

STATE OF OHIO
BOARD OF CAREER COLLEGES AND SCHOOLS
35 E. GAY STREET, SUITE 403 COLUMBUS, OH 43215
(614) 466-2752

STATE OF FISCAL RESPONSIBILITY INSTRUCTIONS (PSR 0006)

Each time a school files an application for registration with the State Board of Career Colleges and Schools, a requirement exists that the school also files a Statement of Fiscal Responsibility. Form PSR 0006 is the document, adopted by the Board, for the convenience of the applicant in showing the school's financial responsibility. The Board will not act upon an application if a properly executed Statement of Fiscal Responsibility is not included with the application.

INSTRUCTIONS

The Balance Sheet will reflect information for the twelve (12) months preceding the date of the document. The Balance Sheet will not reflect data earlier than the end of the last tax period or fiscal year of the school. With a new school, the Balance Sheet will reflect the current fiscal information.

Assets:

1. **Cash on Hand:** Include only actual cash and checking accounts. Do not include escrow accounts used for student loans or other state and federal student financial assistance.
2. **Stocks, Bond, etc.:** List, on a separate sheet, all investments held by the school. This includes stocks, bonds, savings accounts, certificate(s) of deposit, and other dollar instruments that could be converted to cash. List the investment, where invested, amount invested, and the date of maturity.
3. **Accounts Receivable:**
 - a. **Tuition (current):** Tuition that is due from students for the current term, but has not been received by the school.
 - b. **Tuition (arrears):** Tuition that is due from students for terms prior to the current term and has not been received by the school.
 - c. **Other:** Other accounts receivable, such as, refunds due for equipment or supplies returned to a dealer or manufacturer, rebates, funds due from a parent or associated corporation. List on a separate sheet.
4. **Materials, Supplies:** The estimated value of consumable materials and supplies on hand as of the date of the Balance Sheet. Consumable items would include paper, pencils, books, etc.
5. **Plant and Equipment:** The current value of buildings, land (owned by the school) and equipment. Net of Depreciation means that depreciation claimed for tax purposes has to be subtracted from the value of the plant and equipment.
6. **All other Assets:** All other items not listed above that has a current monetary value. These items need not be under the control of the school, but can be used by the school, when desired. "Good Will" is often assigned a monetary value, when a business is purchased or transferred to a new owner. For the purposes of Fiscal Responsibility "Good Will" must be deducted from the total assets of the school.

Liabilities:

1. **Accounts payable:** Current accounts that are due within the present tax or school's fiscal year, such as utilities, payroll (not payroll taxes), and other accounts from normal day-to-day operations. Do not include loans made to the school for any reason.
2. **Unearned Tuition:** These monies are made up of tuition or other fees that are for future school terms. The funds have been deposited into the school accounts, but have not been earned by the school, therefore, the funds cannot be listed as income, until the services are provided. Escrow accounts primarily set up for Federal Loans, Grants, and State Grants must be handled in accordance with separate Federal and State Statutes and must be accounted for separately. If escrow accounts are in interest bearing account, the interest must be credited to the account and cannot be utilized by the school.
3. **All other current liabilities:** This item would include short-term loans (that would be amortized in less than one year) and other obligations not included in Accounts Payable, above. List these liabilities on a separate sheet. Indicate the date the obligation is scheduled to be terminated.
4. **Reserve for Taxes:** List the total of all taxes deducted from employees' wages that are being held for payment to the various taxing agencies. The taxes would include: Federal Income Taxes, State Income Taxes, Social Security Taxes, and Local Income Taxes. Also included would be personal property taxes and in the case of a school selling items to the student, Sales Taxes.
5. **Reserve for Insurance:** This reserve would include all funds being held to pay the various insurance requirements of the school. Included would be such items as employee insurance and the school's insurance, such as liability, fire, bonds, etc.
6. **Notes Payable:** List all loans or notes that the school has negotiated that cannot be amortized during the current fiscal or tax year of the school. Notes would include such obligations as, Mortgage Loans, Equipment Loans, Vehicle Loans, Operating Loans, etc. List all such obligations on a separate sheet purpose of the obligation and the date the obligation is scheduled to be paid in full.
7. **Capital:**
 1. **Capital Stock:** The total value of shares of the school held by individuals or other entities (such as corporations or other businesses).
 2. **Surplus:** Value of funds or other interests, such as owner equity or unused amounts not reflected in Assets. If this amount is excessive, an explanation should be provided on an additional sheet. This may also be a fund that is unneeded to operate the school or profit.

TOTAL LIABILITIES SHOULD EQUAL TOTAL ASSETS!