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May 20, 2025

**ELECTRONIC DELIVERY** 

Director American Trade School 3925 Industrial Drive St. Ann, Missouri 63074

School #M072217 Probation Order

Dear

At the May 2025 meeting, the Accrediting Commission of Career Schools and Colleges ("ACCSC" or "the Commission") considered the Commission's previous decision to place American Trade School, located in St. Ann, Missouri, on Warning. Upon review of the Commission's February 26, 2025 Warning and the school's response, the Commission voted to place American Trade School on **Probation** with a subsequent review scheduled for the Commission's **August 2025** meeting. The reasons for the Commission's decision are set forth below.

# **History of the Commission's Review:**

## **February 2024 Meeting**

At the February 2024 meeting, the Commission considered the Applications for Renewal of Accreditation and Initial Distance Education and voted to defer final action until the August 2024 meeting and requested information regarding the school's compliance with ACCSC's standards in the areas of supported rates of student achievement; verification of the prior work experience of faculty and educational administrators; and a programmatic teach-out.

## **August 2024 Meeting**

At the August 2024 meeting, the Commission voted again to defer action on the Applications for Renewal of Accreditation and Initial Distance Education and requested information regarding the school's compliance with ACCSC's standards in the areas of supported rates of student achievement and verification of the prior work experience of faculty and educational administrators.

#### **Submission of Financial Information**

In a June 28, 2024 email, ACCSC provided the school with an extension to August 31, 2024 on the submission of the school's fiscal year end December 31, 2023 audited financial statements, originally due June 30, 2024. In a September 3, 2024 email, ACCSC notified the school that the audited financial statements had not been received and the school was given a new deadline of September 10, 2024. On January 21, 2025, the school was again notified that the audited financial statements had not been received by ACCSC, the school was assessed a late fee and was given a due date of January 23, 2025.

## February 2025 Meeting

The Commission reviewed American Trade School's January 8, 2025 response and found that the school demonstrated compliance with the referenced standards in the areas of supported rates of student achievement and verification of the prior work experience of faculty and educational administrators but noted an area of concern.

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The Commission noted that ACCSC had given American Trade School several opportunities to submit the school's FYE December 31, 2023 audited financial statements and that the school had yet to submit those statements to the Commission. The Commission communicated that submission of financial statements in accordance with a prescribed due date is a fundamental and annual requirement of maintaining accreditation. In that American Trade School missed several deadlines with the benefit of multiple extensions, the Commission noted its concern with the school's financial soundness, stability, and ongoing ability to meet its obligations to students. The Commission determined that these concerns warranted a Warning to the school.

### May 2025 Review and Action

The ACCSC Rules of Process and Procedure state that financial statements must be received in the ACCSC office no later than the prescribed due date. Failure to submit complete and properly prepared financial statements by the due date may result in late fees being assessed and any Commission action outlined in Section VII, Rules of Process and Procedure, Standards of Accreditation, including withdrawal of the school's accreditation (Section V (C)(3), Rules of Process and Procedure, Standards of Accreditation). The Commission's February 26, 2025 Warning requested the school's FYE December 31, 2023 audited financial statements, the late fee of \$750 associated with the delinquent audited financial statements, and the school's policy and procedure for ensuring timely submission of audited financial statements.

American Trade School's April 1, 2025 Response states that the school "is not able to submit the audited financial statements at this time," submitted the late fee under separate cover, and provided the school's procedures to prepare for a financial audit (April 1, 2025 American Trade School Response, pg. 2). American Trade School did provide a timeline of events leading to the delinquent audit beginning with a mid-April 2024 notification that the school's usual auditor was unable to perform the audit for the school. The school engaged another agency in June 2024 who then notified the school in November 2024 that the firm was disengaging from the audit. The school re-engaged its previous auditor in November 2024 who began work in January 2025. According to the school, the firm continues to work on the school's audit.

The Commission acknowledged the school's explanation regarding the sequence of events causing the delinquency of the FYE December 31, 2023 financial statement. However, the Commission did not find that the school's explanation and sequence of events serve to obviate the requirement for the school's timely submission of its annual audited financial statements—particularly since the school has missed the original due date and multiple extended deadlines. Instead, given that the annual submission of audited financial statements is a) critical as a means to show the school's financial soundness and b) a fundamental criteria for maintain accreditation eligibility criteria coupled with the fact that the FYE 2023 financial statements are now almost two years delinquent, the Commission determined that American Trade School is out of compliance with Section V(C)(3), Rules of Process and Procedure, Standards of Accreditation and placed the school on Probation.

Based on the foregoing, the Commission directs American Trade School to submit the following:

- a. The school's FYE December 31, 2023 audited financial statements;
- b. The school's FYE December 31, 2024 audited financial statements;
- c. If either item (a) or (b) above are not available, a timeline for when that audit will be available; and
- d. Any additional information the school believes will assist the Commission in determining the school's compliance with accrediting standards.

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### **PROBATION REQUIREMENTS:**

Because the Commission determined that the school is not in compliance with an accreditation standard and placed the school on Probation, American Trade school must demonstrate corrective action and compliance with accrediting standards. <u>Failure of the school to demonstrate compliance with accrediting standards or other accrediting requirements by the due date set forth herein may result in a revocation of accreditation action.</u>

The Commission will not consider substantive changes, a change of location/relocation, or additions (i.e., separate facilities, new programs) to a school or its separate facilities while the school is on Probation. In accordance with Section X, Rules of Process and Procedure, Standards of Accreditation, the reasons for the Probation Order are made public and provided to the U.S. Department of Education, appropriate State agencies, and appropriate accrediting agencies.

### **TEACH-OUT PLAN REQUIREMENT:**

Given the serious nature of the issues outlined herein, the Commission directs the school to provide an <u>Institutional Teach Out Plan Approval Form</u>, which must be submitted as part of the response for the items listed above.

### MAXIMUM TIMEFRAME TO ACHIEVE COMPLIANCE:

According to Section VII (M), Rules of Process and Procedures, Standards of Accreditation, where the Commission has found an area in which the school is out of compliance with accreditation standards its establishes a maximum time frame to remedy noncompliance not to exceed three years but in all instances and may establish shorter time frames as deemed appropriate, including taking immediate adverse action. Given that the school's delinquency in submitting the 2023 fiscal year end financial statements is now almost at two years, the Commission determined that the maximum time frame to remedy noncompliance shall not exceed the November 2025 meeting. This assumes that the school submits the 2024 fiscal year end financial statements by June 30, 2025. However, if the school misses the June 30, 2025 deadline for both the December 31, 2023 and 2024 fiscal year end financial statements, then the Commission may take an action to withdraw the school's accreditation at the August 2025 meeting.

## **REQUIRED NOTIFICATION TO STUDENTS:**

Within seven days of receipt of the Probation notification and for the duration of that action, the school must:

- a. Inform current and prospective students in writing that the school has been placed/continued on Probation and provide such notice on the school's website;
- b. Provide a summary that accurately describes the reasons for the Probation; and
- c. Provide the uniform resource locator (URL) where that action can be obtained from the Commission's website.

The school must within seven days inform current and prospective students in writing that the school has been placed/continued on Probation, provide a summary of the reasons for the Probation, and indicate where that action can be obtained from the Commission's website. (Section VII (L)(7) Rules of Process and Procedure, Standards of Accreditation). Within 10 days the school must upload a copy of the notice provided to students to ACCSC's College 360 Database (directions below).

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#### **RESPONSE REQUIREMENTS:**

By applying for accreditation, a school accepts the obligation to demonstrate continuous compliance with the *Standards of Accreditation*. While the Commission employs its own methods to determine a school's compliance with accrediting standards, the burden rests with the school to establish that it is meeting the standards. The Commission's deliberations and decisions are made on the basis of the written record and thus a school must supply the Commission with complete documentation of the school's compliance with accrediting standards.

American Trade School must provide a response to the items expressed above that provides the information requested along with any additional information that the school believes supports a demonstration of compliance with accrediting standards.<sup>1</sup> If the school's response contains documentation that includes personal or confidential student or staff information that is not required for the Commission's review (e.g., social security numbers, dates of birth, etc.), please remove or redact that information.

American Trade School must upload the school's electronic response directly to ACCSC's College 360 Database. The ACCSC College 360 database can be accessed by <u>clicking here.</u> Please note that the password utilized by the institution to access the Annual Report Portal is the same to access the School Submission section of the College 360 database. The Instructions for College 360 DMS Submissions can be found here. A detailed overview on how to upload a school submission can be found here.

Keep in mind, the school's response must be prepared in accordance with ACCSC's Instructions for Electronic Submission (e.g., prepared as one Portable Document Format ("PDF") file that has been prepared using Adobe Acrobat software (version 8.0 or higher) and which has a .pdf extension as part of the file name). The school will receive an e-mail confirmation that the file has been received within 24 hours of the submission.

In summary, the school's responses are to include the following:

- A copy of the notice provided to students of this Probation to ACCSC's College 360 School Submission Portal uploaded no later than April 19, 2025;
- The school's response to the substantive items included in this letter along with a signed certification attesting to the accuracy of the information uploaded to the College360 School Submission Portal no later than July 3, 2025;
- An updated Institutional Teach Out Plan Approval Form submitted as part of the response due July 3, 2025.

If the responses, the required \$1000 processing fee,<sup>2</sup> and the certificate of attesting to the accuracy of the information is not received in the Commission's office on or before July 3, 2025, the Commission will consider further appropriate action.

For assistance with the password or for any other questions regarding the electronic submission requirements, please contact

. Please note

<sup>&</sup>lt;sup>1</sup> ACCSC has resources for submitting a well-documented and organized response for Commission consideration. As a reminder Section I (H)(1) Rules of Process and Procedure, Standards of Accreditation, states that all submissions and notifications must be organized as required by the ACCSC Instructions for Electronic Submission. More information is available on the ACCSC website under Resources and Forms and Reports.

<sup>&</sup>lt;sup>2</sup> ACCSC assesses a \$1,000 processing fee to a school placed on Probation.

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that any password requests to access College 360 must be made by the school director, or designated member of the school's management team, via e-mail.

or further assistance or additional information, please contact
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Missouri Department of Higher Education