

VIRGINIA DEPARTMENT OF EDUCATION
PROPRIETARY SCHOOLS

Application For A Certificate To Operate

Federal Tax ID #: _____

PART I - General Information

School Name _____ Phone No. _____

_____ FAX No. _____

Address _____

City/State _____ Zip Code _____

Contact Person _____ Title _____

E-mail address _____ Web Page _____

Ownership: _____ Sole Proprietorship _____ Partnership _____ Corporation

If the ownership is a sole proprietorship, give the name and home address of the proprietor(s):

If the ownership is a partnership or corporation, list the name and address of the entity and list all members and officers below:

Partnership/Corporation Name _____

Partnership/Corporation Address _____

City, State, and Zip Code _____

Member/Officers/Director Information

Name	Home Address	Home Phone	Position

Operating Status: _____ For Profit _____ Non-profit

Does the owner currently operate other institutions? _____ Yes _____ No

List other locations and schools operated below:

Projected enrollment for coming year _____

Projected student/teacher ratio _____

Largest enrollment last year (if applicable) _____

Anticipated opening date _____

PART II – Instructional Programs

(Please refer to Part III Section §3.1 (2) and PART VI of the Regulations for Submitting Curriculum Information)

- Complete form **QL.018 - Documentation of Programs and Awards Offered** and provide a program outline listing the individual courses and curriculum in each program.
- Attach form **QL.010 - Clock Hour to Credit Hour Conversion Profile**. (If the applicant school is a correspondence school, provide an estimated time in clock hours for completion of each lesson.)
- Follow instructions for submitting program/curriculum information (enclosed) for each program of study offered by the school. Incomplete submissions will be returned.

PART III – Staff

Provide Administrative Personnel staff information as indicated below

Name	Position/Title	Degree/ Major Field	Area(s) of Licensure

[RETURN THIS SHEET WITH YOUR APPLICATION]**PART IV – Instructional Equipment**

Attach a list of instructional equipment and materials available for each program and/or course listed in Part II. Include model name/number, serial number, location within the facility and whether the item is purchased or leased. Include furniture and resource materials.

PART V – Accompanying Documents

This application shall be verified and accompanied by the following items. Specific sections of the **Regulations Governing the Operation of Proprietary Schools and Issuing of Agent Permits** are identified in parenthesis.

1. A company, certified or cashier's check or money order for **three hundred dollars (\$300.00)** made payable to the **"Treasurer of Virginia."** All fees shall be non-refundable as required by the *Code of Virginia* §22.1-327 Fees.
2. A copy of the school's catalog or bulletin in draft form. Attach a Form QL.025-Catalog Checklist [Part IX, Section 9.1 (N)].
3. A Form QL-012-Statement of Financial Responsibility or comparable financial statements. [Part III, Section 3.1 (9)].
4. Copies of student record forms and the method of collecting and refunding tuition, a schedule of tuition and fees and any other pertinent materials relative to student records and services offered [Part VII and Part VIII].
5. A projected school calendar. [Part VI, Section 6.1 (E)]
6. A Certificate of Occupancy or reports from the appropriate government agencies indicating that facilities meet building code, sanitation and fire safety standards [Part III, Section 3.1 (4)]. If the certificate of occupancy is older than six months, it must be accompanied with an up to date fire inspection report.
7. A copy of the deed or lease or other legal instrument authorizing school to occupy such location [Part III, Section 3.1 (5)]
8. A scale drawing or copy of the floor plan for the location which includes room dimensions of the location or locations where instruction will take place [Part III, Section 3.1 (3)]
9. A guaranty instrument, on the form provided, in the amount specified in Part XIII, § 13.2 (C) of the regulations based on maximum enrollment, payable to the **"Treasurer of Virginia."** You will be advised of any additional guaranty provisions you will need to meet to comply with the regulations.
10. Copies of all advertising currently used or proposed for the school [Part III, Section 3.1 (11) and Part IX]
11. Curriculum design per enclosed instructions.
12. Copies of form QL.013, Proprietary School Personnel Qualification Record, for all administrative and instructional staff at each location, as required by Part III, Section 3.1 (8).

INSTRUCTIONS FOR SUBMITTING PROGRAM/CURRICULUM INFORMATION TO ACCOMPANY AN APPLICATION

FOR EACH PROGRAM, PROVIDE THE FOLLOWING INFORMATION:

1. The objective of the program.
2. Vocational competencies expected to be attained by a graduate.
3. A list, as identified by the *Directory of Occupational Titles*, of the potential job opportunities for which training will prepare a graduate.
4. Evidence of market demand. Describe the rationale upon which you predicated the need for this program. Describe the extent to which individual employers or an industry advisory committee assisted in the formulation of the proposed program.
5. If an entrance test will be used, enclose a copy of the test and indicate what score is required for entry. Explain how this score was determined, and on what basis you determined it would assist in assessing the potential success of the student. If the test is nationally normed, submit a copy of the publisher's normative data relative to the test.
6. State the maximum number of students for whom you have space and equipment, who will be enrolled in any one session of the program.
7. State the maximum instructor-student ratio.
8. Completed and signed Personal Qualifications Records for all instructors.
9. A list of all equipment/instructional supplies to be used in the programs that are currently onsite at the school. Include copies of invoices, purchase orders, or leasing agreements for each item of equipment that is not currently on-site.
10. Describe the requirements for graduation from the program.
11. Curriculum design submissions must include the following information for each course or subject area with the program:
 - A. Individual course objectives.
 - B. A college catalog-type narrative description of each course.
 - C. A detailed course outline.
 - D. The total hours for theory instruction and the total hours for laboratory or practical instruction.

- E. A list of the textbook(s) to be used in the course, including the titles, editions, publishers and dates of publication.
12. If an externship experience is included, please provide the following:
- A. Describe the externship content and length, including a description of the relationship between the classroom and the externship experiences (i.e. how the externship provides reinforcement of the classroom instruction).
 - B. Describe the process to be used to evaluate the student performance during the externship; provide copies of the instruments.
 - C. Describe how and by whom students will be supervised during the externship.
 - D. Indicate the maximum number of students who will be at each site at any one time.
 - E. Submit a list of the names, addresses and contact persons for each externship site. Submit a copy of the sample agreement between the school and the sites.

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VIRGINIA DEPARTMENT OF EDUCATION
 PROPRIETARY SCHOOLS

CLOCK HOURS TO CREDIT HOURS CONVERSION PROFILE

SCHOOL NAME: _____

LOCATION: _____

SYSTEM USED (Specify) SEMESTER, WEEKS PER SEMESTER: _____
 QUARTER, WEEKS PER QUARTER: _____
 NON-TERM (Describe): _____

INSTRUCTIONS: Complete the table below including the clock hour and credit hour equivalencies for each individual course offered at the institution.

COURSE #	COURSE TITLE	CLOCK HOURS			TOTAL CREDIT HOURS
		LECTURE	EXTERNSHIP	TOTAL	

**VIRGINIA DEPARTMENT OF EDUCATION
PROPRIETARY SCHOOLS**

DOCUMENTATION OF PROGRAMS AND AWARDS OFFERED

SCHOOL NAME: _____

LOCATION : _____

DATE : _____

INSTRUCTIONS: Complete the listing below and include applicable information for each program offered by this institution.

Program Name	Award	Months	Terms	Lessons	Clock	Credit	Tuition	Total cost

LEGEND

- Award = Certificate, Diploma, etc.
- Months = If program is measured in months, the number of months to complete.
- Terms = Semester Quarter, Trimester, etc.
- Lessons = Correspondence Course only.
- Clock = If program is measured in clock hours, the number of hours to complete.
- Credit = The number of credits awarded for this program.
- Total Cost = The total cost of tuition and all fees required for this program.



COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION
P. O. BOX 2120
Richmond, Virginia 23216-2120

Application For Approval of a Branch Campus
(Please print or type)

School Name: _____

Branch Address: _____

Branch Campus Contact Person: _____ Title: _____

Main Campus Location: _____

Address: _____

Contact Person: _____ Title: _____

Anticipated Opening Date: _____

I. General Information:

- A. Will the ownership and control of the branch campus be the same as that of the main campus? Yes [] No []
- B. (If no attach a detailed explanation of the differences and evidence of compliance with requirements of the State Corporation Commission as required by Section §3.1 (A) of the Regulations.)
- C. Anticipated enrollment at the Branch for the upcoming year: _____
- D. Will the programs offered at the branch be identical to those offered at the main campus? Yes [] No [] *(If no, attach a detailed explanation.)*
- E. Will the branch campus be independent from the main campus? Yes [] No []

(If yes, attach an explanation of the relationship to the main campus and a financial statement for the branch, which conforms to the requirements of Section §3.1 (1) of the Regulations.)

- F. Will policies, tuition and fees currently in effect at the main campus be applicable to the branch? Yes No (If no, attach a detailed explanation.)

II. Attachments:

- A. The information listed below shall be submitted with the application (if applicable);
1. A \$100.00 cashier's check, company check or money order made payable to "**Treasurer of Virginia.**" (Personal checks will not be accepted)
 2. A copy of the institution's financial statement in the format described in Part III, Section §3.1 (1) of the *Regulations*, clearly showing costs for establishing the branch. An updated budget showing allowances for the branch shall also be submitted.
 3. A copy of the institution's catalog showing branch information highlighted.
 4. A copy of the deed, lease or other legal instrument authorizing the institution to utilize the facility in which the branch is located.
 5. A Certificate of Occupancy for the branch location or individual inspection reports as required by Part III, Section §3.1 (4) of the *Regulations*.
 6. Evidence of compliance with the student guaranty provisions of Part XIII of the *Regulations*. This evidence may be a new surety bond or payment of assessment as required by the *Department* resulting in the establishment of the branch.
 7. Forms **QL.013 Proprietary School Personnel Qualification Record** for the Director or Assistant Director at the branch location as required by Part III, Section §3.1 (8) of the regulations
- B. If there are revisions to any of the following items, new copies must be submitted:
1. Student Record Forms as required by Part VII of the *Regulations*.
 2. Advertising currently being used or proposed for use for the future site.

DEPARTMENT OF EDUCATION
 PROPRIETARY SCHOOLS
 P. O. BOX 2120
 RICHMOND, VA 23218-2120

PERSONNEL QUALIFICATIONS
(Please Type or Print Legibly)

Name _____
Last First Middle

Home Address _____

Social Security No. _____ Date of Birth _____ U.S. Citizen YES NO

Name of School _____ Date Hired _____

Position _____ Full Time Part Time

License(s) and/or Certificate(s) held _____
(please include endorsements as applicable)

EDUCATIONAL BACKGROUND (List High School, Post-Secondary, College, Specialized Training, etc.)					
Name and Location of School	Major	Minor	Dates Attended		Credential Earned
			From	To	

Name and Address of Employer	Dates of Employment		Duties
	From	To	

I certify that the foregoing information is correct to the best of my knowledge and belief. I understand that providing false or incorrect information may be grounds for negative action taken against the "Certificate to Operate" issued to the school.

 Signature of Authorized Official Date Employee Signature Date

CERTIFICATE OF COMPLIANCE

I, _____, the authorized official of _____,
(Name) (Name of School)

certify that I have presented true statements throughout this application to the best of my knowledge and belief. I (We), the owner(s) of the school agree:

1. To conduct the school in an ethical manner and in accordance with the provisions of Title 22.1-319 through 22.1-335 of the *Code of Virginia* and all applicable regulations which may from time to time be established by the Board of Education;
2. To permit the board or Department of Education to inspect the school or classes being conducted therein at any time, and to make available to the board or department, when requested to do so, all information pertaining to the activities of the school and its financial condition;
3. To advertise the school at all times in a form and manner that is free from misrepresentation, deception, or fraud, and that conforms to the *Regulations Governing the Operation of Proprietary Schools and Issuing of Agent Permits*;
4. To see that all representations made by anyone authorized by the school to act as an agent or solicitor for prospective students shall be free from misrepresentation, fraud, or deception and shall conform to the *Regulations*;
5. To display prominently the current Certificate to Operate a Proprietary School in Virginia or a Certificate of Program Compliance where it may be inspected by students, visitors, and the board or department;
6. To maintain all premises, equipment, and facilities of the school in an adequate, safe, and sanitary condition;
7. To comply with all applicable regulations of the board, in the event the school should close;
8. To maintain current, complete, and accurate student records which shall be accessible at all times to the board or its authorized representatives. These records shall include all applicable components required by the *Regulations*;
9. To conduct all programs and courses in accordance with outlines submitted to and approved by the board or department;
10. To publish and adhere to policies which conform to all state and federal laws and regulations barring discrimination on the basis of race, religion, sex, national origin or handicapping condition in all school operations; and
11. To maintain all adequate financial resources necessary to staff, equip, and generally operate the school in an acceptable manner.

(Date)

(Signature and Title of Authorized Official)

Sworn to and subscribed before me this _____ day of _____, 20_____.

My commission expires _____.

(Signature of Notary Public)



COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION
 P. O. BOX 2120
 Richmond, Virginia 23218-2120

CATALOG CHECKLIST

School Name _____

City, State, Zip Code _____

INSTRUCTIONS: Prospective students are entitled to sufficient data to make a rational choice of training opportunities and schools. A school is, therefore, obligated to provide sufficiently detailed data in advance of enrollment to assure that prospective students clearly understand their opportunities, limitations, and obligations.

Before an applicant signs an enrollment agreement, a school should provide the applicant with a publication which is identifiable as a handbook (catalog). The handbook is designed, written, printed, and bound to convey an accurate and dignified impression of the school. It avoids false, misleading, or exaggerated statements. Illustrations and copy pertain directly to the school and sources of illustrations are clearly identifiable.

This document serves as a detailed index to aid reviewers in finding specified portions in the handbook (catalog).

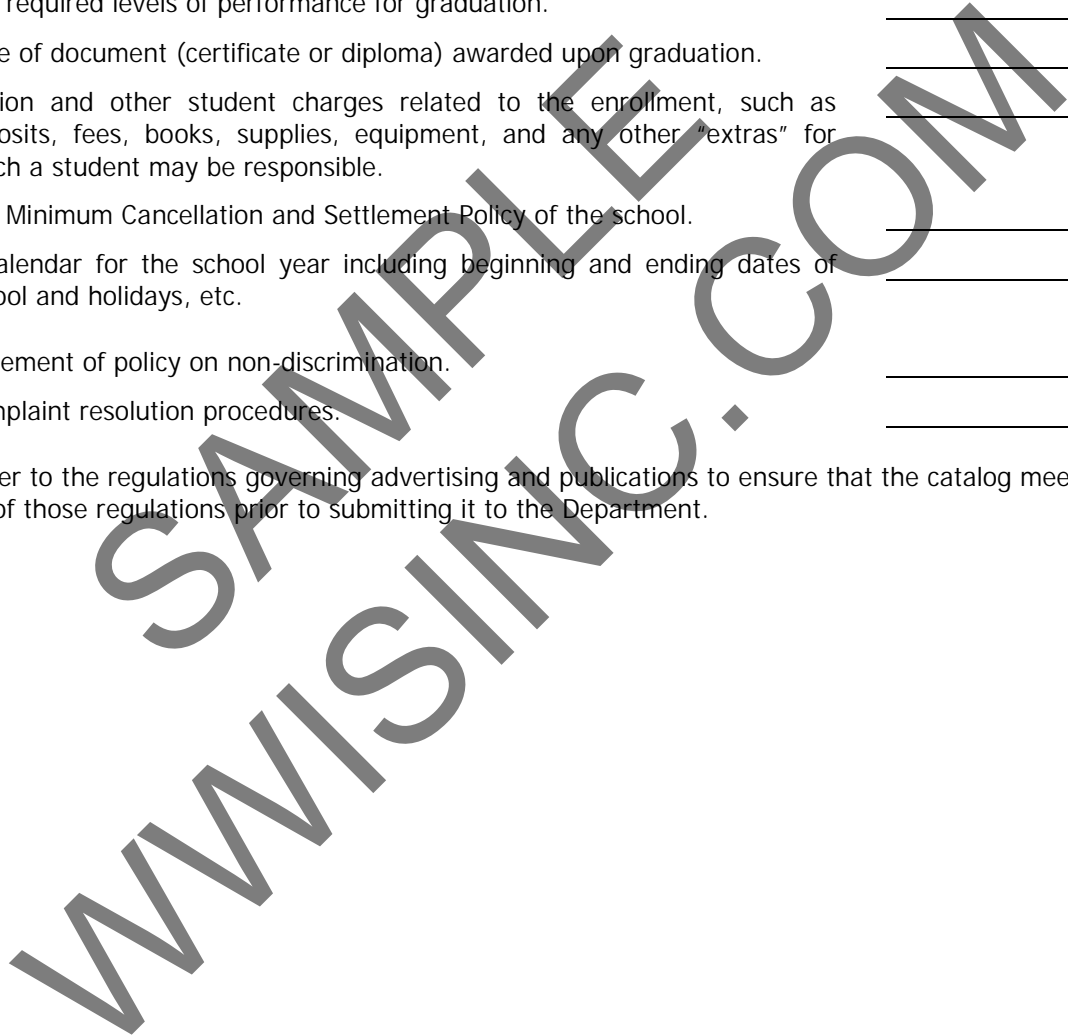
A copy of this checklist is to accompany each handbook sent to the Department. The Checklist is marked to show page numbers (or references to specific covers or supplements) on which each required item is included.

The handbook of a school must include the following items. If any item is not included, the catalog should refer to the supplement which contains the item.

Item No.	Required Items	Handbook Page Numbers
1.	Title of Publication.	_____
2.	Name and address of the school.	_____
3.	Date of publication (mo./yr.).	_____
4.	A statement of institutional philosophy.	_____
5.	A statement of history of the institution.	_____
6.	The admission requirements.	_____
7.	The admission procedures.	_____
8.	The educational objective of each program, including the name, nature, and level for which training is provided.	_____
9.	A description the school's general physical facilities and equipment	_____

Item No.	Required Items	Handbook Page Numbers
10.	Number of clock hours and/or credit hours for each program.	_____
11.	Policy related to the school's grading system.	_____
12.	Policy relating to tardiness.	_____
13.	Policy relating to attendance.	_____
14.	Policy relating to make-up work.	_____
15.	Policy relating to conduct.	_____
16.	Policy relating to termination.	_____
17.	The required levels of performance for graduation.	_____
18.	Type of document (certificate or diploma) awarded upon graduation.	_____
19.	Tuition and other student charges related to the enrollment, such as deposits, fees, books, supplies, equipment, and any other "extras" for which a student may be responsible.	_____
20.	The Minimum Cancellation and Settlement Policy of the school.	_____
21.	A calendar for the school year including beginning and ending dates of school and holidays, etc.	_____
22.	Statement of policy on non-discrimination.	_____
23.	Complaint resolution procedures.	_____

Schools should refer to the regulations governing advertising and publications to ensure that the catalog meets the requirements of those regulations prior to submitting it to the Department.



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF EDUCATION
PROPRIETARY SCHOOL SERVICE

STATEMENT OF FINANCIAL RESPONSIBILITY

INSTRUCTIONS: In accordance with the provisions of Title 22.1, Chapter 16, Sections 22.1-319 through 22.1-335 of the Code of Virginia (1950) as amended, and Regulations Governing the Operation of Proprietary Schools and Issuing of Agent Permits adopted by the Board of Education, each applicant for a Certificate to Operate shall, upon application for an original certificate and annually thereafter submit evidence that it has "The financial resources available to equip, maintain, and operate the school."

All institutions shall submit the information, on these forms or the equivalent, required by Section §3.1 (9) of the regulations which is stated below in its entirety:

A copy of the financial statements of the school or owning entity to include, but not be limited to, the following:

1. A Balance Sheet, reflecting assets, liabilities, equity, and retained earnings;
2. An Income Statement, reflecting revenues, expenses, and profits and losses;
3. A Statement of Increase or Decrease in Case, reflecting the sources and uses of working capital; and
4. Explanatory Notes, which reflect the disclosures required by generally accepted accounting principles. These statements must be as of the date of the school's most recently ended fiscal year.

The Department reserves the right to call for, if need be in specific cases, one of these two types of statements:

1. An audited financial statement, certified by an outside, independent, certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants; or
2. A financial statement that has been "reviewed" by an outside, independent, certified public accountant in accordance with principles established for review by the American Institute of Certified Public Accountants.

Each institution shall also submit an actual or proposed budget for the upcoming year.

If an institution uses the financial statement of its owning entity (partnership, corporation, etc.), **Attachment E** shall be completed, notarized, and submitted with the corporate financial statements and the institution's budget.

(Date) _____ (Signature and Title of Authorized Official) _____

Sworn to and subscribed before me this _____ day of _____, 20_____.

My commission expires _____. _____
(Signature of Notary Public)

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VIRGINIA DEPARTMENT OF EDUCATION
PROPRIETARY SCHOOLS

P. O. Box 2120
Richmond, VA 23218-2120

APPLICATION FOR AN AGENT'S PERMIT

Application is hereby made to the Department of Education for a permit to solicit students for enrollment in a Proprietary School, as defined in Title 22.1, Chapter 16, Sections 22.1-319 through 22.1-335 of the *Code of Virginia* as amended, 1996.

The non-refundable application fee of fifty dollars (\$50.00) as a cashier's check, money order, or school check (**no personal checks**), payable to the "Treasurer of Virginia," is attached. **If an agent is representing more than one school, a separate application must be filed for each school he/she represents.**

PART A - PERSONAL INFORMATION

SSN _____ NAME _____

HOME ADDRESS _____
ADDRESS _____ LAST _____ FIRST _____

TELEPHONE _____
ADDRESS _____ CITY _____ STATE _____ ZIP CODE _____
COLOR OF EYES _____ COLOR OF HAIR _____

HEIGHT _____ WEIGHT _____ DATE OF BIRTH _____

Have you ever been convicted of any felony or misdemeanor involving moral turpitude? YES _____ NO _____

If "Yes", please include explanation.

Are you familiar with the regulations applicable to the issuing of a certificate to operate and the issuing of an agent's permit for a proprietary school, as adopted by the Department of Education? YES _____ NO _____
Do you need a copy of the *Code of Virginia* and regulations sent to you? YES _____ NO _____

PART B - RECOMMENDATIONS

Attach letters from **three** reputable persons attesting to your truthfulness, honesty, and good reputation, recommending that a permit be issued to you. Letters should include home addresses. One letter should be from a former employer, and one from a professional relation.

PART C - IDENTIFICATION PHOTOGRAPHS Attach **two recent original photos** not larger than 1-1/8" x 1-1/8". No scanned or copied photos.

PART D - NAME OF SCHOOL YOU WILL REPRESENT

NAME _____
ADDRESS _____

PART E - OTHER SCHOOLS FOR WHICH YOU HAVE SOLICITED STUDENTS

NAME _____
ADDRESS _____
SUPERVISOR _____ FROM _____ TO _____

NAME _____
ADDRESS _____
SUPERVISOR _____ FROM _____ TO _____

PART F - PREVIOUS EMPLOYMENT (other than in PART E)

NAME _____
ADDRESS _____
SUPERVISOR _____ FROM _____ TO _____

NAME _____
ADDRESS _____
SUPERVISOR _____ FROM _____ TO _____

PART G - CERTIFICATION

I hereby certify the information appearing on this form to be correct and true. I agree to conduct my personal and business affairs in such manner as to reflect honesty, integrity, and character in keeping with the intent and purpose of Title 22.1, Chapter 16, Sections 22.1-319 through 22.1-335 of the *Code of Virginia* as amended, 1996. Should my employment contract with the school be canceled for any reason, I hereby agree to immediately return the permit to the school for its return to the Department. I have read Department regulations and agree to abide wholeheartedly with the establishment regulations and realize infraction of such regulations may cause cancellation of my permit to do business in the Commonwealth of Virginia.

AGENT'S SIGNATURE _____ DATE _____

CERTIFICATION OF EMPLOYING SCHOOL OFFICIAL

NAME OF AGENT (Please print) _____

- 1. Are you satisfied that the applicant is of good moral character? YES _____ NO _____
- 2. Is the applicant competent to perform the duties of an agent? YES _____ NO _____
- 3. Is the applicant familiar with the policies of your school and requirements of the Department of Education regarding the solicitation of students? YES _____ NO _____

Subject to receiving the permit for which application is being made, the applicant named above will be employed by our school to solicit students in the Commonwealth of Virginia. I hereby certify that the above information is correct and true, and I further certify that this school will suspend our employment contract with said agent for services in the Commonwealth of Virginia at such time as his/her conduct may violate the regulations under which his/her permit has been issued. In the event our employment contract with the agent is canceled or terminated for any reason, I agree to make every reasonable effort to secure the permit from the agent, and return it to the Department of Education. Along with the canceled permit, I will furnish information indicating date of and reason for the agent's termination of employment.

AUTHORIZED SCHOOL OFFICIAL'S SIGNATURE _____ DATE _____

BALANCE SHEET

FOR THE FISCAL YEAR ENDING _____

ASSETS		LIABILITIES AND EQUITY	
<u>CURRENT ASSETS</u>		<u>CURRENT LIABILITIES</u>	
Cash – Checking	\$ _____	Accounts Payable	\$ _____
Cash – Savings	\$ _____	Unearned Tuition	\$ _____
Other Cash	\$ _____	Salaries/Commissions	\$ _____
		Officers Salaries	\$ _____
<u>ACCOUNTS RECEIVABLE</u>		Organization Fees	\$ _____
Tuition (Current)	\$ _____	Reserve for Taxes Payable	\$ _____
Tuition (Past Due)	\$ _____		
Other Receivables (list)	\$ _____	<u>LONG-TERM LIABILITIES</u>	
_____		Notes Payable	\$ _____
_____		Mortgage/Lease(s) Payable	\$ _____
_____		Interest Payable	\$ _____
<u>PREPAID EXPENSES</u>		Other (list)	\$ _____
Insurance	\$ _____	_____	
Other (list)	\$ _____	_____	
_____		TOTAL LIABILITIES	\$ _____
_____		<u>STOCKHOLDERS' EQUITY</u>	
<u>PROPERTY & EQUIPMENT</u>		Stock:	\$ _____
Furnishings/Inventory	\$ _____	# Shares Issued _____	
Automotive	\$ _____	Value Per Share _____	
Less: Accumulated Depreciation	_____	Retained Earnings	\$ _____
<u>OTHER ASSESTS (List)</u>		Paid-In Capital	\$ _____
_____		TOTAL STOCKHOLDERS' EQUITY	\$ _____
_____		TOTAL LIABILITIES & EQUITY	\$ _____
TOTAL ASSETS	\$ _____		

**STATEMENT OF INCOME AND EXPENSES
FOR THE PERIOD ENDING _____**

INCOME

Gross Tuition Income	\$ _____
Less Refunds	\$ _____
Book/Equipment Sales	\$ _____
Miscellaneous Fees	\$ _____
Sales Tax Collected	\$ _____
Other Income	\$ _____

NET INCOME

\$ _____

COSTS AND EXPENSES

Advertising/Recruitment	\$ _____
Books/Equipment/Supplies	\$ _____
Collections	\$ _____
Dues/Suscriptions	\$ _____
Instructors/Staff Salaries/Commissions	\$ _____
Insurance	\$ _____
Licenses	\$ _____
Occupancy Expense	\$ _____
Officers Salaries	\$ _____
Postage/Printing	\$ _____
Professional Legal Fees	\$ _____
Repairs & Maintenance	\$ _____
Staff Development	\$ _____
Taxes	\$ _____
Travel	\$ _____
Other Miscellaneous	\$ _____

TOTAL EXPENSES

\$ _____

NET PROFIT (LOSS)

\$ _____

RETAINED EARNINGS AT BEGINNING OF YEAR

\$ _____

RETAINED EARNINGS AT END OF YEAR

\$ _____

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING _____**

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from operating activities:	\$ _____
Net Income	\$ _____
Adjustments to reconcile net income to net cash provided by operating activities:	\$ _____
Depreciation and amortization	\$ _____
Change in current assets and liabilities:	
Increase (Decrease) in accounts receivables	\$ _____
Increase (Decrease) in loans to shareholders	\$ _____
Increase (Decrease) in inventory/equipment	\$ _____
Increase (Decrease) in prepaid expenses	\$ _____
Increase (Decrease) in accounts payable	\$ _____
Increase (Decrease) in payroll and sales taxes payable	\$ _____
Increase (Decrease) in unearned revenue	\$ _____
Increase (Decrease) in deferred taxes	\$ _____
Increase (Decrease) in income tax payable	\$ _____
Increase (Decrease) in deposits	\$ _____
Increase (Decrease) in long-term receivables	\$ _____
TOTAL ADJUSTMENTS	\$ _____
Net cash provided by operating activities	\$ _____
Cash flows from investing activities:	
Capital expenditures for fixed assets	\$ _____
Others (specify)	\$ _____
Cash flows from financing activities:	
Principal/interest payments on notes payable (list each)	\$ _____
Dividends paid	\$ _____
Net cash used in financing activities	\$ _____
Net increase (decrease) in cash and cash equivalents	\$ _____
Cash and cash equivalents at beginning of year	\$ _____
Cash and cash equivalents at end of year	\$ _____

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF EDUCATION
PROPRIETARY SCHOOLS

CERTIFICATION OF FINANCIAL COMMITMENT

I, _____ the authorized official of _____
(Name of owning entity official) (Name of owning entity)
owner(s) of _____ certify, under penalty of perjury, that to the best of my
(Name of Institution)
(our) knowledge and belief, the information presented in the attached financial statements is true and correct.

I further certify that the owning entity will assure the completion of teaching of students enrolled in the event either the owning entity or the institution incurs financial difficulty or closes.

I understand that furnishing false, misleading, or incomplete information to the Board or Department of failure to furnish any information requested and failing to maintain financial resources adequate for the satisfactory conduct of courses of instruction offered could be grounds for the denial, revocation, or suspension of a Certificate to Operate which may be or has been issued to this institution.

Date

Signature of Authorized Official

Printed Name of Authorized Official

Title

STATEMENT OF NOTARY

I, _____ a Notary Public in and for the _____ of
(Print or type name) (County, City, State, etc.)
of _____ do certify that _____ personally
(Name of Jurisdiction) (Name of Official above)
appeared before me in the jurisdiction aforesaid and acknowledged the above requirements. I further certify that my commission expires _____

Date

Notary Public

PROVISIONS FOR SECURITY DEPOSIT

This packet contains the security deposit forms required for certification to operate a proprietary school in Virginia under Title 22.1, Chapter 16, Section 22.1-319 through 22.1-335 of the Code of Virginia (1950, 1991), as amended, and the Regulations Governing the Operation of Proprietary Schools and Issuing of Agent Permits adopted by the Board of Education (1991, 1994).

Three types of guaranty instruments are recognized as meeting this requirement:

1. Surety bond;
2. Irrevocable letter of credit; or
3. Certificate of deposit.

The school is free to select which of the permitted methods it will utilize. Regardless of which is chosen, the use of either the actual forms contained in this packet or documents conforming exactly to their language is required for certification.

COMMONWEALTH OF VIRGINIA
STATE BOARD OF EDUCATION
RICHMOND, VA 23218

PROPRIETARY SCHOOL SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, That we _____ located at
(Name of Principal)

_____ as Principal, and _____ a corporation/partnership/sole
(Address of Principal)

proprietor in the State of _____ Lawfully doing business in the State of Virginia, as Surety, are bound unto the State of Virginia for the benefit and protection of the students of said Principal, in the penal sum of _____ Dollars \$ _____ for which sum well and truly to be paid to the State of Virginia,

(Amount of Bond)
its certain attorneys or assign, said Principal and Surety bind themselves jointly and severally, our heirs, executors, administrators, successors, and assigns, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, Whereas, the above bounden Private Special Education Day School, as that term is used in Section 22.1-319 of the Code of Virginia (1950), as amended, desires to operate its school at the place set forth above in the manner required by its express contract with its students, known as the student enrollment agreement, and

WHEREAS, It is a condition of the grant of a certificate to operate to the Principal by The State Board of Education that the form and contents of the student enrollment agreement and the method of collecting and refunding tuition by the above bounden Principal be and is filed with The Board of Education as provided by the Acts of Assembly 1970, Chapter 16, Title 22.1-321, as amended.

NOW, THEREFORE, If upon and after the issuance of a certificate to operate expiring June 30, _____ for a Private Special Education Day School pursuant to the aforementioned application, the above bounden Principal shall fully and faithfully observe the express provisions of all student enrollment agreements with its students, and the provisions of all the laws of this State and the rules and regulations promulgated by the State Board of Education, then this obligation shall be void; otherwise, to remain in full force and effect:

AND THE Obligors, jointly and severally, for themselves, their heirs, executors, administrators, successors and assigns, do agree with the State of Virginia, for the benefit and protection of the students of said Principal, that upon violation of any contract with any student which, *inter alias*, may arise as a result of the suspension, revocation, or any other termination of the certificate to operate aforesaid under the provisions of the Acts of Assembly 1970, the State of Virginia may maintain action against this bond for its own benefit or for the benefit of such students.

PROVIDED, HOWEVER, THE Surety shall not be liable in the aggregate for more than the penal sum of the bond, nor shall the penal sum of the bond be considered cumulative from year to year, and

PROVIDED, FURTHER, THE Surety shall have the right to cancel this bond at any time by a written notice, stating when the cancellation shall take effect, and served on or sent by registered mail to The State Board of Education, at least ninety (90) days prior to the date that the cancellation becomes effective, but said Surety so filing said notice shall not be discharged from any liability already accrued under this bond or which shall accrue hereunder before the expiration of said ninety (90) day period.

Any person who sustains a material loss covered by this Bond shall have the right in his own name to commence and maintain an action against the Principal and Surety on such Bond for the recovery of the amount of the material loss resulting from such injuries, or any of them, together with court costs, including a reasonable attorney's fee fixed by the court, but the aggregate liability of the Surety shall in no event exceed the penal sum of this Bond.

This obligation shall be effective concurrently with the "Certificate to Operate" issued, covering the fiscal year ending June 30, _____

SIGNED, SEALED AND DATED This _____ day of _____

Witness: _____ (L.S.)
_____ (Principal)

_____ (L.S.)
_____ (Surety)

BOND# _____ (L.S.)

(Attorney-in-fact)

ACKNOWLEDGEMENT OF PRINCIPAL

STATE OF VIRGINIA

_____ of _____ to Wit:

I, _____ a Notary Public in and for the Private Special Education Day School aforesaid, in the State of Virginia, do certify that _____ whose name is signed to the above bond, bearing date on the _____ day of _____ personally appeared before me in my _____ aforesaid, and acknowledged the same.

I further certify that my term of office expires on the _____ Day of _____, 20_____

Given under my hand this _____ Day of _____, 20_____

AFFIDAVIT AND ACKNOWLEDGEMENT OF SURETY

STATE OF _____

_____ of _____ to Wit: I,

_____ a Notary Public in and for the _____ aforesaid, in

the State aforesaid, do certify that _____ personally appeared before me in my

_____ aforesaid and made oath that he is _____ of the

_____ that he is duly authorized to execute the foregoing bond by virtue of a

certain power of said company, dated _____, and recorded in the Clerk's office of the

_____ of _____ in Deed Book No. _____, Page _____,

that said power of attorney has not been revoked; that the said company has complied with all requirements of law

regulating the admission of such companies to transact business in the State of Virginia that it has a paid-up cash

capital of not less than \$250,000; that the paid-up capital, plus the surplus and undivided profits of said company is

GREAT AMERICAN INSURANCE COMPANY, that the penalty of the foregoing bond is not in excess of twenty per centum of said

sum; that the said company is not by said bond incurring in the aggregate, on behalf or on account of the principal

names in said bond, a liability for an amount larger than one-fifth of its paid-up capital, plus its surplus and

undivided profits; the said company is solvent and fully able to meet promptly all of its obligations, and the said

_____ thereupon, in the name and on behalf of the said company, acknowledged the foregoing

writing as its act and deed.

My term of office expires _____, 20_____

Given under my hand this _____ Day of _____, 20_____

(Notary Public)

IRREVOCABLE LETTER OF CREDIT

Number _____
Date of Issuance _____

Superintendent of Public Instruction
Department of Education
P. O. Box 2120
Richmond, VA 23218-2120

Dear Sir/Madam:

We, the _____
(Name and address of issuing institution)
Hereby establish, at the request of _____
(customer)

Our IRREVOCABLE LETTER OF CREDIT, number _____ in favor of the Commonwealth of Virginia, Department of Education, in the amount of _____ dollars (\$ _____)

This IRREVOCABLE LETTER OF CREDIT is issued as a condition of your granting the customer a "Certificate to Operate" a private special education day school, pursuant to Title 22.1, Chapter 16, Section 22.1-319 through 22.1-335 of the Code of Virginia (1950) as amended.

The IRREVOCABLE LETTER OF CREDIT is valid until midnight June 30, 20____, provided, however, that this Letter of Credit will be automatically extended without amendment for one (1) year from the present or any future expiration date thereof, unless ninety (90) days prior to any such expiration date we elect not to renew this Letter of Credit for such additional one (1) year period. An annual renewal notice will be submitted to you. The notice required hereunder will be deemed to have been given when received by you.

Funds under this Letter of Credit are available to you upon presentation to us of your written demand for payment, referring to the number of this Letter of Credit and accompanied by your statement that the Department of Education has declared that the security established by the customer as a condition to being granted a "Certificate to Operate" has been forfeited. The demand and statement shall be substantially in the form of the document.

We hereby agree to honor any and all demands for payment made in compliance with the terms of this Letter of Credit, up to the sum stated above. Payment hereunder shall be by our check, payable in U.S. Currency, to the order of the Commonwealth of Virginia, Department of Education, at your address stated above.

We warrant that the issuance of this Letter of Credit will not constitute a violation of any statute or regulation which limits the aggregate amount of liabilities which we may incur at any one time from the issuance of letters of credit and acceptances. We agree that by making demand for payment hereunder, neither you, nor the Department of Education, nor the Commonwealth of Virginia makes any warranties to us, either expressed or implied.

This Irrevocable Letter of Credit shall be governed by Virginia law.

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF EDUCATION
P. O. BOX 2120
RICHMOND, VA 23218-2120

CERTIFICATE OF DEPOSIT

KNOW ALL MEN BY THESE PRESENTS, that the undersigned _____
of _____, as obligor is held and firmly bound unto the
Commonwealth of Virginia in the penal sum of _____
Dollars (\$) _____. This obligation is secured by and is to be satisfied out of one or more *Certificates of Deposit* as described herein below:

Certificate Number _____
Issuing Bank _____
Address _____

Certificate Number _____
Issuing Bank _____
Address _____

Certificate Number _____
Issuing Bank _____
Address _____

Each *Certificate of Deposit* described above is payable to the "Commonwealth of Virginia", with the interest payable to the obligor. They are automatically renewable at the end of their respective terms. Issuing financial institutions shall be protected by the Federal Deposit Insurance Corporation (FDIC). The *Certificates of Deposit* will be kept in the custody of the Department of Education until their release by the Department of Education. They shall be forfeitable if the conditions of this obligation are not met.

THE CONDITIONS OF THE OBLIGATION ARE SUCH, that whereas the above named obligor did on the _____ day of _____, 20____, file with the Virginia Department of Education an application to secure a "*Certificate to Operate*" a private special education day school under Title 22.1, Chapter 16, Sections 22.1-319 through 22.1-335 of the Code of Virginia (1950), as amended. The obligor will undertake operations in accordance with the code of this Commonwealth and the regulations of the Board of Education. The *Certificate of Deposit* is subject to forfeiture pursuant to conditions stated in the code and regulations. The *Certificate of Deposit* will be returned to the obligor, should said application be rejected.

Now if the conditions in the code and regulations which allow for forfeiture of the *Certificate of Deposit* do not occur and if the obligor shall faithfully perform all the requirements of Title 22.1, Chapter 16, Sections 22.1-319 through 22.1-335 of the Code of Virginia (1950, 1993), as amended, and shall comply with the Regulations Governing the Operation of Proprietary Schools and Issuing of Agent Permits adopted by the Board of Education (1991, 1994) and all amendments thereto, then this obligation shall be null and void; otherwise it shall remain in full force and effect. This obligation shall continue until midnight, June 30, 20____, unless it is renewed between the obligor and the Department of Education or until it is released by the Department of Education. Application for renewal or release of the obligations of this *Certificate of Deposit* must be made to the Department of Education.



COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION
P. O. BOX 2120
Richmond, Virginia 23218-2120

Memorandum

TO: Prospective School Operators
FROM: Yvonne Thayer, Director of Adult Education and Literacy
RE: Application Procedures for Certification of a Proprietary School

The attached application packet is for your use in complying with the provisions of Title 22.1, Chapter 16, Sections §22.1-319 through §22.1-335 of the *Code of Virginia* (1950) as amended, and *Regulations Governing the Operation of Proprietary Schools and Issuing of Agent Permits* adopted by the Board of Education. Copies of the statute and regulations are also attached.

In accordance with Part II, Sections §2.2 and §2.3 of the regulations, the required information must be submitted to the Department of Education at least 60 days prior to the date that approval is requested. All matters pertaining to the issuance of a certificate must be completed within 100 days following the initial application review. If the process is not completed within the stated time frame, you must submit a written request for continued consideration and pay a penalty of \$100. It is very important that you thoroughly examine both the statute and regulations prior to submitting your application. Staff is accessible to respond to your questions concerning the completion of the application; however, due to staffing levels, budgetary considerations and workloads, extensive technical assistance is not available until after the initial submission of the application and supporting documentation.

You are reminded that Part II, Section §2.4 of the regulations prohibits schools from advertising or enrolling students prior to receiving a Certificate to Operate. You are also advised that an on-site visit to the facility is mandatory by Part V, Section §5.1, (A) of the regulations, prior to the issuance of a certificate.

You should also pay particular attention to Part XX of the regulations. Material not properly addressed may not reach the office in a timely manner.

Beginning 15 March 1991, Section 22.1-321 of the *Code of Virginia* required the Department of Education to establish a Student Tuition Guaranty Fund to help protect the contractual rights of students. Private career schools are required to pay into this fund on an annual basis. At the time a new Certificate to Operate is issued, the school will be billed their first payment of \$150.00; thereafter, payments are based on gross tuition collected for the stipulated assessment year. In addition to the payments, new schools are required to maintain a guaranty instrument for the first three years of operation. Please review Part XIII of the regulations to familiarize yourself with this fund and the provisions contained therein.

If you have questions, please contact us at: Office of Proprietary Schools, Department of Education, P. O. Box 2120, Richmond, Virginia 23218-2120 or by calling (804) 225-2100.

SURETY BOND APPLICATION

AGENCY NAME: _____ AGENCY CONTACT _____
 AGENCY PHONE: _____ AGENCY FAX: _____ E-MAIL: _____
 AGENCY ADDRESS: _____
(Street) (City) (State) (Zip)

CURRENT OR EXPIRING QUOTE WE ARE LOOKING TO BEAT? _____
NAME OF PREVIOUS SURETY COMPANY WRITING THE BOND? _____

SECTION I: BOND APPLIED FOR:

TYPE OF BOND: _____ AMOUNT: _____
 OBLIGEE: _____ EFF. DATE: _____ EXP. DATE: _____
 OBLIGEE ADDRESS: _____
(Street) (City) (State) (Zip)
 BUSINESS NAME: _____
 BUSINESS PHONE: _____ BUSINESS FAX: _____ Client E-mail _____
 BUSINESS ADDRESS: _____
(Street) (City) (State) (Zip)
 TYPE OF COMPANY CORP LLC DBA PARTNERSHIP HOW MANY OWNERS? _____

DATE BUSINESS ESTABLISHED: _____ BUSINESS TAX ID: _____
 HAS ANY COMPANY REFUSED TO ISSUE BONDS FOR ANY PURPOSE? YES NO DO YOU HAVE ANY LIENS, CLAIMS, OR JUDGEMENTS AGAINST YOU? YES NO
 HAS APPLICANT EVER FAILED IN BUSINESS? YES NO HAS APPLICANT EVER FILED BANKRUPTCY? YES NO

SECTION II: GENERAL INFORMATION

OWNER'S NAME: _____ SPOUSE NAME _____
 SS#: _____ SPOUSE SS# _____ HOME PHONE: _____
 RESIDENTIAL ADDRESS: _____
(Street) (City) (State) (Zip)
 ADDITIONAL OWNERS / PARTNERS
 OWNER'S NAME: _____ SPOUSE NAME _____
 SS#: _____ SPOUSE SS# _____ HOME PHONE: _____
 RESIDENTIAL ADDRESS: _____
(Street) (City) (State) (Zip)

PERSONAL FINANCIAL STATEMENT OF ASSETS & LIABILITIES AS OF _____

ASSETS		LIABILITIES	
CASH IN BANK	\$	NOTES PAYABLE TO BANKS	\$
CASH ON HAND	\$	NOTES PAYABLE TO OTHERS	\$
STOCKS & BONDS	\$	ACCOUNTS PAYABLE	\$
ACCOUNTS RECEIVABLE	\$	FEDERAL & STATE INCOME TAX DUE	\$
NOTES RECEIVABLE	\$	ALL OTHER TAXES	\$
INVENTORY	\$	ACCRUALS, PAYROLLS, ETC.	\$
CASH VALUE OF LIFE INSURANCE	\$	DUE ON EQUIPMENT	\$
EQUIPMENT	\$	DUE ON REAL ESTATE	\$
REAL ESTATE	\$	OTHER LIABILITIES	\$
OTHER ASSETS	\$	CAPITAL STOCK (IF A CORPORATION)	\$
		SURPLUS & UNDIVIDED PROFITS	\$
TOTAL ASSETS	\$	TOTAL LIABILITIES	\$
		NET WORTH	\$
NAME OF OWNERS	NAME & TITLE OF OFFICERS	PERCENTAGE OF OWNERSHIP	

Completion of this form constitutes permission for worldwide insurance specialists inc. to obtain consumer information which will be used to determine bonding eligibility.

Worldwide Insurance Specialists, Inc **Toll Free: (888) 518-8011**
2424 W. Missouri AVE **Local (602) 749-0702**
Phoenix, AZ 85015 **Fax: (602) 674-8235**
E-Mail SAM@WWISINC.COM