



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**  
*H. Martin Lancaster, President*

January 29, 2002

MEMORANDUM

To: Presidents  
Chief Academic Officers

From: Stephen L. Athans, Ed.D.  
Director for Proprietary Schools, Sponsored Program Administration,  
and SACS Liaison Office

Subject: Contractual Agreements with Unlicensed Proprietary Schools

To avoid potential liability that may arise from doing business with unlicensed proprietary schools, we strongly advise North Carolina community colleges to enter into contracts with only proprietary schools that have been licensed by the State Board of Community Colleges. An exception would be proprietary schools that are exempt from licensure. Exempted schools may obtain a letter of exemption from this office.

Although, community college sites operated via contractual arrangements with proprietary schools may be operating in accordance with state law, in some cases these same proprietary schools are operating at other sites without a license. These schools are out of compliance with Chapter 115D of the North Carolina General Statutes and Title 23 of the North Carolina Administrative Code. The fact that the colleges are affiliated with proprietary schools which are out of compliance may expose the colleges to an unacceptable legal risk.

If you currently have, or are anticipating contractual arrangements with proprietary schools, we would encourage you to contact the Office for Proprietary Schools to determine the licensing status of the proprietary school. You may contact me at 919-733-7051, Ext. 453 or E-mail [athanss@ncccs.cc.nc.us](mailto:athanss@ncccs.cc.nc.us). A current list of licensed schools is available on the System Office web site:  
[http://www.ncccs.cc.nc.us/Proprietary\\_Schools/index.html](http://www.ncccs.cc.nc.us/Proprietary_Schools/index.html).

cc: H. Martin Lancaster

CC02-018  
E-Copy