

Iowa College Student Aid Commission

Postsecondary Registration Administrator
200 10th Street, Fourth Floor
Des Moines, IA 50309
(515) 725-3470

Statement of Financial Responsibility and Surety Bond Filing Iowa Drivers Education Schools Iowa Code Sections 714.17 through 714.25

This document includes the form for drivers education schools that are required to file a Statement of Financial Responsibility under Iowa Code Chapter 714, Sections 714.17 through 714.25 and the form for requesting an exemption from filing of a Statement of Responsibility.

Complete either the Statement of Financial Responsibility or the Request for Exemption. Do not complete both forms. Submit one paper copy of the form, and a complete electronic copy in pdf format. The electronic copy will be posted to the internet.

All items must be completed before the application will be considered as received by the Commission. Attach additional pages as needed to provide the requested information. Responses are required to have a minimum of a summary paragraph on this form. Responses that include only statements similar to "please see attached", will be considered incomplete. Other documents or materials may also be attached to support the application. Attachments must be tabbed and clearly marked on both the paper and pdf documents..

GENERAL INFORMATION

Q. Who must file a Statement of Financial Responsibility?

A. Unless an exemption applies, the filing must be made by every person, firm, association, or corporation (collectively referred to in the forms as a "school") that maintains or conducts in Iowa any course of instruction for profit or for tuition charge, whether by classroom instruction or by correspondence, or that solicits in Iowa the sale of such course.

Q. What is contained in the Statement of Financial Responsibility?

A. The Statement contains general identifying information, a Designation of Resident Agent, a requirement for disclosure of certain course and tuition information, and provision of financial security.

Q. When must this Statement be filed?

A. The filing must occur prior to the school commencing instruction which would bring the school under the registration requirement. Regular renewal is not required, but a school's financial security must be kept current, and a school which uses material not on file may be subject to civil or criminal liability.

Q. Must the school also register as a Postsecondary School under *Iowa Code* Chapter 261B?

A. The provisions of *Iowa Code* 261B primarily apply to postsecondary schools which issue degrees, and require annual registration detailing the ownership of the school and the courses of instruction offered. There is no automatic exemption between chapters 261B and 714. The school must review the provisions of 261B to determine how the law applies to the school's situation.

- Q.** If the school is incorporated under the laws of a jurisdiction other than Iowa, must the school also obtain a Certificate of Authority to do business in Iowa? Is filing a Statement of Financial Responsibility under Chapter 714 required if a Certificate of Authority to do business in Iowa has been granted?
- A.** *Iowa Code* §490.1501 requires each non-Iowa for profit corporation to obtain a Certificate of Authority from the Secretary of State before business is transacted in this state. *Iowa Code* §504.1501 similarly requires each non-Iowa nonprofit corporation to obtain a Certificate of Authority from the Secretary of State prior to conducting affairs in this state. Filing under *Iowa Code* Chapter 714 is not a substitute for obtaining a Certificate of Authority. An incorporated school should review the provisions of *Iowa Code* §490.1501 *et seq.* or §504.1501 *et seq.* in the context of the school's planned activities to determine whether a Certificate of Authority is also required. The Secretary of State may be contacted at the following address: Secretary of State; State Capitol; Room 105; Des Moines, Iowa 50319; Phone: (515) 281-8993; FAX: (515) 242-5952; Website: www.sos.state.ia.us.

The information you provide will be open to public inspection under Iowa Code Chapter 22.11

STATEMENT OF FINANCIAL RESPONSIBILITY

PART A – IDENTIFICATION

Form Items 1 and 2

The form requires the following information:

1. The name or title of the school;
2. The principal location of the school in this state, in other states, and in foreign countries. “Principal location” is interpreted to mean the place(s) where the books and records of the school are maintained or the school’s officers maintain their offices.
3. The name, address, and telephone number of the chief executive officer of the school.

PART B - DESIGNATION OF RESIDENT AGENT

Form Item 3

The statute requires that a school designate an Iowa resident agent for purposes of receiving service in civil actions. The school must provide the name, address, and telephone number of a designated resident agent.

PART C - PROGRAMS/TUITION/POLICIES

The statute requires that a school provide a copy of the catalog, prospectus, brochure or other advertising material intended for distribution in Iowa.

The statute also requires that a school provide the following information regarding the school’s tuition and policies:

1. The tuition charges, fees and other costs payable to the school by a student.
2. The refund policy for return of refundable portions of tuition, fees, or other charges.

PART D - FINANCIAL SECURITY

Form Item 7

The general requirement is that a school must file a bond payable to the State of Iowa in the amount of \$50,000. Special provisions exist for barber and cosmetology schools licensed by the appropriate state boards. Item 7 of the Statement first inquires whether the filing school is a licensed barber or cosmetology school.

Licensed Barber and Cosmetology Schools Only

If the school is a licensed barber or cosmetology school, the school must attach a copy of that license *and* complete and attach Form IS-1A, the Worksheet for Calculating Bond/Letter of Credit Amount for Barber/Cosmetology Instructional (714) School. Instructions for the Worksheet are on the reverse side of the Worksheet. The amount as calculated on the Worksheet should be inserted in the space provided in the checked option, either Option 1, Security Bond, or Option 2, Letter of Credit. A sample bond is attached to these instructions.

Schools other than Licensed Barber and Cosmetology Schools

If the school is other than a licensed barber or cosmetology school, the school must attach a copy of a security bond in the amount of \$50,000. A sample bond is attached to these instructions.

PART E – SIGNATURE

Sign and date the application. There is no filing fee for filing the Statement, Worksheet, or Exemption.

INSTRUCTIONAL SCHOOL BOND

Bond No. _____

KNOW ALL PERSONS BY THESE PRESENTS, That we, _____,
as Principal, and _____ as Surety, are held and firmly bound unto the State of
Iowa in the sum of \$ _____ lawful money of the United States, for which payment we bind ourselves,
our successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Principal proposes to maintain, advertise, or conduct in Iowa a course of instruction for profit, or
for tuition charge, by classroom instruction or by correspondence and to enter into contracts and agreements with students
for such courses of instruction; this Bond is conditioned on the faithful performance of all contracts and agreements made
by it or its salespersons with students. If the Principal shall faithfully perform all such contracts and agreements, then this
obligation is to be void and of no effect.

PROVIDED, The liability of the Surety upon this Bond shall be continuous, except that the Surety shall have the
right to terminate its liability under this Bond by serving notice of its election to do so upon the State of Iowa. The Surety's
liability under the Bond shall be terminated and canceled effective thirty (30) days after receipt by the State of a written
notice signed by the Surety or its authorized agent, stating that the liability of the Surety is thereby terminated and canceled.
Thereafter the Surety shall be discharged from any liability under this Bond for any default or violation of the terms
of any contract or agreement made by the Principal or violation of the laws of the State of Iowa affecting such contract or
agreement occurring after the effective date of the cancellation of this Bond.

Signed and dated this _____ day of _____, _____.

By: _____, Principal

By: _____ Ins. Co., Surety

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Pursuant to Iowa Code §714 et seq., the undersigned school provides evidence of financial responsibility in order to maintain or conduct in Iowa one or more courses of instruction, including courses of instruction by correspondence; or in order to solicit in Iowa the sale of such course(s).

READ THE INSTRUCTIONS BEFORE STARTING THE STATEMENT

Submit a paper document and a complete duplicate in an electronic pdf file format.

All items must be completed before the application will be considered as received by the Commission. Attach additional pages as needed to provide the requested information. Responses are required to have a minimum of a summary paragraph on this form. Responses that include only statements similar to "please see attached", will be considered incomplete. Other documents or materials may also be attached to support the application. Attachments must be tabbed and clearly marked on both the paper and pdf documents..

This statement is (check one):
 Initial filing (no filing fee)
 Supplemental filing (no filing fee)
 Renewal (no filing fee.)

PART A - IDENTIFICATION

1. This statement is filed on behalf of:
Name or title of school:

Address(es) of principal office(s):

Telephone Number (including country or area code):

Email Address

2. State the name, business address, and business telephone number, and home address of the chief executive officer of the school:

PART B - DESIGNATION OF IOWA RESIDENT AGENT

3. The designated resident agent in Iowa for the purpose of receiving service in civil actions is (indicate name, address, and telephone number):

PART C - PROGRAMS/TUITION/POLICIES

4. Enclose a copy of any catalog, prospectus, brochure or other advertising material intended for distribution in Iowa.

5. State the tuition charges, fees and other costs payable to the school by a student. (Attach and tab a copy of a fee schedule produced for distribution to students/applicants.)

6. State the refund policy of the school for return of refundable portions of tuition, fees, or other charges. (Attach and tab a copy of a refund policy statement produced for distribution to students/applicants.)

PART D - FINANCIAL SECURITY

7. Is the school either:
1) a school for cosmetology arts and sciences licensed under *Iowa Code* §157.8; or
2) a barber school licensed under *Iowa Code* §158.7?

Yes. Attached is a copy of the license *and* one of the following:

Security Option 1 - A copy of a continuous corporate security bond in the sum of \$ _____ (fill in amount from *attached worksheet - Form IS-1A*) payable to the state of Iowa conditioned upon the faithful performance of all contracts and agreements with students. (See instructions for sample bond language.)

Security Option 2 - A letter of credit from a bank in the sum of \$ _____ (fill in amount from *attached worksheet - Form IS-1A*) conditioned upon the faithful performance of all contracts and agreements with students.

No. Attach a copy of a continuous corporate security bond payable to the state of Iowa in the sum of \$50,000 conditioned upon the faithful performance of all contracts and agreements with students. (See instructions for sample bond language.)

PART E – SIGNATURE

Applicant Organization’s Chief Executive Officer

Name

Title

Signature

Date

There is no annual renewal required for filing this statement. However, the financial security must be kept current, and a school which uses information not on file may be subject to civil or criminal liability.