

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF EDUCATION  
January 31, 1992

SUBJECT: LICENSED PRIVATE SCHOOLS MEMORANDUM #35  
Financial Reporting - Annual Reporting Rescinded;  
Biennial Reporting Reinstated

TO: Chief Executive Officers/Directors  
Licensed/Registered Private Schools

FROM: Dr. Jane A. Stockdale  
Coordinating Secretary  
State Board of Private Licensed Schools

The State Board of Private Licensed Schools has rescinded the requirement that all schools must submit annual financial reports to the Board. This action took effect December 1, 1991.

In place of the annual financial reporting requirement, the Board has reinstated the requirement for a year-end financial statement at license/registration renewal.

In order to effect a transition from the annual to the biennial reporting requirement, the following will apply:

- A. Schools with fiscal years ending on or before November 30, 1991 are to submit annual financial statements for the most recent fiscal year if they have not already done so. These statements are due by February 17, 1992.
- B. Effective December 1, 1991 the following requirements apply to financial statements submitted to the Board:
  1. Biennial Financial Statement Required

All licensed/registered schools are required to submit a financial statement to the Board at the time of license/registration renewal. The statement must reflect the school's financial status as of the end of the most recent fiscal year.

2. Accepted Form/Format

All financial statements must be prepared either (a) on the attached form or (b) in a format consistent with certified public accountants review or compilation formats or; (c) at the option of the school, in the form of an audited statement prepared by a certified public accountant.

The format chosen must include a line item for gross tuition. Registered schools are to report gross tuition for Pennsylvania residents only.

3. THE FINANCIAL STATEMENT SUBMITTED MUST BE FOR THE ENTITY THAT BOARD HAS LICENSED OR REGISTERED, NOT A PARENT CORPORATION OR A HOLDING COMPANY.

All financial statements are to be submitted with the renewal application. School administrators who do not follow this requirement will be considered by the Board to have violated the Private Licensed Schools Act §13(b)(5) and Regulations §73.53. This could be cause for the Board to refuse to renew the license/registration and could make the school subject to a civil penalty and other possible enforcement actions.

Financial statements will be reviewed by staff and may be referred to the Financial Review Committee of the Board for additional review. Renewal fees and bonding levels are determined by the amount of gross tuition collected by a school.

The Board has the authority to request whatever additional information it deems necessary to understand the financial status of the school. The Board also has the authority to require schools to submit financial statements more often than once every two years.

Attachments: Financial Reporting Form (PDE-2006)

JAS/pse/9/d2581