MYCOMPUTER
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TRAINING FOR A BETTER LIFE

MyComputerCareer at Indianapolis
Indianapolis, IN
OPE ID #04121000

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In October of 2022 the United States Department of Education ("Department") published new regulations, noted below, regarding the calculation of the percentage of revenue an institution must derive from other than federal funds.

(a) *General* —

(1) ***Calculating the revenue percentage.*** A proprietary institution meets the requirement in § 668.14(b)(16) that at least 10 percent of its revenue is derived from sources other than Federal funds by using the formula in appendix C to this subpart to calculate its revenue percentage for its latest complete fiscal year. For purposes of this section—

(i) For any fiscal year beginning on or after January 1, 2023, Federal funds used to calculate the revenue percentage include title IV, HEA program funds and any other educational assistance funds provided by a Federal agency directly to an institution or a student including the Federal portion of any grant funds provided by or administered by a non-Federal agency, except for non-title IV Federal funds provided directly to a student to cover expenses other than tuition, fees, and other institutional charges. The Secretary identifies the Federal agency and the other educational assistance funds provided by that agency in a notice published in the Federal Register, with updates to that list published as needed.

(ii) For any fiscal year beginning prior to January 1, 2023, Federal funds are limited to title IV, HEA program funds.

(2) ***Disbursement rule.*** An institution must use the cash basis of accounting in calculating its revenue percentage by—

(i) For each eligible student, counting the amount of Federal funds the institution received to pay tuition, fees, and other institutional charges during its fiscal year—

(A) Directly from an agency identified under paragraph (a)(1)(i) of this section; and

(B) Paid by a student who received Federal funds; and

(ii) For each eligible student, counting the amount of title IV, HEA program funds the institution received to pay tuition, fees, and other institutional charges during its fiscal year. However, before the end of its fiscal year, the institution must—

(A) Request funds under the advanced payment method in § 668.162(b)(2) or the heightened cash monitoring method in § 668.162(d)(1) that the students are eligible to receive and make any disbursements to those students by the end of the fiscal year; or

(B) For institutions under the reimbursement or heightened cash monitoring methods in § 668.162(c) or (d)(2), make disbursements to those students by the end of the fiscal year and report as Federal funds in the revenue calculations the funds that the students are eligible to receive before requesting funds.

(3) ***Revenue generated from programs and activities.*** The institution must consider as revenue only those funds it generates from—

(i) Tuition, fees, and other institutional charges for students enrolled in eligible programs as defined in § 668.8;

(ii) Activities conducted by the institution that are necessary for the education and training of its students provided those activities are—

(A) Conducted on campus or at a facility under the institution's control;

(B) Performed under the supervision of a member of the institution's faculty;

(C) Required to be performed by all students in a specific educational program at the institution; and

(D) Related directly to services performed by students; and

(iii) Funds paid by a student, or on behalf of a student by a party unrelated to the institution, its owners, or affiliates, for an education or training program that is not eligible under § 668.8 and that does not include any courses offered in an eligible program. The non-eligible education or training program must be provided by the institution, and taught by one of its instructors, at its main campus or one of its approved additional locations, at another school facility approved by the appropriate State agency or accrediting agency, or at an employer facility. The institution may not count revenue from a non-eligible education or training program for which it merely provides facilities for test preparation courses, acts as a proctor, or oversees a course of self-study. The program must—

(A) Be approved or licensed by the appropriate State agency;

(B) Be accredited by an accrediting agency recognized by the Secretary under 34 CFR part 602;

(C) Provide an industry-recognized credential or certification;

(D) Provide training needed for students to maintain State licensing requirements; or

(E) Provide training needed for students to meet additional licensing requirements for specialized training for practitioners who already meet the general licensing requirements in that field.

(4) ***Application of funds.*** The institution must presume that any Federal funds it disburses, or delivers to a student, or determines was provided to a student by another Federal source, will be used to pay the student's tuition, fees, or institutional charges up to the amount of those Federal funds if a student makes a payment to the institution, except to the extent that the student's tuition, fees, or other charges are satisfied by—

(i) Grant funds provided by—

(A) Non-Federal public agencies that do not include Federal or institutional funds, unless the Federal portion of those grant funds can be determined, and that portion of Federal funds is included as Federal funds under this section. If the Federal funds cannot be determined no amount of the grant funds may be included under this section; or

(B) Private sources unrelated to the institution, its owners, or affiliates;

(ii) Funds provided under a contractual arrangement with the institution and a Federal, State, or local government agency for the purpose of providing job training to low-income individuals who need that training;

(iii) Funds used by a student from a savings plan for educational expenses established by or on behalf of the student if the savings plan qualifies for special tax treatment under the Internal Revenue Code of 1986; or

(iv) Institutional scholarships that meet the requirements in [paragraph (a)(5)(iv)](#) of this section.

(5) ***Revenue generated from institutional aid.*** The institution may include the following institutional aid as revenue:

(i) For loans made to students and credited in full to the students' accounts at the institution and used to satisfy tuition, fees, and other institutional charges, the principal payments made on those loans by current or former students that the institution received during the fiscal year, if the loans are—

(A) Bona fide as evidenced by standalone repayment agreements between the students and the institution that are enforceable promissory notes;

(B) Issued at intervals related to the institution's enrollment periods;

(C) Subject to regular loan repayments and collections by the institution; and

(D) Separate from the enrollment contracts signed by the students.

(ii) Funds from an income share agreement or any other alternative financing agreement in which the agreement is with the institution only or with any entity or individual in the institution's ownership tree, or with any common ownership of the institution and the entity providing the funds, or if the entity or another entity with common ownership has any other relationships or agreements with the institution, provided that—

(A) The institution clearly identifies the student's institutional charges, and those charges are the same or less than the stated rate for institutional charges;

(B) The agreement clearly identifies the maximum time and maximum amount a student would be required to pay, including the implied or imputed interest rate and any fees and revenue generated for a related third-party, the institution, or any entity described in paragraph (a)(5)(ii) introductory text, for that maximum time period; and

(C) All payments are applied with a portion allocated to the return of capital and a portion allocated to profit. Revenue, interest, and fees are not included in the calculation.

(iii) For scholarships provided by the institution in the form of monetary aid and based on the academic achievement or financial need of its students, the amount disbursed to students during the fiscal year. The scholarships must be disbursed from an established restricted account and may be included as revenue only to the extent that the funds in that account represent—

(A) Designated funds from an outside source that is unrelated to the institution, its owners, or its affiliates; or

(B) Income earned on those funds.

(6) ***Funds excluded from revenues.*** For the fiscal year, the institution does not include—

(i) The amount of Federal Work Study (FWS) wages paid directly to the student. However, if the institution credits the student's account with FWS funds, those funds are included as revenue;

(ii) The amount of funds received by the institution from a State under the LEAP, Special Leveraging Educational Assistance Partnership (SLEAP), or Grants for Access and Persistence (GAP) program;

(iii) The amount of institutional funds used to match Federal education assistance funds;

(iv) The amount of Federal education assistance funds refunded to students or returned to the Secretary under § 668.22 or required to be returned under the applicable program;

(v) The amount the student is charged for books, supplies, and equipment unless the institution includes that amount as tuition, fees, or other institutional charges;

(vi) Any amount from the proceeds of the factoring or sale of accounts receivable or institutional loans, regardless of whether the loans were sold with or without recourse;

(vii) Any amount from the sale of an income share agreement or other financing agreement; or

(viii) Any funds, including loans, provided by a third party related to the institution, its owners, or affiliates to a student in any form.

(b) [Reserved]

(c) ***Sanctions.*** If an institution does not derive at least 10 percent of its revenue from sources other than Federal funds—

(1) For two consecutive fiscal years, it loses its eligibility to participate in the title IV, HEA programs for at least two fiscal years. To regain eligibility, the institution must demonstrate that it complied with the State licensure and accreditation requirements under 34 CFR 600.5(a)(4) and (6), and the financial responsibility requirements under subpart L of this part, for a minimum of two fiscal years after the fiscal year it became ineligible;

(2) For any fiscal year, it becomes provisionally certified under § 668.13(c)(1)(ii) for the two fiscal years after the fiscal year it failed to satisfy the revenue requirement in this section. However, the institution's provisional certification terminates on—

(i) The expiration date of the institution's program participation agreement that was in effect on the date the Secretary determined the institution failed the requirement of this section; or

(ii) The date the institution loses its eligibility to participate under paragraph (c)(1) of this section;

(3) For any fiscal year, it must notify students of the possibility of loss of title IV eligibility;

(4) For any fiscal year, it must report the failure no later than 45 days after the end of its fiscal year, or immediately thereafter if subsequent information is obtained that shows an institution incorrectly determined that it passed the revenue requirement in this section for the prior fiscal year; and

(5) It is liable for any title IV, HEA program funds it disburses after the last day of the fiscal year it becomes ineligible to participate in the title IV, HEA program under paragraph (c)(1) of this section, excluding any funds the institution was entitled to disburse under § 668.26.

[87 FR 65490, Oct. 28, 2022]

In accordance with the requirements noted above, this serves as notification to current and prospective students that MyComputerCareer at Indianapolis did not meet the ratio requirement for the fiscal year ended June 30, 2024 and an additional consecutive failure would lead to the loss of Title IV funding for two years. MyComputerCareer believes that the reason it did not meet this requirement is because the Department, with no prior warning, substantively changed the rules for distance education shortly before they were to take effect and in so doing negated long-term strategic planning for meeting these requirements. MyComputerCareer at Indianapolis has a plan in place and is expecting to meet the 90/10 requirements for fiscal year-end June 2025 and are confident we will meet this requirement every year going forward.