# TWC New Career School Financial Documentation Checklist

A practical organizer for gathering the financial information commonly needed when preparing an initial Texas career-school application and demonstrating financial readiness.

**Use this alongside current TWC instructions**
Begin with the current TWC Career Schools and Colleges application checklist and forms that apply to your school. Requirements can vary based on ownership, school structure, proposed operations, and the evidence used to establish financial stability. This organizer does not replace a TWC form or deficiency notice.

| | |
|---|---|
| **School legal name** ______________________ | **Proposed start date** ______________________ |
| **Primary financial contact** ______________________ | **Target submission date** ______________________ |

## 1. Establish the application file

Create one controlled folder for the submission package.

- [ ] Download the current TWC checklist for a new school and identify every financial item assigned to the applicant.
- [ ] Save the current versions of all applicable TWC financial-stability forms and instructions.
- [ ] Retain emails, meeting notes, deficiency notices, and other written direction received from TWC.
- [ ] Prepare a submission index showing the filename, responsible person, status, and date completed for each item.
- [ ] Use consistent filenames that include the school name, document description, and reporting date.

## 2. Confirm the applicant and ownership

The financial records should match the entity applying for approval.

- [ ] Formation document, certificate of existence or status, and assumed-name documentation, as applicable.
- [ ] Federal employer identification number confirmation and legal-name support.
- [ ] Ownership schedule listing each owner, ownership percentage, and effective date.
- [ ] Organizational chart identifying parent companies, related entities, branches, and management relationships.
- [ ] Operating agreement, bylaws, partnership agreement, or other governing document.
- [ ] Documentation supporting owner contributions, loans, transfers, or assets provided to the school.

## 3. Assemble the accounting records

Use records that are current, complete, and reconciled.

- [ ] Current general ledger and trial balance for the applicant entity.
- [ ] Chart of accounts with clear separation of assets, liabilities, equity, revenue, and expenses.
- [ ] Bank statements from account opening through the applicable reporting date.
- [ ] Completed bank reconciliations that agree to the general ledger.
- [ ] Schedule of start-up expenditures and explanation of how each item was recorded.
- [ ] Accounts payable listing, unpaid invoice support, and accrued-expense schedule.
- [ ] Debt schedule identifying lender, original balance, current balance, payment terms, maturity, and collateral.
- [ ] Fixed-asset listing with purchase date, cost, description, ownership, and supporting invoices.
- [ ] Schedule of owner contributions, distributions, related-party transactions, and shareholder or member loans.

## 4. Support cash and available funding

Make the source, ownership, and availability of funds clear.

- [ ] Bank statements or other third-party evidence supporting cash balances.
- [ ] Deposit records and documentation tracing material funding to the applicant's bank account.
- [ ] Signed loan agreements and evidence of available proceeds for borrowed funds.
- [ ] Documentation for grants, capital commitments, or other committed funding.
- [ ] Written explanation of restrictions, pledges, compensating balances, or limitations on the use of funds.
- [ ] Reconciliation of all cash evidence to the balance sheet or financial information being submitted.

**Avoid unsupported balances**
A spreadsheet entry, unsigned promise, or management representation by itself may not demonstrate that funds exist or are available to the applicant. Keep third-party evidence and trace material amounts to the accounting records.

## 5. Document liabilities and commitments

- [ ] Loan statements, notes payable, lines of credit, and repayment schedules.
- [ ] Lease agreements for school facilities, equipment, vehicles, and technology.
- [ ] Construction, build-out, equipment-purchase, or vendor commitments not yet recorded.
- [ ] Payroll, tax, insurance, licensing, professional-fee, and other obligations incurred or expected before opening.
- [ ] Guarantees, liens, legal claims, contingent obligations, and commitments involving owners or related parties.

## 6. Prepare operating assumptions and projections

Ensure assumptions are internally consistent and supported.

- [ ] Projected enrollment by program and planned start date.
- [ ] Tuition and fee schedule, expected collections, refunds, and payment-plan assumptions.
- [ ] Staffing plan with payroll, benefits, contractor, and recruiting costs.
- [ ] Facility costs, including rent, utilities, insurance, maintenance, and build-out.
- [ ] Instructional supplies, equipment, software, marketing, regulatory, and professional-service costs.
- [ ] Monthly cash-flow projection covering the period requested or appropriate for the school's start-up plan.
- [ ] Documentation supporting major assumptions, including quotes, contracts, market data, or signed agreements.
- [ ] Sensitivity review showing how lower enrollment, delayed opening, or higher costs would affect cash needs.

## 7. Coordinate the financial-stability package

Resolve the required form of evidence before finalizing the submission.

- [ ] Identify the current TWC financial-stability standard and evidence option applicable to the new school.
- [ ] Confirm the required financial statement date and whether an independent CPA report is required.
- [ ] Provide the CPA or adviser with the current TWC forms, instructions, and any written TWC correspondence.
- [ ] Ensure the legal entity name and reporting date are consistent across the application, financial statements, bank support, and schedules.
- [ ] Reconcile every supporting schedule to the submitted financial information.
- [ ] Address negative working capital, weak liquidity, deficit equity, large related-party balances, or significant unrecorded obligations before submission.

**When to involve a CPA**
Engage the CPA early if an audit, review, compilation, agreed-upon procedure, or other professional service may be needed. The CPA must determine the appropriate engagement and cannot simply convert incomplete records into audited financial information at the end of the application process.

## 8. Complete a pre-submission quality check

- [ ] All required forms use the current version and are signed and dated where required.
- [ ] Names, addresses, ownership details, and reporting dates agree across the package.
- [ ] Bank balances, debt, fixed assets, payables, and equity agree to the final accounting records.
- [ ] No material blank, placeholder, unexplained, or internally inconsistent amounts remain.
- [ ] All PDF scans are legible, complete, correctly oriented, and free of password restrictions.
- [ ] Sensitive files will be transmitted using the method requested by TWC or through a secure portal.
- [ ] A complete copy of the final submission and proof of delivery will be retained.

## Submission tracker

Use this page to assign and monitor the financial portion of the application.

| Item | Owner | Status | Due |
|---|---|---|---|
| Current TWC checklist and financial forms | | | |
| Entity and ownership support | | | |
| General ledger and reconciliations | | | |
| Cash and funding evidence | | | |
| Debt, leases, and commitments | | | |
| Financial statements or CPA deliverable | | | |
| Operating projections and assumptions | | | |
| Final quality-control review | | | |

**Questions to resolve before submission**
What reporting date applies? Which financial-stability evidence is required? Does the school need an independent CPA engagement? Are owner or related-party funds available to the applicant? Are all start-up obligations recorded? What is the plan if enrollment or opening is delayed?

## Official resources to verify

**Texas Workforce Commission - Career Schools & Colleges Forms & Publications**
twc.texas.gov/programs/career-schools-colleges/forms-publications

**TWC Career Schools & Colleges Program**
twc.texas.gov/programs/career-schools-colleges

Review the current new-school application checklist, financial-stability forms, and Chapter 807 requirements before relying on this organizer.

**Need help preparing the financial portion of a TWC application?**
JConner provides TWC balance sheet audits, accounting readiness assistance, financial-stability support, and advisory services for Texas career schools. Visit jconner.com to schedule a consultation.

**Educational-use disclaimer.** This checklist is general educational information and is not legal advice, a TWC determination, or a substitute for current agency instructions. TWC requirements and forms may change, and additional documentation may be required based on the applicant's facts. Consult TWC and qualified professional advisers regarding your school.