

2101 Wilson Boulevard, Suite 302 Arlington, Virginia 22201 703.247.4212 703.247.4533 fax

www.accsc.org

August 11, 2025

ELECTRONIC DELIVERY

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

School #M072217
Continued Probation

Dear

At the August 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 Probation with regard to the school's Application for Renewal of Accreditation and Application for Initial Distance Education. Upon review of the Commission's May 20, 2025 Probation letter and the school's July 3, 2025 request for an extension of the response, the Commission voted to continue American Trade School on **Probation** to allow the school a final opportunity to respond to the May 20, 2025 Probation letter and submit the late fiscal year end 2023 and 2024 audited financial statements. Additionally, the Commission voted that failure by the school to demonstrate compliance with accrediting standards or other accrediting requirements by the due date set forth herein will result in the withdrawal of the school's accreditation. 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 school's Application for Renewal of Accreditation and Application for Initial Distance Education and voted to defer final action on these applications until the August 2024 meeting. The Commission 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.

Late Submission of Financial Information Fiscal Year End December 31, 2023 – Due June 30, 2024

In a June 28, 2024 email, ACCSC provided the school with an extension from June 30, 2024 to August 31, 2024 for the submission of the school's fiscal year end December 31, 2023 audited financial statements. In a September 3, 2024 email, ACCSC notified the school that the audited financial statements had still not been received and the school was given an additional extension of time with an updated due date of September 10, 2024.

August 2024 Meeting

At the August 2024 meeting, the Commission voted again to defer action on the Application for Renewal of Accreditation and Application for 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 faculty and educational administrators prior work experience.

On January 21, 2025, the school was again notified that the fiscal year end audited financial statements had not been received by ACCSC and the school was assessed a late fee and was given a due date of January 23, 2025.

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February 2025 Meeting

At the February 2025 meeting, the Commission reviewed the school's January 8, 2025 response regarding the Application for Renewal of Accreditation and Application for Initial Distance Education. The Commission noted that ACCSC had given American Trade School several opportunities to submit the school's fiscal year end December 31, 2023 audited financial statements and that the school had yet to submit those statements as required. The Commission communicated that the 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. As such, the Commission voted to place American Trade School on Warning.

May 2025 Meeting

At the May 2025 meeting, the Commission considered the previous decision to place American Trade School on Warning with regard to the Application for Renewal of Accreditation and Application for Initial Distance Education. 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.

The Commission acknowledged the school's explanation regarding the sequence of events causing the delinquency of the fiscal year end December 31, 2023 financial statements. However, the Commission did not find that the school's explanation and sequence of events served to obviate the requirement for the school's timely submission of its annual audited financial statements—particularly since the school had 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 fiscal year end 2023 financial statements are 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.

Late Submission of Financial Information Fiscal Year End December 31, 2024 – Due June 30, 2025

The school's fiscal year end December 31, 2024 audited financial statements were due June 30, 2025. However, to date, ACCSC has not received a submission of these financial statements.

In response to the Commission's May 20, 2025 Probation, on July 3, 2025 the school requested a correction to the letter, an extension to the submission date for the response, and clarification regarding the date to notify students that the school was placed on Probation. On July 15, 2025, ACCSC staff issued a corrected copy of the May 20, 2025 Probation letter. On July 24, 2025 ACCSC Staff and the school spoke, and the school was unable to provide a timeline for when the audit would be completed.

August 2025 Meeting and Action

- 1. American Trade School has failed to:
 - Meet its obligation to demonstrate continuous compliance with the *Standards of Accreditation* (Section I (G)(1), Rules of Process and Procedure, Standards of Accreditation);
 - Submit required reports and fees to the Commission in the manner and within the timeframe prescribed (Section I (G)(2)(c) & Section I (J)(1-2), Rules of Process and Procedures Standards of Accreditation) (see also Item #2 below).
 - Submit financial statements as required by ACCSC annual reporting obligations (Section V (C)(3), Rules of Process and Procedure, Standards of Accreditation).

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Since June 30, 2024, the Commission has given American Trade School multiple opportunities to submit the school's December 31, 2023 fiscal year end audited financial statements. Moreover, at this point American Trade School has also now failed to submit the fiscal year end December 31, 2024 audited financial statements which were due June 30, 2025. Further, the school has not submitted the required \$500 Warning fee as listed in the February 26, 2025 Commission letter or \$1,000 Probation fee as listed in the May 20, 2025 Commission letter.

2. American Trade School failed to demonstrate that the financial structure of the school is sound, with resources sufficient for the proper operation of the school and the discharge of obligations to its students (Section I (C)(I), Substantive Standards, Standards of Accreditation). As American Trade School has failed to submit complete and properly prepared financial statements by the due dates for the fiscal years ended 2023 and 2024, the school has also failed to demonstrate that the financial structure of the school is sound, with resources sufficient for the proper operation of the school and the discharge of obligations to its students. While the fiscal year end December 31, 2022 audited financial statements show a positive net working capital, without the submission of the 2023 and 2024 audited financial statements, American Trade School has not demonstrated that the current financial structure of the school is sound.

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

- a. The school's fiscal year end December 31, 2023 audited financial statements in accordance with the ACCSC's Instructions for the Preparation and Submission of Financial Statements and Related Information:
- b. The school's fiscal year end December 31, 2024 audited financial statements in accordance with the ACCSC's Instructions for the Preparation and Submission of Financial Statements and Related Information;
- d. The previously required \$500 Warning fee, \$1,000 Probation fee, along with a \$750 late fee; and
- e. Any additional information the school believes will assist the Commission in determining the school's compliance with accrediting standards.

PROBATION REQUIREMENTS:

In cases where the Commission has reason to believe that a school is not in compliance with accreditation standards and other requirements, the Commission may, at its discretion, place a school on Probation. A school subject to a Probation Order must demonstrate corrective action and compliance with accrediting standards. Failure of the school to demonstrate compliance with accrediting standards or other accrediting requirements by the due date set forth herein will result in the withdrawal of the school's accreditation.

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. However, a school that is subject to Probation may seek the Commission's approval for the transfer of accreditation that would result from a change of ownership as described in Section IV, Rules of Process and Procedure, Standards of Accreditation (Section VII (L)(6) Rules of Process and Procedure, Standards of Accreditation).

In accordance with Section X, Rules of Process and Procedure, Standards of Accreditation, the reasons for the Probation is made public and provided to the U.S. Department of Education, appropriate State agencies, and appropriate accrediting agencies.

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Teach-Out Plan Requirement:

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

MAXIMUM TIMEFRAME TO ACHIEVE COMPLIANCE:

According to Section VII (N), Rules of Process and Procedures, Standards of Accreditation, when the Commission has found an area in which a school is out of compliance with accreditation standards or requirements, the Commission will provide the institution with a written timeline as set forth in the Commission's notification for coming into compliance that is reasonable based on the nature of the finding(s), the school's stated mission, and the educational objectives of the institution. In this case, given the time sensitive nature of the school's compliance and potential impact on student, the Commission has determined to give the school a final opportunity to submit the required financial statements before taking an adverse accreditation decision. As such, the maximum timeframe allowed for American Trade School to achieve and demonstrate compliance with the Standards of Accreditation began as of began as of May 20, 2025 and ends on September 10, 2025.

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). The school must upload a copy of the notice provided to students to ACCSC's College 360 Database (directions below) along with the submission of the financial statements no later than September 10, 2025.

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.¹ If the school's response contains documentation that includes

¹ 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.

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, by September 10, 2025 the school's responses are to include the following:

- A copy of the notice provided to students of this Probation uploaded to ACCSC's College 360 School Submission Portal;
- 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;
- An updated Institutional Teach Out Plan Approval Form submitted as part of the response.

If the responses, the required \$1000 processing fee,² and the certification attesting to the accuracy of the information is not received in the Commission's office **on or before September 10, 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
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.
For further assistance or additional information, please contact
Sincerely.
Michale S. McComis, Ed.D.
Executive Director
c:

² ACCSC assesses a \$1,000 processing fee to a school continued on Probation.