PCS inventory currently does not "track" entity types, so notice likely will be posted to all schools (PCS staff may need privileges to manually override later)

Comment [AK22]: Schools will upload evidence of trade name registration in the upload portal.

Save and continue

Save and close

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
SCHOOL:

X. ADVERSE GOVERNMENT AND ACCREDITATION REPORTS

Has any actual or potential adverse actions been taken against the school since July 1, 2013?

- Yes (Upload a copy of all notices and/or reports related to such actions) No

Section §13B.01.01.06C(1) of the Code of Maryland Regulations states: *An approved school shall file with the Secretary, within 5 days of receipt by the school, any reports or notices from government or accreditation agencies, or other entities or organizations which notify the school of any actual or potential adverse actions to be taken against the school, including but not limited to: (a) citations of deficiencies; (b) requests for, or notices of, hearings; (c) suspension or revocation of approval or accreditation; (d) changes in financial aid eligibility; (e) show cause orders; (f) notification of penalties, fines, liens, judgments, or levies to collect judgments or liens; or (g) other disciplinary or punitive actions.*

Actions: _____

Save and continue

Save and close

XI. JUDGMENTS AND LIENS

Has any judgment(s) or lien(s) been issued or recorded against your school or its parent corporation since July 1, 2012? If so, describe the action(s) below and enclose copies of the judgment(s) or lien(s), including recordation information.

Yes (If yes, upload copies of the judgment(s) or lien(s), including recordation information) No

Description: _____

Save and continue

Save and close

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]

XII. BANKRUPTCY

Has your school or its parent corporation filed for bankruptcy since July 1, 2012? If so, describe the bankruptcy action below, including the filing date and the court. Attach copies of the bankruptcy petition(s).

Yes (If yes, upload copies of the bankruptcy petition(s)) No

Description: _____

Save and continue

Save and close

XIII. PRIVATE STUDENT LOAN PROGRAMS

Does your institution participate with any private student loan programs or other types of private tuition financing or payment plans?

Yes

(If yes, respond to Items A-D)

No

(If no, go to Section XIV)

Comment [AK27]: Items A-D should appear only if "yes" is checked

A. Identify below the private lenders or companies that your school has arranged to provide private loans or financing to your students.

Name(s) of Private Lenders/Companies:

1. _____
2. _____
3. _____
4. _____

B. Number of private loan disbursements made to the school:

- One disbursement
- Two disbursements
- More than two disbursements
- Other (please specify: _____)

C. The first disbursement of the student's private loan is made:

- Upon the student's enrollment
- On the first day of training
- Other (please specify: _____)

Save and continue

Save and close

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
SCHOOL:

XIV. ACCREDITATION

Is your institution accredited?

Yes
(If yes, continue)

No
(If no, go to Section XIX)

List your school's accrediting agency or agencies and the duration of your current accreditation.

Accrediting Agency:

Dates of Current Accreditation:

Did your accrediting body make any changes to your school's status since July 1, 2013?

Yes (If yes, upload letter of notification
and any related correspondence)

No

~~Include changes that are being appealed as well as final actions. Provide the effective date of any final actions and a status update on actions that are pending (i.e., the date an appeal was submitted and the scheduled date of a hearing).~~

Comment [AK28]: Note: Hereafter, sections XV – XVIII apply only to accredited schools; thus, they only should be available if a school checks “yes” here in section XIV.

Comment [AK29]: Text field

Do we want a separate field for duration?

Comment [AK30]: Text field currently.

Schools report a date range, rather than a single date.

Save and continue

Save and close

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]

XV. CHANGES IN FINANCIAL AID ELIGIBILITY

Have any changes occurred to your school's eligibility to participate in federal financial aid since July 1, 2013?

- Yes (If yes, upload letter of notification and any related correspondence) No

~~ACCREDITED SCHOOLS ONLY: Include changes that are being appealed as well as final actions. Provide the effective date of any final actions and a status update on actions that are pending (i.e., the date an appeal was submitted and the scheduled date of a hearing).~~

Save and continue

Save and close

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
SCHOOL:

XVI. LOAN DEFAULT RATES

ACCREDITED SCHOOLS ONLY: List your school's cohort default rate for the Guaranteed Student Loan Program for FY-~~09~~10, FY-~~10~~11, and FY-~~11~~12. Record the rates that were reported for your school by the U.S. Department of Education in ~~2012~~2014. If your school is affiliated with other schools that share a common federal number, list below the applicable group default rates.

Default Rates as Published by U.S. D.O.E. in ~~2013~~2014

FY-09	FY-10	FY-11
_____	_____	_____

The school is appealing the accuracy of the default rates listed above, has individual default rates for the school different from the group default rates reported above, or has other pertinent information concerning your school's default rates.

Yes (If yes, upload related documentation) No

Save and continue

Save and close

| 2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [\[INSERT SCHOOL NAME\]](#)

XVII. FEDERAL DIRECT LOAN PROGRAM

ACCREDITED SCHOOLS ONLY: Did your school participate in the William D. Ford Direct Loan Program during the fiscal year (July 1, 2012 - June 30, 2013)?

Yes

No

|

Save and continue

Save and close

| 2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]

XVIII. FEDERAL FAMILY EDUCATION LOAN (FFEL) PROGRAMS

ACCREDITED SCHOOLS ONLY: List any guaranty agency(s) used by your school in 2012 and 2013 for federally guaranteed loans.

Year Guaranty Agency(s)

2012 _____

2013 _____

List the lending institution(s) used by your school in 2012 - 2013 for federally guaranteed loans.

Agencies: _____

Save and continue

Save and close

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
~~SCHOOL:~~

~~XIX. ADDITIONAL INFORMATION~~

~~Use this portion of the report to indicate any additional information that you would like to bring to the Commission's attention relating to the operation of your school since July 1, 2012.~~

~~Additional Information: _____~~

Comment [AK31]: Remove this section from future annual reports

Save and continue

Save and close

XX. CATALOG, ENROLLMENT AGREEMENT, AND STUDENT PERMANENT RECORD CARD

Note: Prior to submission, evaluate your school's documents against the enclosed checklists to ensure their compliance with Commission regulations and policies. Do NOT include the checklists with the submitted Annual Report materials.

ALL schools must submit the following by viewable/printable electronic format:

- **Catalog:** ONE copy of the school's current catalog. Affix a statement to the inside front cover of the catalog stating that the catalog is "*Certified true and correct as to content and policy.*" The certification must be **signed and dated** by the school director or, if applicable, by the VA Certifying Official.
- **Catalog Supplements:** ONE copy of current catalog supplement(s) with the statement "*Certified true and correct as to content and policy*" on each. The certification must be **signed and dated** by the school director or, if applicable, by the VA Certifying Official.
- **Enrollment Agreement:** ONE blank copy of the current enrollment agreement. If separate agreements/contracts are used for different programs, include one (1) contract for each program.
- **Student Permanent Record Format:** ONE blank copy of a student permanent record (to include a blank student permanent transcript and daily attendance form, and a blank student account card). If the student permanent record is modified for different programs, include one for each program.

Comment [AK32]: Schools will upload student documents in the upload portal

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]

~~**XXI. FORM 7: ENROLLMENT, COMPLETION, AND EMPLOYMENT DATA**~~

Complete and submit Form 7 for *each program* offered by your school. There are two sections: (a) Form 7, and (b) directions for completing Form 7. A corresponding Form 7, or comparable spreadsheet, must be submitted with *each* Form S-10 provided with your school's 2013 Annual Report Package.

~~**XXII. FORM 8: VERIFICATION OF EMPLOYMENT DATA REPORTED ON FORM 7**~~

Complete and submit Form 8 for *each program* offered by your school, except any programs that prepare graduates for real estate or allied health occupations that require licensure. Form 8 provides additional documentation regarding training-related employment of program graduates reported on Form 7. There are two sections: (a) Form 8 and (b) directions for completing this form.

~~**XXIII. FORM 9: LICENSE EXAM PASS RATE AND VERIFICATION OF PASS RATE**~~

REAL ESTATE OR ALLIED HEALTH PROGRAMS ONLY: For each program that prepares graduates for real estate or allied health occupations that require licensure, complete the attached Form 9 by reporting the performance of program graduates on the required state and/or federal licensing examination(s). There are two sections: (a) Form 9 and (b) directions for completing this form.

Reminder: Include documentation from the licensing agency verifying reported pass rate data.

XXIV. FORM S-10: SUMMARY OF ENROLLMENT, COMPLETION, AND EMPLOYMENT DATA

Complete and submit the S-10 forms provided to you by MHEC for each program offered by the school. ~~The Form S-10(s) and instructions for completing this form were mailed to the school; they are *not* included with the 2013 Annual Report materials to be accessed from the MHEC web site.~~

~~**Discontinued Programs:** A Form S-10 is provided for each approved program offered during the fiscal year (July 1, 2012—June 30, 2013), even those programs discontinued or modified in length within the reporting year.~~

Program Performance: Program performance indicators identified by the Secretary and listed below are calculated based on data provided by schools on the Form S-10 utilizing the following formulae:

Comment [KA33]: Retain, but rephrase. Move to Form 7/8

$$\begin{aligned} \text{Enrollment} &= \text{Question 1} + \text{Question 2} \\ \text{Completion Rate} &= \text{Question 3} \div [(\text{Question 1} + \text{Question 2}) - (\text{Question 6} + \text{Question 7})] \\ \text{Withdrawal Rate} &= \text{Question 5} \div [(\text{Question 1} + \text{Question 2}) - (\text{Question 6} + \text{Question 7})] \\ \text{Employment Rate} &= \text{Question 4a} \div \text{Question 3} \end{aligned}$$

~~Section 13B.01.01.15(K) of Code of Maryland Regulations states: *Information provided by a school to students and prospective students regarding the performance of the school's approved programs shall be complete, verifiable, and consistent with the program performance information required to be reported by the school in its most recent annual report to the Secretary. For purposes of this section, program performance information includes, but is not limited to data pertaining to each program's enrollment, completion, withdrawal, placement, and rate of passage on any applicable licensing examination.*~~

~~**BEFORE SUBMITTING THE FORMS S-10,** the school director must verify that the enrollment, completion, and employment data reported on the Form S-10 are true and correct for each program offered by the school.~~

Use the following formula to check the accuracy of data reported on each Form S-10:

$$\text{Question 7} = \text{Questions 1} + \text{2} - \text{3} - \text{5} - \text{6.}$$

~~(Enrollments as of 6/30/12 = Carry-over Students + New Students - Completers - Withdrawals - Leaves of Absences)~~

2013 ANNUAL REPORT FOR PRIVATE CAREER SCHOOLS: [INSERT SCHOOL NAME]
SCHOOL:

XXV. AFFIDAVIT

I solemnly affirm under penalties of perjury and upon personal knowledge that the information that I have provided in the 2013 Annual Report Package (with all required documents including those itemized below) is true and correct. I further affirm that I shall report immediately to the Maryland Higher Education Commission any intended or actual changes in the information supplied in this report.

- Form S-5: Private Career School Financial Aid Information.
- Form(s) 7: Enrollment, Completion, and Employment Data.
- Form(s) 8: Verification of Employment Data Reported on Form 7.
- Form(s) 9: License Exam Pass Rate and Verification of Pass Rate (If applicable).

Name (Please type or print)

Signature

Title (Owner or School Director)

Date

This page (Affidavit) must be printed and returned with an original signature with the Title/Capacity (Owner/School Director) of the individual who makes the affirmation.

Print affidavit

The Annual Report Information entered in this document must be submitted electronically, in addition to an original printed and signed Affidavit Signature Page.

Submit Annual Report

The School is responsible for maintaining complete copies of ALL Annual Reports, so KEEP A COPY!

Comment [KA34]: Affidavit will not be available until ALL stages/forms of the AR package are complete; therefore, the affidavit now will be separated from the "annual report document" in the web version.

Comment [AK35]: FYI: Form 9 should appear only for those schools with relevant programs (per PCS inventory)

Comment [AK36]: Print the affidavit page button or submit electronically, if electronic signatures will be allowed. Generate an email reminder to the school with the GSTF payment amount

Comment [AK37]: After submitting the AR, will schools be able to print a copy? PDF

IV. FINANCIAL REPORT(S) OR FINANCIAL GUARANTEE

Schools Approved After June 30, 2008: In accordance with revised Commission policy, all private career schools must maintain a financial guarantee during the first ten years of approval. **Therefore, your school must provide with your 2013 Annual Report evidence that the school is maintaining the required financial guarantee described below.**

The amount of the financial guarantee must be sufficient to protect either 50% or 100% of the tuition liability of the school's maximum student enrollment. The percentage is determined based on: (1) the financial condition of the school and (2) the method by which tuition is collected by the school.

Does the school collect tuition in multiple installments?

Yes No

If no, you must provide a financial guarantee in an amount sufficient to cover 100% of the tuition liability of the school and in the form and manner described in Table 1.

If ~~your school collects tuition in multiple installments from or on behalf of students~~yes, the school may choose to provide either:

a) A financial guarantee sufficient to cover **100%** of the tuition liability of the school and in the form and manner described below in Table 1;

OR

b) A financial report(s) that meets the requirements described below in Table 2 **and**

A financial guarantee in an amount sufficient to cover **50%** of the tuition liability of the school and in the form and manner described below in Table 1.

TABLE 1: FINANCIAL GUARANTEE

Submit either: (1) A Notice of Continuation or Continuation Certificate from your bonding agency or bank verifying that the school's bond or letter of credit remains current or (2) A new irrevocable letter of credit or performance bond in an amount that is sufficient to cover the tuition liability of current students.

The financial guarantee must be in the form of either a performance bond or an irrevocable letter of credit. The guarantee must be submitted on the attached form, obtained from a company authorized to do business in Maryland, and made payable to the Secretary of Higher Education.

The amount of the financial guarantee must be sufficient to protect the tuition of the maximum number of students to be enrolled at the school during the period of the guarantee. The amount of the guarantee must be **50% or 100%** of the tuition liability of the school.

Example: The tuition liability for a new school offering only 1 approved program with a maximum student enrollment of 50 and tuition of \$2,000 is calculated as follows:

$$(50 \text{ students} \times \$2,000 \text{ tuition}) \times 100\% = \$100,000$$

or

$$(50 \text{ students} \times \$2,000 \text{ tuition}) \times 50\% = \$50,000$$

TABLE 2: FINANCIAL REPORT(S)

Submit a current financial report prepared in accordance with generally accepted accounting principles (GAAP). It must contain, at a minimum, a balance sheet, income and expense statement, a statement of cash flows, and all accounting notes.

This report must be REVIEWED OR AUDITED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT, and should cover the fiscal year ending June 30, 2013, or the nearest fiscal year ending prior to this date.

If the school is part of a larger organization or is a wholly-owned subsidiary, you must submit a financial statement for all parent corporations and a statement for the school.

Note: To comply with the requirements listed above, the financial report(s) must:

- be reviewed or audited by an independent certified public accountant. (A compiled statement does not meet the requirements.)
- be prepared in accordance with generally accepted accounting principles (GAAP).
- include all accounting notes.
- be provided for all parent corporation(s) and the Maryland school, if the school is affiliated with or owned by a corporation.

The submitted financial reports will be reviewed to determine whether financial conditions warrant the imposition of an increased financial guarantee.

[Return to Annual Report](#)

IV. FINANCIAL REPORT(S) OR FINANCIAL GUARANTEE

Schools Approved Between June 30, 2003 and June 30, 2008: In accordance with revised Commission policy, all private career schools are required to maintain a financial guarantee during the first ten years of approval. **Therefore, your school must provide evidence with your 2013 Annual Report that the school is maintaining the required financial guarantee described below.**

For the initial 6th through 10th years of approval, the amount of the financial guarantee must be sufficient to protect either 30% or 100% of the tuition liability of the school's maximum student enrollment. The percentage is determined based on: (1) the financial condition of the school and (2) the method by which tuition is collected by the school.

2. If your school does **not** collect tuition in multiple installments from or on behalf of its students, you must provide a financial guarantee in an amount sufficient to cover **100%** of the tuition liability of the school and in the form and manner described below in Table 1.
3. If your school collects tuition in **multiple installments** from or on behalf of students, the school may choose to provide either:
 - a) A financial guarantee sufficient to cover **100%** of the tuition liability of the school and in the form and manner described below in Table 1;
 - OR**
 - b) A financial report(s) that meets the requirements described below in Table 2 **and**

A financial guarantee in an amount sufficient to cover **30%** of the tuition liability of the school and in the form and manner described below in Table 1.

TABLE 1: FINANCIAL GUARANTEE

Submit either: (1) A Notice of Continuation or Continuation Certificate from your bonding agency or bank verifying that the school's bond or letter of credit remains current or (2) A new irrevocable letter of credit or performance bond in an amount that is sufficient to cover the tuition liability of current students.

The financial guarantee must be in the form of either a performance bond or an irrevocable letter of credit. The guarantee must be submitted on the attached form, obtained from a company authorized to do business in Maryland, and made payable to the Secretary of Higher Education.

The amount of the financial guarantee must be sufficient to protect the tuition of the maximum number of students to be enrolled at the school during the period of the guarantee. The amount of the guarantee must be **30% or 100%** of the tuition liability of the school, unless notified otherwise by the Secretary.

Example: The tuition liability for a school offering only 1 approved program with a maximum student enrollment of 50 and tuition of \$2,000 is calculated as follows:

$$\begin{aligned} (50 \text{ students} \times \$2,000 \text{ tuition}) \times 100\% &= \$100,000 \\ &\text{or} \\ (50 \text{ students} \times \$2,000 \text{ tuition}) \times 30\% &= \$30,000 \end{aligned}$$

TABLE 2: FINANCIAL REPORT(S)

Submit a current financial report prepared in accordance with generally accepted accounting principles (GAAP). It must contain, at a minimum, a balance sheet, income and expense statement, a statement of cash flows, and all accounting notes.

This report must be REVIEWED OR AUDITED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT, and should cover the fiscal year ending June 30, 2013, or the nearest fiscal year ending prior to this date.

If the school is part of a larger organization or is a wholly-owned subsidiary, you must submit a financial statement for all parent corporations and a statement for the school.

Note: To comply with the requirements listed above, the financial report(s) must:

- be reviewed or audited by an independent certified public accountant. (A compiled statement does not meet the requirements.)
- be prepared in accordance with generally accepted accounting principles (GAAP).
- include all accounting notes.
- be provided for all parent corporation(s) and the Maryland school, if the school is affiliated with or owned by a corporation.

The submitted financial reports will be reviewed to determine whether financial conditions warrant the imposition of an increased financial guarantee.

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IV. FINANCIAL REPORT(S) OR FINANCIAL GUARANTEE

Schools Approved Before July 1, 2003: As a school that has been approved for more than ten years, you may choose to submit with your Annual Report either:

- **A financial guarantee as described below in Table 1;**
- OR**
- **Financial report(s) that meet the requirements described below in Table 2.**

TABLE 1: FINANCIAL GUARANTEE

Submit either: (1) A Notice of Continuation or Continuation Certificate from your bonding agency or bank verifying that the school's bond or letter of credit remains current or (2) A new irrevocable letter of credit or performance bond in an amount that is sufficient to cover the tuition liability of current students.

The financial guarantee must be in the form of either a performance bond or an irrevocable letter of credit. The guarantee must be submitted on the attached form, obtained from a company authorized to do business in Maryland, and made payable to the Secretary of Higher Education. The amount of the financial guarantee must be sufficient to protect the tuition of the maximum number of students to be enrolled at the school during the period of the guarantee. The amount of the guarantee must be at least **30%** of the tuition liability of the school, unless notified otherwise by the Secretary.

Example: The tuition liability for a school offering only 1 approved program with a maximum student enrollment of 50 and tuition of \$2,000 is calculated as follows:

$$(50 \text{ students} \times \$2,000 \text{ tuition}) \times 30\% = \$30,000$$

TABLE 2: FINANCIAL REPORT(S)

Submit a current financial report prepared in accordance with generally accepted accounting principles (GAAP). It must contain, at a minimum, a balance sheet, income and expense statement, a statement of cash flows, and all accounting notes. This report must be **REVIEWED OR AUDITED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT** and cover the fiscal year ending June 30, 2013, or the nearest fiscal year ending prior to this date.

If your school is part of a larger organization or is a wholly-owned subsidiary, you must submit financial statements for all parent corporations and a statement for the school.

Note: To comply with the requirements listed above, the financial report(s) must:

- be reviewed or audited by an independent certified public accountant. (A compiled statement does not meet the requirements.)
- be prepared in accordance with generally accepted accounting principles (GAAP).
- include all accounting notes.
- be provided for all parent corporations and the Maryland school, if the school is affiliated with or owned by a corporation.

The submitted financial reports will be reviewed to determine whether financial conditions warrant the imposition of a financial guarantee.

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