

**21 NCAC 30 .0616 FINANCIAL MANAGEMENT SYSTEMS AND ECONOMIC STABILITY**

(a) The school shall maintain sufficient resources for its ongoing operations and the discharge of its obligations to the students and staff. To demonstrate this, the school shall:

- (1) Maintain financial management systems that assure reliability, accountability and effective use of financial resources, that provide accurate information for assessing the financial condition of the institution, and that assure the accuracy and security of records.
- (2) Provide annually a review or audit, prepared in accordance with Generally Accepted Accounting Principles. This annual financial statement shall demonstrate that the current assets of the school exceed the current liabilities, and that there was a positive net working capital for the prior year. If the school does not meet the requirements in this Subparagraph, the Board shall require a financial improvement plan, teach-out plan, or form of surety guaranteeing that the resources are sufficient to protect the current students. If the Board determines that the school does not have sufficient resources, it may take disciplinary actions pursuant to Rule .0905(b) of this Chapter up to and including revocation of approval.

(b) The Board may request a credit report on a school from a nationally recognized credit reporting agency.

(c) The school shall maintain professional liability insurance to guarantee the fiscal viability of the school in the case of a claim of malpractice related to massage and bodywork therapy performed as a part of the school's instructional program.

*History Note: Authority G.S. 90-626(9); 90-631;*

*Eff. October 1, 2007;*

*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. November 12, 2014.*