**PROPRIETARY SCHOOL SALES: INSTRUCTIONS FOR BUYERS AND SELLERS**

**INSTRUCTIONS FOR SELLER/OWNER**

A proprietary school sale occurs when a new owner acquires ownership interest in greater than 50% of a company’s stock or assets. (2A SBCCC 100.1)

**Q: Are there any exceptions?**

*A*: Yes. There are two exceptions:

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

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

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

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

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

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

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

1. A signed *Notice of Proprietary School Sale* form (attached) along with:

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

**INSTRUCTIONS FOR BUYER/NEW OWNER**

The new owner must request and be granted a 90-Day Temporary License from OPS prior to beginning any instruction.

**Q: How does the new owner request a 90-day license?**

A: The new owner must provide OPS with **ALL** of the following:

1. A signed *Notice of Proprietary School Purchase* form (attached) along with:

A statement noticing OPS of the school purchase. The statement must include: 1) purchase date; 2) full name and contact information (phone and email) of the seller and buyer; 3) confirmation of whether the sale will impact the name, location, program offerings, instructors, or administration of the school; 4) acknowledgement that programs licensed by the State Board of Community Colleges cannot be started until a 90-day license is issued by OPS; 5) acknowledgement that Nurse Aide I, Nurse Aide II, and Dental Assistant Programs (if applicable) cannot be operated under the 90-day temporary license; and 6) acknowledgement that the new owner will accept, secure, and maintain the school’s existing academic and financial records.

1. A fully-executed assumption of lease or a fully-executed new lease agreement valid through (at minimum) the remainder of the license year (June 30th).
2. Documentation that the new owner has been substituted on the school’s bond, or a fully-executed new bond at the pre-sale coverage amount that is recorded with the Clerk of Court in the county in which the school operates. [Note: If the school name will change, a new bond must be issued].

**Q: Are there any programs that cannot be operated under the 90-day license?**

A: Yes. Nurse Aide I, Nurse Aide I Refresher, Nurse Aide II, and Dental Assisting programs will NOT be authorized on the 90-day temporary license.

**Q: When can the new owner begin offering Nurse Aide and Dental Assisting Programs:**

A: These programs will be authorized at the time of initial licensing--provided the new owner obtains written approval from the appropriate state agencies:

* Nurse Aide I Programs – The new owner must obtain a unique written program approval from DHHS. OPS recommends contacting DHHS prior to the sale to facilitate approval. For additional information, please contact the Division of Health Service Regulation, Healthcare Personnel Education and Credentialing Section: <https://www2.ncdhhs.gov/dhsr/hcpr/index.html>.
* Nurse Aide II Programs - The new owner must obtain a unique written program approval from NCBON. OPS recommends contacting BON prior to the sale to facilitate approval. For additional information, please contact an Education and Practice Coordinator: <https://www.ncbon.com/>.
* Dental Assisting Programs: The new owner must obtain a unique written program approval from the NC Board of Dental Examiners. OPS recommends contacting the Dental Board prior to the sale to facilitate approval. For additional information: <http://www.ncdentalboard.org/index.htm>.

**Q: Is the Initial License Application available online?**

A: Yes: <https://www.nccommunitycolleges.edu/proprietary-schools>

**Q: When should the new owner submit an initial license application to OPS?**

A: Simultaneously with the final sale transaction is best practice. The time it takes to become initially licensed varies due to the meeting schedules of the Proprietary and Community College Boards. Approvals for Nurse Aide and Dental Assisting programs (if applicable) must also be secured. The more timely and complete an application, the quicker an applicant can become licensed.

**NOTICE OF PROPRIETARY SCHOOL SALE**

1. Name of School
2. Physical Location

Number and Street City Zip Code

1. Name of seller:

* Seller phone / email:

4. Date of sale:

5. Bond at date of sale $

* Bond number:
* Bond company & contact number:

**AFFIRMATION:**

**I certify that I am an authorized representative of the proprietary school identified herein. I affirm the attached written notice (official school letterhead) contains ALL of the following:**

**1) Sale completion date;**

**2) Name and contact information (phone and email) of seller and buyer;**

**3) Confirmation of whether the sale will impact the name, location, program offerings, instructors, or administration of the school;**

**4) Name and contact information of bond company, bond number, and current bond amount;**

**5) Acknowledgement and date that all programs licensed by the State Board of Community Colleges ceased;**

**6) Confirmation that other applicable federal (Department of Education - Title IV Funding) or state agencies (Board of Governors - degree programs; State Approving Agency - GI Bill approval; DHHS - Nurse Aide I programs; Board of Nursing - Nurse Aide II programs; Dental Board - Dental Assistant programs) were noticed; and**

**7) Surrender of the school’s Proprietary School License issued by the State Board of Community Colleges.**

**Print Signature of Seller Date**

**NOTICE OF PROPRIETARY SCHOOL PURCHASE**

1. Name of School
2. Physical Location

Number and Street City Zip Code

1. Name of buyer:

* Buyer phone / email:

4. Date of sale:

**AFFIRMATION:**

**I certify that I am (or I am an authorized representative of) the bona fide purchaser of the proprietary school identified herein. I affirm ALL of the following are attached:**

**1. A written notice of purchase that includes: 1) Purchase date; 2) Full name and contact information (phone and email) of seller and buyer; 3) Confirmation of whether the sale will impact the name, location, program offerings, instructors, or administration of the school; 4) Acknowledgement that programs licensed by the State Board of Community Colleges cannot be started until a 90-day license is issued by the Office of Proprietary Schools; 5) Acknowledgement that Nurse Aide I, Nurse Aide II, and Dental Assisting Programs (if applicable) cannot be operated under the 90-day temporary license; and 6) Acknowledgement that the new owner will accept, secure, and maintain the school’s existing academic and financial records.**

**2. A fully-executed assumption of lease or a fully-executed new lease agreement valid through (at minimum) the remainder of the current license year (June 30th).**

**3. Documentation that the new owner has been substituted on the school’s bond, or a fully-executed new bond at the pre-sale coverage amount that is recorded with the Clerk of Court in the county in which the school operates. [Note: If the school name will change, a new bond must be issued].**

**Print Signature of Buyer Date**