



PROPRIETARY SCHOOLS INITIAL LICENSE APPLICATION FORMS PACKET

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

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PROPRIETARY SCHOOL INITIAL LICENSE FORMS

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Name of School

**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES
OFFICE OF PROPRIETARY SCHOOLS LICENSING AND SERVICES**

CHECKLIST FOR LICENSING OF PROPRIETARY SCHOOLS

**** Reminder****

- * A complete application must include items 1-21 of the checklist.
- * Include the checklist with the application materials
- * Use the checklist to organize a three-ring binder with labeled dividers for each section in the same order as the checklist. Place appropriate documentation in each section.
- * Submit the **original** of the complete application **and retain one (1) copy** for your records.
- * Make a master copy of the forms to use as needed.

- ___ 1. **Application fee** of \$2500.00 to the North Carolina State Treasurer for an initial license
- ___ 2. **Application for Initial License** form. (Include **Application to Measure Programs in Credit Hours** form if needed)
- ___ 3. Current **catalog** with **Checklist for School Catalog** and **Catalog Certification** form
- ___ 4. **Curriculum Design and Implementation Plan** form, with **Attachments A-F**
- ___ 5. **Copy of corporate charter** filed with Secretary of State's Office
- ___ 6. **Schedule** of classes, both day and evening, for academic year
- ___ 7. School **floor plan**
- ___ 8. **Copy of lease, deed, or other certificate of right of occupancy**
- ___ 9. **List of equipment and furniture** to be used along **with lease, bill of sale, purchase orders, or other documents** showing items to be in place
- ___ 10. **Attachments G & H**, which list the text books and other items to be purchased by or issued to the student and the current cost of each
- ___ 11. **Administration and Faculty Personnel Report**, with a copy of each individual's transcripts
- ___ 12. Proposed **Operating Budget** and **Financial Plan**
- ___ 13. **Audited Financial Statement** with an **accompanying opinion** by a Certified Public Accountant
- ___ 14. **Inspection report** of premises (fire and safety inspections)
- ___ 15. **Guaranty bond or Certificate of Deposit** and letter from the Clerk of Court's Office or bank in county where school is located, verifying that a bond/certificate of deposit is on file
- ___ 16. **Teach-Out and Record Retention Plan** form
- ___ 17. **Attachment I**, which provides program information
- ___ 18. **Attachment J**, which lists the advisory committee members or key industry representatives of the school
- ___ 19. **Attachment K**, which lists Proposed Course Changes
- ___ 20. **Enrollment agreement, student application form, and student interview form**
- ___ 21. Sample **copy of the Certificate Diploma** issued to student upon graduation

Name of School

**CHECKLIST FOR SCHOOL CATALOG
(G.S. 11D-90(7))**

This form should be attached to your current catalog. Indicate the page number, from your catalog, on which the following requirements can be found:

LEGAL ELEMENT

	Page Number	Office Use Only
a. Volume Number		
Date		
Other		
b. Institutional Name		
Governing Body		
Officials		
Faculty		
c. Calendar		
Legal Holidays		
Q/T/S Begin/End Dates		
Other		
d. Policy/Regulations – Re: Leave		
Absences		
Class Cuts		
Make Up Work		
Tardiness		
Interruptions for Unsatisfactory Attendance		
e. Policy/Regulations – Re: Enrollment		
Enrollment Dates		
Specific Entrance Requirements/Course(s)		
f. Policy/Regulations – Re: Standards of Progress		
Grading System		
Minimum Satisfactory Grades		
Conditions for Expulsion or Suspension for Unsatisfactory Grades or Progress		
Description of Probationary Period (if any)		
Conditions of Reentrance for Students Dismissed for Unsatisfactory Progress		
Statement Re: Progress Records Kept & Furnished to Students (Transcripts)		

	Page Number	Office Use Only
g. Policy/Regulations – Re: Conduct (Student Conduct Conditions for Dismissal for Unsatisfactory Conduct)		
h. Detailed Schedule for Costs		
Fees		
Tuition		
Books, Supplies		
Tools		
Student Activities		
Lab Fees		
Service Charge		
Rentals		
Deposits		
Other		
i. Policy/Regulations – Re: Refund		
Refund of Unused Portions of Tuition, Fees, etc.		
if student does not enter course;		
if student withdraws from course;		
if student is discontinued		
j. Description of Facilities (general)		
Space		
Facilities		
Equipment		
k. Course Outline		
Subjects/Units		
Type of Skill to be Learned		
Approximate Duration of Time		
Clock Hours		
Credit Hours/Credit Hour Equivalent		
l. Policy/Regulations Re-Granting Credit		
Previous Educational Training		
Other		

**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES
OFFICE OF PROPRIETARY SCHOOL LICENSING AND SERVICES**

CATALOG CERTIFICATION

Name of Institution

Address

City, State, Zip

Certification of Catalog
VOLUME # _____ **ISSUE #** _____ **DATE** _____

For academic years: _____

This is the current catalog of this institution, and it is certified to be true and correct in content and in policy.

Certifying Official/Title

Date

**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES
OFFICE OF PROPRIETARY SCHOOL LICENSING AND SERVICES**

CURRICULUM DESIGN AND IMPLEMENTATION PLAN

Refer to section IV of Application Guidelines in manual for specifications for each item.

1. Curriculum Design

a. Job Competencies

b. Catalog Description

c. Curriculum Model (Use Attachments A-C.)

2. Resources: Faculty, Equipment, and Facilities (Use Attachments D-H.)

3. *Affiliation Requirements with Other Agencies or Institutions*

4. *Special Admissions Requirements*

5. *Special Certification Requirements*

6. *Other Accreditation*

STATE OF NORTH CAROLINA

COUNTY OF _____

GUARANTY BOND

KNOW ALL PERSONS BY THESE PRESENT THAT:

WHEREAS, _____

A proprietary business school, or proprietary trade school or proprietary technical school, or correspondence school seeks from the State Board of Community Colleges licensure to conduct post-secondary educational instruction activity under North Carolina General Statutes (G.S.) 115D-90; and,

WHEREAS, the State Board of Community Colleges under the authority delegated to it under G.S. 115D-89(c), has established a policy of requiring among its minimum standards for licensure that an institution which may apply to the said Board for a license to conduct post-secondary educational instruction activity in this State have adequate resources to provide quality education, financial soundness, ability to fulfill commitments to students, and a fair and equitable student refund policy;

WHEREAS, the State Board of Community Colleges has established the policy that an institution seeking such licensure at least partially manifest its satisfaction of the aforesaid minimum standards by executing a bond of amount specified by the State Board of Community Colleges under an announced formula; and

WHEREAS, G.S. 115D-95 requires a surety bond sufficient to provide indemnification to any student, or his parent or guardian, who has suffered loss of tuition by reason of the failure of the school to offer or complete student instruction, academic services, or other goods or services related to enrollment for any reason;

NOW, THEREFORE, _____
(Institution)
hereinafter called "Principal", and _____
hereinafter called "Guarantor", a corporation duly organized and existing under and by
virtue of the laws of the State of _____
and authorized to transact business in the State of North Carolina, are held and firmly
bound in the aggregate guaranty sum of _____
Dollars (\$_____) unto certain persons called "students" (or unto such other persons
or agents as shall be legally or equitably entitled to the refunds herein contemplated), for the
payment of a refund of all tuition, fees or parts thereof paid in advance by students to Principal as
consideration for instruction, academic services, or other goods and services relative to course
enrollment for which such students have contracted with Principal but not received nor been
reimbursed by Principal. (For the purpose of this Guaranty Bond, the term "student" shall mean
any person who has contracted with Principal for participation in post-secondary educational
instruction activity provided by Principal in North Carolina, or his parent or guardian, or any
lender who can demonstrate that he or it has loaned funds to finance the student's education and
that such loan has not yet been repaid.)

THE CONDITIONS of the bond are:

1. Payments by students to Principal contemplated under this bond are all charges or fees that are institutionally required by Principal and prepaid by students as anticipatory compensation to Principal for providing to students instruction, academic services, and other goods and services related to course enrollment. Such payments include, but are not limited to, tuition, instructional materials fee, laboratory fee, library fee, and book fee.
2. If Principal shall well and faithfully perform its obligations to students by tendering and providing the instruction, academic services, and other goods and services related to course enrollment for which the respective students have contracted with Principal and for which advance payment has been made, then in respect to each student, this bond shall be null and void, otherwise to remain in full force and effect.
3. Whenever any student shall fail to receive the instruction, academic services, and other goods and services related to course enrollment for which advance payment has been made and for which such student has contracted with Principal, by reason of the failure of Principal to offer or complete such instruction, academic services, or other goods and services related to course enrollment for any reason (including the suspension, revocation, or nonrenewal of Principal's license to conduct post-secondary educational instruction activity, bankruptcy, foreclosure, or the school ceasing to operate), the student, or such other persons or agency or agents as are legally or equitably entitled to the student's refunds herein contemplated, shall as condition precedent to claim under this bond make written demand of Principal for reimbursement pro tanto to advance tuition or other fees paid for such unreceived instruction, academic services, or other goods and services related to course enrollment; provided, that no claim for a refund from Principal as condition precedent to claim under this bond nor any demand of Guarantor under this bond

shall be made with respect to the quality of instruction, academic services, or other goods and services related to course enrollment that Principal may actually have provided.

4. If, after such written demand under Condition 3, hereinabove, Principal neglects or refuses to pay such refund for a period of 30 days, the student, or such other persons or agents as are legally or equitably entitled to said refund, may make written demand for said refund of Guarantor: and said Guarantor does hereby undertake to indemnify and to reimburse said student or such other person or agent legally or equitably entitled to such indemnity or refund. When a lender can demonstrate that he or it has loaned funds to finance the student's education and that the loan has not been repaid then the bonds proceeds shall be paid to the lender and the student jointly.
5. If, after such written demand under Condition 4 hereinabove, Guarantor neglects or refuses to pay such refund for a period of 60 days, the student, or such other person or agent legally or equitably entitled to said refund may commence and maintain a civil action against Principal and Guarantor on this bond for recovery of the amount paid by but not refunded to the student as hereinbefore described, together with court costs, including a reasonable attorney's fee fixed by the court; but the liability of Principal and Guarantor together to each claimant hereunder shall not exceed the total of the claimant's prepaid fee plus court cost, including reasonable attorney fees, incident to any civil action for reimbursement, to which the respective claimant may be legally or equitably entitled.
6. The aggregate liability of Guarantor as respects any and all claimants under this bond, inclusive of any court costs, shall in no event exceed the aggregate guaranty sum of this bond.
7. With respect to written demands made pursuant to Condition 4 hereinabove, Guarantor shall satisfy demands in the order that written demands have been received

by Guarantor; provided, that written demands received by Guarantor on the same day shall be deemed of equal priority.

8. When used in this bond, the term “written demand” shall mean writing that includes at least: (1) the identity of the student with respect to whom the demand is made; (2) an itemization of the instruction, academic services, and other goods and services related to course enrollment for which written demand for refund is made; (3) evidence that payment has been made to Principal for the instruction, academic services, and other goods and services related to course enrollment that were contracted but not received by the student with respect to whom written demand is made; and (4) if claim is made by other than the enrolled student, documentation of legal or equitable entitlement to the student’s claim for refund.
9. Guarantor agrees promptly to notify Principal of any written demand made against Guarantor under this bond; but presentation to Guarantor of written demand of Principal that has continued to be unsatisfied for 30 days shall be prima facie a valid claim under this bond that, nothing else appearing. Guarantor is obligated to pay as provided herein and with respect to which Guarantor shall not be held liable to Principal.
10. With respect to civil actions for refunds pursuant to Condition 5 hereinabove that are reduced to judgment, the priority of such judgments shall be determined under the laws of North Carolina concerning priority of judgments.
11. In the event that Guarantor is required to indemnify any claimants hereunder, Guarantor shall be subrogated to all rights which would otherwise accrue to Principal in respect thereto if paid by Principal.
12. The term of this bond policy # _____, shall begin on _____ day of _____, 20__ at noon, and shall continue in effect until canceled by the Guarantor upon 30 days notice to the State Board of Community Colleges.

13. The liability of Guarantor shall be subject to termination by Guarantor at any time by giving 30 days written notice thereof currently to both Principal and to the State Board of Community Colleges by means of certified mail. Such notice shall state the date of intended cancellation; and Guarantor so filing such notice shall not be discharged from any liability already accrued under this bond or which may accrue hereunder before the expiration of the 30 days immediately preceding a proper and effective cancellation of this bond.
14. This bond shall be filed by Principal and with the Clerk of Superior Court of the county in which Principal's institution is located.
15. A copy of this bond shall be deposited by Principal in the Business Office of Principal's institution for viewing by anyone wishing to see it; and the location and accessibility of said copy of the bond shall be stated in the catalog of Principal's institution at that part of the catalog setting forth institutional refund policies.
16. No charge or waiver of any of the terms or conditions of this bond shall be valid as against Guarantor except by proper endorsement added hereto and duly executed by the duly appointed agents of Guarantor and Principal and of the State Board of Community Colleges.
17. Authority of an agent of Guarantor to execute this bond shall be manifest by attaching hereto an adequate Power of Attorney executed by Guarantor in favor of the agent.

IN WITNESS WHEREOF, Principal and Guarantor have caused this bond to be executed by duly appointed agents.

This the _____ day of _____, 20____.

PRINCIPAL:

(Seal)

By: _____

GUARANTOR:

(Seal)

By: _____

AFFIDAVIT AND ACKNOWLEDGEMENT OF PRINCIPAL

1. _____, a Notary Public of _____
County, North Carolina, hereby certify that _____
Personally appeared before me and solemnly affirmed that he/she is the duly
authorized agent of Principal _____
for the purpose of executing this bond and acknowledged his/her signature hereinabove.

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

My commission expires _____, 20____.

(Seal)

Notary Public

AFFIDAVIT AND ACKNOWLEDGEMENT OF GUARANTOR

I, _____, a Notary Public of _____
County, North Carolina, hereby certify that _____
personally appeared before me and solemnly affirmed that he/she is the duly
authorized agent of Guarantor _____
for purposes of executing this bond, that said Guarantor is duly authorized to do
business in the State of North Carolina, and that all representations regarding
Guarantor made in this bond are acknowledged by said agent in his/her capacity
to bind said Guarantor; and said agent acknowledged his/her signature
hereinabove.

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

My commission expires _____, 20__.

(Seal)

Notary Public

REQUEST FOR WAIVER OF GUARANTY BOND AND APPROVAL OF BOND ALTERNATIVE

I hereby request a waiver of the guaranty bond requirement set forth in G.S. 115D-95 and approval to use a guaranty bond alternative as set forth in G.S. 115D(c) for the licenses and license renewals of business, trade and correspondence proprietary schools.

Signed _____

Title _____

School's Name _____

Date _____

APPROVED

Director of Proprietary Schools

Date

Attachment

STATE OF NORTH CAROLINA
COUNTY OF

ASSIGNMENT OF SAVINGS ACCOUNT OR CERTIFICATE OF DEPOSIT

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS: _____, a
proprietary business school, or proprietary trade school or proprietary technical, or
correspondence school seeks from the State Board of Community Colleges (State Board)
licensure to conduct post-secondary educational instruction activity under North Carolina General
Statutes (G.S.) 115-90; and

WHEREAS, the State Board, under the authority delegated to it under G.S. 115D-89(c)
has established a policy of requiring among its minimum standards for licensure that an
institution which may apply to the said State Board for a license to conduct post-secondary
educational instruction activity in this State have adequate resources to provide quality education,
financial soundness, ability to fulfill commitments to students, and a fair and equitable student
refund policy;

WHEREAS, the State Board has established the policy that an institution seeking such
licensure at least partially manifest its satisfaction of the aforesaid minimum standards by
executing a bond or bond alternative of an amount specified by the State Board under an
announced formula, and

WHEREAS, G.S. 115D-95 requires a surety bond, or in the alternative, assignment of a
savings account or certificate of deposit to the State Board sufficient to provide indemnification
or reimbursement to any student, or his parent or guardian, who has suffered loss of tuition by
reason of the failure of the school to offer or complete student instruction, academic services, or
other goods or services related to enrollment for any reason;

NOW, THEREFORE, _____, the
Owner
Assignor, hereby assigns to the State of North Carolina or the State Board of Community Colleges, Raleigh, North Carolina, and its successors and assigns all rights, claims, title, option and interest of the assignee in and to the following described savings account(s) or certificate(s) of deposit, including all renewals, amendments and proceeds thereof if applicable.

_____ in the amount of _____ in the name(s) of _____

_____ in the amount of _____ in the name(s) of _____

The above account(s) or certificate(s) of deposit is/are maintained in or were issued by

Name and Address of Bank or Financial Institution

With respect to assignment of a saving account, the Assignor certifies that the financial institution which executed this account is doing business in North Carolina and that its accounts are insured by a federal depositors corporation. Access to this account in favor of the State of North Carolina is subject to the same conditions as for a bond in subsection (b) of G.S. 115D-95 which conditions are generally set forth in this document. With respect to assignment of a certificate of deposit, the Assignor certifies that the financial institution executing the certificate is doing business in North Carolina and that its accounts are insured by a federal depositor's corporation. The certificate of deposit must be either payable to the State of North Carolina or unrestrictively endorsed to the State Board: a negotiable certificate of deposit must be unrestrictively endorsed to the State Board; and a non-negotiable certificate of deposit must be assigned to the State Board. Access to the certificate of deposit in favor of the State of North Carolina are subject to the same conditions as for a bond in subsection (b) of G.S. 115D-95 which conditions are generally set forth in this document.

The assignor is held and firmly found in the sum of _____ dollars (\$ _____) unto certain persons called students (or unto such other persons or agents as shall be legally or equitably entitled to the refunds herein contemplated), for the payment of a refund of all tuition, fees or parts thereof paid in advance by students to Assignor as consideration for instruction, academic services, or other goods and services relative to course enrollment for which such students have contracted with Assignor but not received nor been reimbursed by Assignor. (For the purpose of this assignment, the term "student" shall mean any person who has contracted with Assignor for participation in post-secondary education instruction activity

provided by Assignor in North Carolina, or his parent or guardian, or any lender who can demonstrate that he or it has loaned funds to finance the students' education and that such loan has not yet been repaid.)

The CONDITIONS of this assignment are:

1. Payments by students to Assignor contemplated under this assignment are all charges or fees that are institutionally required by Assignor and prepaid by students as anticipatory compensation to Assignor for providing to students instruction, academic services, and other goods and services related to course enrollment. Such payments include, but are not limited to, tuition, instructional materials fee, laboratory fee, library fee, and book fee.

2. If Assignor shall well and faithfully perform its obligations to students By tendering and providing the instruction, academic services, and other goods and services related to course enrollment for which the respective students have contracted with Assignor and for which advance payment has been made, then in respect to each such student, this assignment of a savings account(s) or certificate(s) of deposit shall be null and void, otherwise to full force and effect.

3. Whenever any student shall fail to receive the instruction, academic services, and other goods and services related to course enrollment for which advance payment has been made and for which such student has contracted with Assignor, by reason of the failure of Assignor to offer or complete such instruction, academic services or other goods and services related to course enrollment for any reason (including the suspension, revocation, or nonrenewal of Assignor's license to conduct post-secondary educational instruction activity, bankruptcy, foreclosure, or the school ceasing to operate), the student, or such other persons or agency, or agents as are legally or equitably entitled to the student's refunds herein contemplated, shall as condition precedent to claim under this assignment make written demand of Assignor for reimbursement pro tanto to advance tuition or other fees paid for such unreceived instruction, academic services, or other goods and services related to course enrollment; provided, that no claim for a refund from Assignor as condition precedent to claim under this assignment nor any demand of Assignee under this assignment shall be made with respect to the quality of instruction, academic services, or other goods and services related to course enrollment that Assignor may actually have provided.

4. If, after such written demand under Condition 3, hereinabove Assignor

neglects or refuses to pay such refund for a period of thirty (30) days, the student, or such other persons or agents as are legally or equitably entitled to said refund, may make written demand for said refund of Assignee; and said Assignee may reimburse said student or such other person or agent which Assignee in its discretion determines is legally or equitably entitled to such refund to the extent of the sum remaining in the assigned account or certificate of deposit. When a lender can demonstrate that he or it has loaned funds to finance the student's education and that the loan has not been repaid, then the Assignee shall pay any refund due under this Condition to the lender and student jointly; provided, the lender files written notice of his or its loan with the Assignee at least three working days before the Assignee refunds any money to the student.

5. If, after receiving a written demand for refund, the Assignee neglects or refuses to pay such refund for a period of sixty (60) days, then the student or such other person or agent legally or equitably entitled to said refund may present to the Assignee a judgment against the Assignor for the amount paid by but not refunded to the student as hereinbefore described, plus any court costs, including reasonable attorney's fees. Within thirty (30) days of receipt of such judgment the Assignee shall reimburse the student or such other judgment creditor the total of the student's prepaid fees plus any court costs, including reasonable attorney's fees that the court or the Assignee has determined were accrued incident to the civil action for reimbursement, provided that the Assignee's obligation to reimburse judgment creditors under this Condition shall not exceed the sum remaining in the assigned account or certificate of deposit. Any reimbursement paid under this Condition shall be paid jointly to all the judgment creditors.

6. The aggregate liability of Assignee as respects any and all claimants under this assignment, inclusive of any court costs, shall in no event exceed the aggregate sum of this assignment.

7. With respect to written demands made pursuant to Condition 4 hereinabove, Assignee shall satisfy demands in the order that written demands have been received by Assignee; provided, that written demands received by Assignee on the same day shall be deemed of equal priority.

8. When used in this assignment, the term "written demand" shall mean writing that includes at least: (1) the identity of the student with respect to whom the demand is made; (2) an itemization of the instruction, academic services, and other goods and services

related to course enrollment for which written demand for refund is made; (3) evidence that payment has been made to Assignor for the instruction, academic services, and other goods and services related to course enrollment that were contracted but not received by the student with respect to whom written demand is made; and (4) if claim is made by other than the enrolled student, documentation of legal or equitable entitlement to the student's claim for refund.

9. Assignee agrees promptly to notify Assignor of any written demand against Assignor under this assignment but presentation to Assignee of written demand of Assignor that has continued to be unsatisfied for thirty (30) days shall be prima facie a valid claim under this assignment that, nothing else appearing, Assignee is obligated to pay as provided herein and with respect to which Assignee shall not be held liable to Assignor.

10. With respect to civil actions for refunds pursuant to Condition 5 hereinabove that are reduced to judgment, the priority of such judgments shall be determined under the laws of North Carolina concerning priority of judgments.

11. In the event that Assignee is required to reimburse any claimants hereunder, Assignee shall be subrogated to all rights which would otherwise accrue to Assignor in respect thereto if paid by Assignor.

12. The term of this assignment shall begin _____ day of _____, 20__ at noon, and shall continue until the earliest of the following occurs:

- A. The Assignor obtains a bond in accordance with NCGS § 115D-95 in lieu of a savings account.
- B. Three years after the Assignor's license or any renewal thereof expires or is terminated.

13. This assignment shall be filed by Assignor with the Clerk of Superior Court of the county in which Assignor's institution is located.

14. A copy of this assignment shall be deposited by Assignor in the Business Office of Assignor's institution for viewing by anyone wishing to see it; and the location and accessibility of said copy of the assignment shall be stated in the catalog of Assignor's institution at that part of the catalog setting forth institutional refund policies.

IN WITNESS WHEREOF, Assignee and Assignor have caused this assignment to be executed by their duly appointed agents.

This the _____ day of _____, 20_____.

ASSIGNOR:

BY: _____

Owner: (Name of Company)

ASSIGNEE:

BY: _____

President, North Carolina Community
College System (NCCCS)

CONTROL AGREEMENT

(Date)

School Name

Address

(Individually and collectively “Debtor”)

State of North Carolina State Board of Community Colleges

5016 Mail Service Center

Raleigh, North Carolina 27699-5016

(Hereinafter referred to as the “Secured Party”)

Bank Name

Attn: Bank Officer’s Name

Title

Address

(Hereinafter referred to as the “Deposit Bank”)

Debtor has granted Secured Party a security interest in one or more deposit accounts maintained at Deposit Bank for Debtor. The parties are entering into this agreement to perfect Secured Party’s security interest in said deposit account(s).

THE DEPOSIT ACCOUNT(S). Deposit Bank represents and warrants to Secured Party that (i) it maintains deposit account(s) number(s) _____ (the “Deposit Account(s)”) for Debtor, (ii) Exhibit A is a statement or statements produced by Deposit Bank in the ordinary course of its business regarding the balance in each of the Deposit Account(s) at the statements date, and it does not know of any inaccuracy in the statement(s); and (iii) Deposit Bank does not know of any claim or interest in the Deposit Account(s), except for claims and interests of the parties referred to in this agreement.

CONTROL BY SECURED PARTY. Deposit Bank will comply with all instructions it receives directing disposition of the funds in the Deposit Account(s) originated by Secured Party without further consent by Debtor.

DEBTOR’S RIGHTS IN DEPOSIT ACCOUNT(S). Until receipt of instructions originated by Secured Party directing disposition of the funds in the Deposit Account(s), Debtor may withdraw funds and otherwise deal with the Deposit Account(s) in the ordinary course of its business, and Deposit Bank may honor Debtor’s instructions with respect to the Deposit Account(s) without further consent of Secured Party. Upon delivery to Deposit Bank of instructions originated by Secured Party that Secured Party is exercising its rights to direct disposition of the funds in the Deposit Account(s) (a “Notice of Exclusive Control”), Debtor agrees that it will no longer be permitted to withdraw funds from or exercise any authority of any kind with respect to funds in the Deposit Account(s), that Deposit Bank is authorized to, and Deposit Bank agrees to, cease complying with directions of Debtor with respect to the Deposit Account(s), that Secured Party shall have the exclusive authority to withdraw, or direct the withdrawal of funds from the Deposit

Account(s), and Debtor shall have no rights to exercise any authority of any kind with respect to the Deposit Account(s) and the funds deposited therein. So long as this Agreement remains in effect, the Deposit Account(s) will be titled as directed by Secured Party. By their signatures to this Agreement, Debtor hereby authorizes and directs Deposit Bank, and Deposit Bank agrees, to comply with the instructions of Secured Party directing disposition of the funds without further consent of Debtor and, upon Secured Party's delivery of a Notice of Exclusive Control and Secured Party's wire instructions to Deposit Bank, to forward available funds by wire transfer from the Deposit Account(s) to Secured Party no later than 2:00 p.m. East Coast time each Secured Party day any funds in the Deposit Account(s) are or become available to such account as may be designated by Security Party to Deposit Bank in writing from time to time.

PRIORITY OF SECURED PARTY'S SECURITY INTEREST. Deposit Bank subordinates in favor of Secured Party any security interest, lien or right of setoff it may have, now or in the future, against the Deposit Account(s) or property in the Deposit Account(s) except that Deposit Bank may charge the Deposit Account(s) for any items deposited in the Deposit Account(s) which are returned for any reason or otherwise not collected and for all service charges, fees, expenses and other items normally chargeable to the Deposit Account(s).

Deposit Bank will not agree with any other third party that Deposit Bank comply with instructions originated by such third party regarding direction of disposition of the funds in the Deposit Account(s).

STATEMENTS, CONFIRMATIONS AND NOTICES OF ADVERSE CLAIMS. Deposit Bank will send copies of all statements and confirmations for the Deposit Account(s) simultaneously to Debtor and Secured Party. Deposit Bank will use reasonable efforts to notify promptly Secured Party and Debtor if any other person claims that it has a property interest in the Deposit Account(s) or funds therein.

DEPOSIT BANK'S RESPONSIBILITY. Except for permitting a withdrawal, delivery or payment in violation of the section entitled "Debtor's Rights in Deposit Account(s)", Deposit Bank will not be liable to Secured Party for complying with instructions or directions from Debtor that are received by Deposit Bank before Deposit Bank receives and has a reasonable opportunity to act on a Notice of Exclusive Control. Deposit Bank will not be liable to Debtor for complying with a Notice of Exclusive Control or with instructions or directions originated by Secured Party, even if Debtor notifies Deposit Bank that Secured Party is not legally entitled to issue the instructions or directions or Notice of Exclusive Control, unless Deposit Bank takes the action after it is served with an injunction, restraining order or other legal process enjoining it from doing so, issued by a court of competent jurisdiction, and had a reasonable opportunity to act on the injunction, restraining order or other legal process, or Deposit Bank acts in collusion with Secured Party in violating Debtor's rights.

This agreement does not create any obligation of Deposit Bank except for expressly set forth in this agreement. In particular, Deposit Bank need not investigate whether Secured Party is entitled under Secured Party's agreements with Debtor to give instructions or directions or a Notice of Exclusive Control. Deposit Bank may rely on notices and communications, which it believes, have been given by the appropriate party.

INDEMNITY. Secured Party and Debtor will indemnify Deposit Bank, its officers, directors, employees and agents against claims, liabilities and expenses arising out of this agreement (including reasonable attorneys' fees and disbursements), except to the extent the claims, liabilities or expenses are caused by Deposit Bank's gross negligence or willful misconduct. Secured Party's and Debtor's liability under this section is joint and several.

TERMINATION; SURVIVAL. Secured Party may terminate this agreement by notice to Deposit Bank and Debtor. Deposit Bank may terminate this agreement on 30 (THIRTY) days notice to Secured Party and Debtor. If Secured Party notifies Deposit Bank that Secured Party's security interest in the Deposit Account(s) has been terminated, this agreement will immediately terminate. Sections entitled "Deposit Bank's Responsibility" and "Indemnity" will survive termination of the Agreement.

MISCELLANEOUS PROVISIONS. Governing Law. This agreement and the Deposit Account(s) will be governed by the laws of jurisdiction of the Deposit Bank as determined by the Uniform Commercial Code. Deposit Bank and Debtor may not change the law governing the Deposit Account(s) without Secured Party's express written agreement. **Entire Agreement.** This Agreement is the entire agreement, and supersedes any prior agreements and contemporaneous oral agreements of the parties concerning its subject matter. **Amendments.** No amendment of, or waiver of a right under this Agreement will be binding unless it is in writing and signed by the party to be charged. **Severability.** To the extent a provision of this Agreement is unenforceable, this Agreement will be construed as if the unenforceable provision were omitted. **Successors and Assigns.** A successor to or assignee of Secured Party's rights and obligations under the security agreement between Secured Party and Debtor will succeed to Secured Party's rights and obligations under this Agreement. **Notices.** A notice or other communication to a party under this Agreement will be in writing, will be sent to the party's address set forth above or to such other address as the party may notify the other parties and will be effective on receipt.

IN WITNESS WHEREOF, Debtor, Secured Party and Deposit Bank have caused this Agreement to be duly executed as of the date first above written.

DEBTOR:

Taxpayer Identification Number: xx-xxxxxxx

By: _____(SEAL)
Name: (Insert School Director/Owner name)
Title:

DEPOSIT BANK:

(Insert Name of Bank)

By: _____(SEAL)
Name: (Insert Bank Officer's Name)
Title:

ACCEPTED BY:

State of North Carolina State Board of Community Colleges

By: _____(SEAL)
Name:
Title: President

NOTICE OF EXCLUSIVE CONTROL
Deposit Account(s)

Date:

Name:

Address:

RE: Control Agreement (the “Control Agreement”), dated _____, among (“Debtor”), (“Secured Party”), and (“Deposit Bank”) regarding Deposit Account No(s) (the “Deposit Account(s).”)

This letter constitutes Secured Party’s Notice of Exclusive Control given to (Deposit Bank) in accordance with the Control Agreement. Deposit Bank is hereby directed to cease (i) complying with directions of Debtor with respect to the Deposit Account(s) and (ii) allowing Debtor to withdraw funds from or exercise any authority of any kind with respect to funds in the Deposit Account(s). Secured Party shall have the exclusive authority to withdraw, or direct the withdrawal of funds from the Deposit Account(s), and Debtor shall have no rights to exercise any authority of any kind with respect to the Deposit Account(s) and the funds deposited therein.

This Notice of Exclusive Control shall not apply to any earned interest on the Deposit Account(s). Deposit Bank may comply with the directions of the Debtor with respect to the interest earned.

NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES

BY: _____

Name:

Title: President,

North Carolina

Community College System

**GUIDELINES FOR COMPUTING BOND AND CERTIFICATE OF DEPOSIT
COVERAGE**

1. The bond amount shall be at least equal to the maximum amount of prepaid tuition held any time during the last fiscal year by the school. **The bond amount shall be at least ten thousand dollars (\$10,000).** G.S. 115D-95 (2)
2. The bond amount for new schools is \$10,000.
3. Prior year information must be used to compute current year bond coverage for schools whose licenses are being renewed.
4. Determine the number of class days per term, quarter, semester, etc., and the number of class days per month. Example: There are 45 class days per quarter system and 15 days per month. This excludes scheduled holidays.
5. Assume the cash is collected on the first day of each month.
6. Compute unearned tuition for highest cash receipt month per quarter by multiplying the cash receipt amount by the number of days remaining in the term, quarter, semester, etc., divided by the total number of days in the term, quarter, semester, etc.

$$\text{Cash Receipt Amount} \times \frac{\text{Number of Days Remaining in Term}}{\text{Total Number of Days in Term}} = \text{Unearned Tuition}$$

7. Bond coverage should equal the largest unearned tuition calculation.

EXAMPLE

Winter Qtr.	Spring Qtr.	Summer Qtr.	Fall Qtr.
Jan. \$ 50,000	Apr. \$100,000	July \$100,000	Oct. \$450,000
Feb. \$350,000	May \$150,000	Aug. \$ 50,000	Nov. \$100,000
<u>Mar. \$ 50,000</u>	<u>June \$ 50,000</u>	<u>Sept. \$ 50,000</u>	<u>Dec. \$ 50,000</u>
Winter – February	350,000 X 30/45	=	\$200,000
Spring – May	150,000 X 30/45	=	\$100,000
Summer – July	100,000 X 45/45	=	\$100,000
Fall – October	450,000 X 45/45	=	\$450,000

Bond coverage is based on the October receipt collection in the Fall Quarter.

8. **Each license application (includes license renewal applications) shall include a letter signed by an authorized representative of the school showing in detail the calculations made and the method of computing the amount of the bond . . . G.S. 115D-95 (2)**

**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES
OFFICE OF PROPRIETARY SCHOOLS LICENSING AND SERVICES**

TEACH-OUT AND RECORD RETENTION PLAN

On this sheet, print or type the school's teach-out and record retention plan. This plan should provide specific details including a list of your teach out partner schools agreeing to provide assistance if your school is unable to provide your own teach out. For instructions, see section XVII of *Application Guidelines* in the Guidelines and Regulations Manual.

**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
OFFICE OF PROPRIETARY SCHOOL SERVICES AND LICENSING**

**PROPOSAL FOR PROGRAM CHANGE(S) OR FOR NEW PROGRAM(S)
INSTRUCTIONS**

PROPOSED PROGRAM CHANGE(S)

1. Submit the following **Proposal for Program Change(s)** form for each proposed program change.
2. Complete only the necessary sections that apply to changes. (Ex. If the proposed changes apply only to curriculum design and resources, fill out the corresponding sections.)
3. Use the appropriate attachments as indicated.
4. Refer to Section IV of *Application Guidelines* in the Guidelines and Regulations Manual for specifications.

PROPOSAL TO ADD A NEW PROGRAM

1. Submit the following **Proposal to Add a New Program** for each proposed new program.
2. Complete *each* section of the form, using the appropriate attachments as indicated.
3. Refer to Section IV of *Application Guidelines* in the Guidelines and Regulations Manual for specifications.

**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES
OFFICE OF PROPRIETARY SCHOOL LICENSING AND SERVICES**

PROPOSAL FOR PROGRAM CHANGE(S)

1. *School Name* _____

2. *Program Name* _____

3. *Rationale for Proposed Change(s)*

4. *Curriculum Design*

a. Approved Competencies

b. Proposed Competencies

c. Catalog Description

5. *Proposed Course Changes (Use Attachment K.)*

6. *Proposed Course Prerequisites and/or Co-requisites (Use Attachment B.)*
7. *Proposed Course Description Changes (Use Attachment C.)*
8. *Resources – Faculty, Equipment, Facilities, and Texts (Complete and include Attachments D-G.)*
9. *Affiliation Requirements with Other Agencies or Institutions*

10. Special Admissions Requirements

11. Special Certification Requirements

12. Other Accreditation

**NORTH CAROLINA STATE BOARD OF COMMUNITY COLLEGES
OFFICE OF PROPRIETARY SCHOOL LICENSING AND SERVICES**

PROPOSAL TO ADD A NEW PROGRAM

1. *School Name* _____

2. *Program Name* _____

3. *Rationale for Addition of New Program*

- a. Number of currently available employment positions related to this program in:
North Carolina _____, the U.S. _____, and/or world-wide _____.
Indicate source: _____

- b. Number of employment positions projected to be available in two years in:
North Carolina _____, the U.S. _____, and/or world-wide _____.
Indicate source: _____

- c. Indicate and provide additional documentation/information if program is justified by other data.

4. *Curriculum Design*

a. Job Competencies

b. Catalog Description

c. Curriculum Model (Use Attachments A-C.)

5. Resources – Faculty, Equipment, Facilities, and Texts (Complete and include Attachments D-G.)

6. Affiliation Requirements with Other Agencies or Institutions

7. Special Admissions Requirements

8. Special Certification Requirements

9. Other Accreditation

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Academic and Student Services
Office of Proprietary School Licensing and Services
200 W. Jones Street
Mailing Address:
5016 Mail Service Center
Raleigh, NC 27699-5016
Telephone (919) 807-7148 Fax (919) 807-7164

PROCEDURES FOR HANDLING COMPLAINTS

1. All complaints handled by the Office of Proprietary School Licensing and Services staff must be in writing and must include:
 - (A) Permission from the complainant for a copy of the complaint to be sent to the proprietary school. If permission is not included in the complaint letter, a letter is sent to the individual requesting permission for the complaint to be forwarded to the institution. **In cases where permission is not received, the complaint procedures cannot be pursued any further.** Anonymous complaints are not acted upon.
 - (B) Documentation that a reasonable effort was made to resolve the complaint directly with the institution, and
 - (C) Evidence bearing on the issues including names, dates, places and other pertinent information.
2. A copy of the complaint is forwarded to the institution requesting the institution promptly investigate the allegations and respond before a specific date (usually 10 days).
3. In case of advertising violations, a copy of the advertisement is sent to the institution, citing the regulation that may have been violated and requesting a response before a specific date.
4. If a news article or media broadcast carries a negative report on a licensed institution that is brought to the attention of the North Carolina Community College System Office staff, the institution is requested to respond to the statement(s) on or before a specific date.
4. The institution forwards its response to the Office of Proprietary School Licensing and Services staff, at which time the staff reviews it.
 - (A) If it is concluded that the allegations do not establish a violation of licensing standards or any serious deviation of educational standards imposed by the State Board, a letter is sent to the complainant confirming this, along with a copy of the institution's response.
 - (B) If it appears that a licensing standard has been violated or that the institution has not complied with the institution's established policies, licensing staff shall attempt a settlement through negotiation. If there is evidence that the institution may no longer be maintaining minimum standards, an investigation may be made to determine whether the institution's license should be revoked.

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Academic and Student Services
Office of Proprietary School Licensing and Services

200 West Jones Street
Raleigh, North Carolina
Mailing Address:
5016 Mail Service Center
Raleigh, North Carolina 27699-5016

Phone: (919) 807-7146
Fax: (919) 807-7164
E-Mail: pettittj@ncccs.cc.nc.us
Website: <http://www.ncccs.cc.nc.us>

STUDENT COMPLAINT FORM

1. Describe the nature of the complaint, including the events or circumstances upon which the complaint is based and the names and titles (if any) of the individuals involved. Attach additional sheets if necessary.

Institution: _____

Location: _____

Official(s)
Involved: _____

Description: _____

What do you want the institution to do?

2. Attach documentation that a reasonable effort has been made to resolve the complaint directly with the institution.
3. Attach any evidence bearing on the issue.
4. Sign and return this form and the required documentation to the above address.

I hereby grant permission to the North Carolina Community College System Office/Proprietary School Licensing and Services to forward a copy of this complaint to the institution for a response. I acknowledge receipt of a copy of the Procedures for Handling Complaints. I certify that the information I have provided is correct to the best of my knowledge.

Signature _____ Date _____

Street Address _____

City, State, Zip Code _____

Telephone (Day) _____ (Evening) _____ (Fax) _____

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Academic and Student Services

Office of Proprietary School Licensing and Services

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Website: <http://www.ncccs.cc.nc.us>

INSTITUTION COMPLAINT RESPONSE FORM

1. Please respond to the student complaint. Include the events or circumstances upon which the complaint is based and the names and titles (if any) of the individuals involved. Attach additional sheets if necessary.

Institution: _____

Location: _____

Official(s)
Involved: _____

Description: _____

What did the institution do to resolve the complaint?

2. Document that the institution handled the complaint in accordance with published school policy as contained in the school catalog and student handbook. Please cite references.
3. Attach any evidence bearing on the issue. This may include, but is not limited to, police reports, statements from eyewitnesses, pictures, etc.
4. What compromise is the institution willing to make to resolve this issue?
5. Sign and return this form and the required documentation to the above address.

I hereby grant permission to the North Carolina Community College System Office/Proprietary School Licensing and Services to forward a copy of this Institutional Complaint Response Form to the complainant. I acknowledge receipt of a copy of the Procedures for Handling Complaints. I certify that the information I have provided is correct to the best of my knowledge.

Signature School Director: _____ Date: _____

Name of
Institution: _____

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

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Website: <http://www.ncccs.cc.nc.us>

REPORT OF UNLICENSED SCHOOL

Date of Report: _____

INFORMATION ON UNLICENSED SCHOOL

Name of Unlicensed School: _____

Address: _____

Phone: _____ **Email:** _____

Description of School: _____

Comments/Details(use reverse if necessary): _____

INFORMATION ON THE PERSON MAKING THE REPORT

Name: _____

Institution: _____

Address: _____

Phone: _____ **Email:** _____

Signature: _____

ATTACHMENT F
RESOURCES – FACILITIES

Course	Facility			
Title	Description of Type of Facilities Needed	Currently Available Facilities	Development/ Acquisition of Additional Facilities	Source of Funding for New Facilities

