

STATE OF COLORADO

Department of Higher Education
DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS

Jim Parker
Director



Bill Ritter, Jr.
Governor

D. Rico Munn
Executive
Director

November 24, 2010

MEMORANDUM

To: Private Occupational School Directors/Owners

From: Jim Parker, Director

Re: Random Audits by Division Staff

The Division of Private Occupational Schools Staff has begun making random on-site visits to approved private occupational schools for the purpose of auditing records to ensure proper and adequate surety coverage is being maintained.

It has come to the attention of the Division in the course of conducting these field audits that some schools may not be maintaining adequate surety coverage as required by law. All private occupational schools are required to maintain proper surety coverage in the calculable highest amount of prepaid, unearned tuition held at any given point in time pursuant to section 12-59-115, C.R.S. During an unannounced visit Division Staff will be spot checking enrollment agreements, including prepaid tuition amounts being taken by the school to ensure the school is still receiving monies in the same manner as attested to in the school's most recent Annual Surety Coverage Filing. Any findings to the contrary may result in the issuance of a Notice of Non-Compliance that may ultimately lead to the Board taking disciplinary action against the school if adequate surety coverage is not remedied within a specified amount of time.

Further, any school currently using a Certificate of Deposit or Secured Savings Account as a surety instrument must ensure that said instrument on-file with their lending institution is using the most up to date required form provided by the Division. The verbiage in this Division provided/required form must be adhered to strictly to ensure proper protection for the school, student, and Division. That form can be downloaded via the Division web-site, <http://higher.ed.colorado.gov/DPOS/Schools/forms.html>.

Any questions regarding proper surety coverage requirements and required surety instrument forms please contact your assigned Program Specialist at (303) 866-2723.

