

## CONTRACT FOR OHIO START-UP COMMUNITY SCHOOL

This Contract for Ohio Community School (this "Contract") is entered into and effective on the 1st day of July, 2021 by and between the Richland Academy of the Arts ("RAA" or "Sponsor") and Lorain Bilingual Preparatory Academy ("School Governing Authority"), an Ohio non-profit corporation.

### RECITALS

WHEREAS, Chapter 3314 of the Ohio Revised Code (the "Revised Code") permits the establishment of community schools; and

WHEREAS, RAA received approval from the Ohio Department of Education ("ODE") to sponsor community schools under Chapter 3314 of the Revised Code; and

WHEREAS, RAA and the School Governing Authority entered into a Contract for Ohio Community School the operation of Lorain Bilingual Preparatory Academy (the "School") which expires on June 30, 2021; and

WHEREAS, RAA and the School Governing Authority desire to enter into a renewed Contract for Ohio Community School (Contract) after the positive results of a high stakes review and a review of Ohio's accountability system and school data.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

### ARTICLE I

#### Establishment and Authority

A. TERM. This Contract shall be for a term commencing on the date of execution hereof and ending on June 30, 20 .

1. Term Exceeding Five Years. If the Term of this Contract is longer than five years, Sponsor will conduct a high-stakes review no later than five years after the effective date of this Contract. The Sponsors cumulative years' renewal application process and criteria is attached as Appendix M. The Sponsor will also conduct monthly and annual reviews, and periodic site visit reviews.

B. CORPORATE FORMALITIES.

1. Non-profit Status. The School must be established and operated as a non-profit corporation under Chapter 1702 of the Revised Code if established prior to April 8, 2003, or as a public benefit corporation under Chapter 1702 of the Revised Code if established after April 8,

2003. The School shall at all times maintain in good standing its status as a non-profit corporation. Appendix A requires a copy of a recent Ohio Secretary of State Good Standing Certificate.

C. AUTHORIZED LOCATION.

1. Facility Location. The facility to be used for the School will be maintained at 307 West 7th Street, Lorain, Ohio 44052. Any lease or use of the facility must be documented in writing. If the facility has been or will be leased, the School shall provide a copy of the fully executed lease to the Sponsor within three (3) business days of its execution, as well as a resolution by the School Governing Authority approving said lease. If the facility has been or will be purchased by the School, the School shall provide a copy of the contract of sale and related documents, including a resolution by the School Governing Authority approving the purchase, to the Sponsor within three (3) business days of execution. After purchase, the School shall immediately send a copy of the recorded conveyance documents to the Sponsor. The facility may not be changed nor may the square footage be reduced without prior notification to the Sponsor. Any lease or mortgage payments must be consistent with the budgets given to and approved by the Sponsor. Upon change of facility, the Sponsor, at its sole discretion, but without obligation to do so, may request maps, plans, revised budgets showing adequate service of the debt and reserves for maintenance or repairs, and/or attorney, accountant or financial consultant assurances or opinions regarding structure, financing or otherwise. The Sponsor may request any information the Sponsor deems necessary to assess adequate planning for facilities, but the Sponsor shall not, under any circumstances whatsoever, be liable for the debts, obligations or business of the School. A detailed description of the facilities, as well as costs, operator addendum (if applicable), and related parties of any lease or mortgage, is attached at Appendix I.

2. Facility Inspection. Any facility used for or by the School shall meet all health and safety standards established by law. Public health and safety officials may inspect the facilities of the School and order the facilities closed if those officials find that the facilities are not in compliance with health and safety laws and regulations.

D. AGE AND GRADE LEVELS. The School is a start-up community school located in the Lorain City School District. The School proposes to serve grades K-8, (and/or) ages 5-14. The School shall not make any changes to the enrollment area or grades without the prior written approval of the Sponsor and modification of this Contract.

E. OPEN FOR OPERATION. The School shall open for operation not later than the thirtieth day of September each school year, unless the Sponsor both (a) consents to a later start date, and (b) the Sponsor is rated "exemplary" for at least two consecutive years or the School is designated as a dropout prevention and recovery school. If the School fails to open within one (1) year after adoption of this Contract under section 3314.02(D) of the Revised Code or permanently closes prior to the expiration of the Contract, this Contract shall be void and the School shall not enter into a contract with another sponsor.

F. DISPUTE RESOLUTION. The Sponsor and the School Governing Authority agree to informal mediation of any dispute not otherwise governed by mandatory administrative procedures pursuant to this Contract or as otherwise provided by law. Such mediation shall be non-binding and the parties, if failing to agree on one mediator, shall obtain a list of three mediators from the Ohio State Bar Association. Each party shall eliminate one mediator, and the parties agree to use the one mediator left after eliminations. Mediation will take place in the county where the School is located or at a place mutually agreeable. All costs of the mediator shall be split equally between the parties.

G. ORGANIZATIONAL STRUCTURE. The Organizational Structure and management/administration, employees, Governing Authority and relationships must be accurately reflected in an Organization Chart appended in Appendix B. Written clarifications that describe working relationships of each entity (for example a management company) must also be included. Any modifications to the Organizational Structure must be submitted in written form to the Sponsor prior to implementation.

H. CONSULTANTS AND MANAGEMENT COMPANIES.

1. The School Governing Authority shall be responsible for entering into any contract(s) for management or operation of the School or its curriculum or operations, or any portion thereof. Any such contract(s), or modifications therein, shall require prior written approval of the Sponsor and shall be attached to this Contract as Appendix F. The School shall employ an attorney, who shall be independent from the operator, for any services related to the negotiation of the School's contract with the operator or if the operator and School should become adverse to each other in any particular matter. Management companies, or consultants who rise to the level of an operator/management company of the School, shall provide to the School Governing Authority and the Sponsor a detailed accounting of the nature and costs of the services provided to the School.

If the Sponsor reasonably deems, at its discretion, that due to material mismanagement, poor governance or performance, is advisable or necessary that the School engage an operator or consultant, or new operator or consultant if the School has an existing agreement for services, the Sponsor may require that the Governing Authority interview, select, and enter into a new or different agreement for such services, and such operator and services contract must be approved by the Sponsor as a modification to this Contract. If the School has an existing agreement with an operator for services, prior to requiring the Governing Authority to engage with a new operator, the Sponsor shall provide the Governing Authority with written notice of the Sponsor's concerns with particularity, and the Sponsor shall allow the School and the operator sixty (60) days to cure any defects or to provide a plan to cure the defect to the satisfaction of the Sponsor.

2. The School Governing Authority shall also be responsible for the oversight and approval of any consulting or other contracts entered into by the School for purposes of daily operation of the School. Such consulting or other contracts shall require prior written approval of the Sponsor unless a minor consulting contract not rising to the level of an operator, or, an expense under \$25,000 annually.

I. POWER OF ATTORNEY. The Governing Authority hereby grants to the Sponsor a power of attorney to carry out all provisions of applicable law and this Contract on behalf of the Governing Authority, should it become necessary in the Sponsor's sole opinion, to appoint some or all of a new Board of Directors for cause for abandonment of duties or for breach of this Contract. The Governing Authority confirms its consent to this power by signing below and shall execute and deliver to the Sponsor all agreements and other documents that the Sponsor reasonably shall deem necessary or appropriate to comply with this paragraph. Upon any failure by the Governing Authority promptly to comply with the requirements of this subparagraph, the Sponsor shall be entitled to an order of specific performance from a court of law, ordering the Governing Authority to comply. In addition, any failure by the Governing Authority promptly to comply with the requirements of this subparagraph shall be good cause for termination of this Contract. In order to effectuate this provision, the Code of Regulations of the School must contain a provision allowing the Sponsor to appoint and/or dismiss Directors if the Sponsor deems necessary. Necessity is defined as conditions including but not limited to the serious nature of the following: repeated violations or uncorrected violations of open meetings, public records or ethics and conflicts laws; abandonment of governing authority responsibilities; material breach of this Contract; uncorrected chaos in operations of the School or School Governing Authority; inability to make decisions due to lack of quorum or deadlock in voting; one or more directors exceeding authority; or, repeated disruption by one or more directors. In all cases the Sponsor will limit this power of attorney to replacement and appointment to the extent Sponsor feels necessary to accomplish correction of the specific issue hampering the governance, operations or progress of the School.

## ARTICLE II General Public School Requirements

### A. COMPLIANCE WITH STATE LAW.

1. The School shall comply with all applicable Ohio laws, including, but not limited to, the following provisions of the Ohio Revised Code as if it were a school district:

- i. Section 9.90 (Insurance or Deferred Compensation for Educational Employees);
- ii. Section 9.91 (Placement or Purchase of Tax-sheltered Annuity for Educational Employees);
- iii. Section 109.65 (Missing Children Clearinghouse);
- iv. Section 121.22 (Public Meetings);
- v. Section 149.43 (Availability of Public Records for Inspection and Copying);
- vi. Sections 2151.357 and 2151.421 (Juvenile Records and Reporting of Child Abuse or Neglect);
- vii. Section 2313.19 (No Penalty for Jury Duty);
- viii. Sections 3301.0710, 3301.0711, 3301.0712 and 3301.0715 (Ohio Graduation Tests);

- ix. Section 3301.0714 of the Revised Code in the manner specified in section 3314.17 of the Revised Code (Statewide Education Management Information Systems);
- x. Section 3301.0729 (Time spent on Assessments)
- xi. Sections R.C. 3301.50 to 3301.59 of the Revised Code and the minimum standards for preschool programs prescribed in rules adopted by the state board under R.C. 3301.53, if the School operates a preschool program that is licensed by the Department of Education;
- xii. Section 3301.948 (Provision of data to multi-state consortium prohibited);
- xiii. Sections 3313.472, 3313.50, 3313.539, 3313.5310, 3313.603(J), 3313.608, 3313.609, 3313.6012, 3313.6013, 3313.6014, 3313.6015, 3313.6020, 3313.6024, 3313.6025, 3313.6411, 3313.643, 3313.648, 3313.66, 3313.661, 3313.662, 3313.666, 3313.667, 3313.668, 3313.669, 3313.6610, 3313.67, 3313.671, 3313.672, 3313.673, 3313.69, 3313.71, 3313.716, 3313.718, 3313.719, 3313.7112, 3313.721, 3313.80, 3313.801 (as if the school were a district unless an internet or computer based community school), 3313.814, 3313.816, 3313.817, 3313.818, 3313.86, 3313.89, and 3313.96 (Rules and Regulations of the State Board of Education);
- xiv. Sections 3319.39, 3319.41, 3319.073, 3319.077, 3319.078, 3319.321 and 3319.391 (School Employees and Conduct);
- xv. Section 3319.46 (Positive Behavior Intervention Supports);
- xvi. Section 3319.58 (Retesting Teachers in Low Performing Schools REPEALED Nov., 2018);
- xvii. Sections 3320.01, 3320.02, and 3320.03 (Religious Freedom);
- xviii. Sections 3321.01, 3321.041 3321.13, 3321.14, 3321.141, 3321.17, 3321.18, 3321.19 and 3321.191 (except if the school is a, internet- or computer-based community school that does not receive a dropout prevention and recovery report card, in which case the School shall comply with Section 3314.261) (School Attendance);
- xix. Section 3323.251 (Dyslexia Education);
- xx. Section 3327.10 (Qualification of Drivers);
- xxi. Section 4111.17 (Prohibiting Discrimination in Payment of Wages);
- xxii. Section 4113.52 (Reporting Violations of Law);
- xxiii. Section 5205.262 (Emergency Management Plan);
- xxiv. Section 5705.391 (Board of Education Spending Plan);
- xxv. Chapter 117 (State Auditor Requirements);
- xxvi. Chapter 1347 (Personal Information Systems);
- xxvii. Chapter 1702
- xxviii. Chapter 2744 (Political Subdivision Tort Liability);
- xxix. Chapters 3307 and 3309
- xxx. Chapter 3314
- xxxi. Chapter 3365 (Post-Secondary Enrollment Options Program);
- xxxii. Chapter 3742 (Lead Abatement);
- xxxiii. Chapter 4112 (Civil Rights Commission);

- xxxiv. Chapter 4123 (Worker's Compensation);
- xxxv. Chapter 4141 (Unemployment Compensation); and
- xxxvi. Chapter 4167 (Public Employment Risk Reduction Program) as if it were a school district.

2. The School and the members of the School Governing Authority shall comply with Ohio Ethics Laws, including Chapter 102 and section 2921.42, 2921.43, 2921.44 of the Revised Code.

3. To the extent applicable, the School shall comply with sections 3313.61, 3313.611, 3313.614, 3313.617, 3313.618, and 3313.6114 of the Revised Code, which relate to the awarding of a high school diploma, except that for students who enter ninth grade for the first time before July 1, 2010, the requirement in sections 3313.61 and 3313.611 of the Revised Code that a person must successfully complete the curriculum in any high school prior to receiving a high school diploma may be met by completing the curriculum adopted by the School Governing Authority rather than the curriculum specified in Title XXXIII of the Revised Code or any rules of the state board of education. Beginning with students who enter ninth grade for the first time on or after July 1, 2010, the requirement in sections 3313.61 and 3313.611 of the Revised Code that a person must successfully complete the curriculum of a high school prior to receiving a high school diploma shall be met by completing the Ohio core curriculum prescribed in division (C) of section 3313.603 of the Revised Code, unless the person qualifies under division (D) or (F) of that section. The School shall comply with the plan for awarding high school credit based on demonstration of subject area competency, and beginning with the 2016-2017 school year, with the updated plan that permits students enrolled in seventh and eighth grade to meet curriculum requirements based on subject area competency adopted by the state board of education under divisions (J)(1) and (2) of section 3313.603 of the Revised Code.

Beginning with the 2018-2019 school year, the School shall comply with the framework developed by the Ohio Department of Education under R.C. 3313.603(J)(3) for granting units of high school credit to students who demonstrate subject area competency through work-based learning experiences, internships, or cooperative education.

To the extent applicable, the School shall comply with alternative graduation requirements as permitted by 132 General Assembly, House Bill 491, and Section 3 for those students entering ninth grade for the first time between July 1, 2014 and July 1, 2017 who failed to meet end-of-course exam requirements.

4. The School shall comply with the performance standards and continuous improvement plan set forth in section 3302.04 and 3302.041 of the Revised Code, except that any action required to be taken by a school district pursuant to that section shall be taken by the Sponsor. Notwithstanding the foregoing, the Sponsor shall not be required to take any action described in division (F) of section 3302.04 of the Revised Code.

5. The School and the School Governing Authority may carry out any act or insure the performance of any function that is in compliance with federal or state law.

6. If the school is the recipient of moneys from a grant awarded under the federal race to the top program, Division (A), Title XIV, Sections 14005 and 14006 of the "American Recovery and Reinvestment Act of 2009," the School will pay teachers based upon performance in accordance with section 3317.141 and will comply with section 3319.111 of the Revised Code as if it were a school district, including requirements that the School adopt and implement a comprehensive evaluation system for teachers and principals.

7. Each person employed to work in the School as a nurse, teacher, counselor, school psychologist, or administrator shall complete a minimum of four (4) hours of in-service training at least once every two (2) years. In-service training shall include training on the School's harassment, intimidation and bullying policy; child abuse prevention and intervention; school safety and violence prevention; dating violence prevention; substance abuse prevention; the promotion of positive youth development; and youth suicide awareness and prevention.

### ARTICLE III Governing Authority

A. **COMPOSITION.** The board members of the School Governing Authority are responsible for carrying out all obligations of this Contract and charged with the responsibility of establishing policies and procedures for the operation and management of the School. The School Governing Authority must contain at least five (5) voting directors. Governing Authority members are prohibited from being owners or employees, or relatives of owners or employees, of the School or of any company or individual that operates or manages the School. For purposes of this Contract, the word 'relative' shall include, but not be limited to, spouses, children, parents, grandparents, and siblings, as well as in-laws residing in the same household as the person serving on the Governing Authority. In addition, the School Governing Authority shall be composed of people knowledgeable in the areas of budget, finance, legal issues, education and school curriculum. The board members shall provide to the Sponsor all contact information, including, but not limited to, their names, addresses, e-mails and telephone numbers, on a regular basis and within five (5) business days of any change of such information. No Director may serve on the Board if restricted from doing so by R.C. 3314.02(E) or any other state or federal law, rule, or regulation. See Attachment H for Sponsor's New Governing Authority Board Member Approval Policy\*

B. **BACKGROUND CHECKS.** All Governing Authority Members must provide a copy of the following documents to the Sponsor prior to the effective date of this contract and/or the effective date of the term of the member:

1. Copy of the results of both a BCI and FBI background check.\*
2. Signed consent to release background check results to the Sponsor.
3. Resume or biographical vitae that accurately reflects experience, education, and other professional competencies related to serving on the charter school governing authority.

4. Signed Annual Conflict of Interest Disclosure Statement.

\*All BCI and FBI background checks must be repeated every five (5) years with results sent to the Sponsor annually, unless the Governing Authority member has lived in Ohio for the past five years in which case only the FBI background check is required. Results of the background check must be submitted within 30 days of expiration of the previous check(s) completed.

C. MEETINGS. Governing Authority meetings must be held a minimum of 6 regular meetings per year, and notice of such regular meetings shall be provided to the Sponsor in writing at least seven (7) days in advance of the meeting. Notice of special meetings must be sent to the Sponsor as soon as scheduled and in no case with less than 24 hours advanced written notice, along with telephone call invitation. The Governing Authority must approve a policy stating how it will notify the public of all meetings. Minutes must accurately reflect the topics discussed and the motions and votes of the Governing Authority and reports or documents presented shall be maintained electronically and made available to the public at the school building per the Ohio Public Records Act and R.C. 121.22. The Governing Authority shall copy the Sponsor on all notices of meetings when posted, advertised, or otherwise conveyed.

The Governing Authority shall allow the Sponsor or its designee into all executive session meetings unless discussing pending or imminent litigation against Sponsor or those needing preservation of attorney/client privilege, or by mutual agreement of the parties. Subject to the foregoing only, the Sponsor representative or its designee shall be granted all rights and privileges associated with being a non-voting member of the Governing Authority, but shall not be considered a member of the Governing Authority under any provision of Ohio law or this Contract.

D. REGULATIONS. The School Governing Authority shall adopt, and at all times maintain, policies and regulations for the operation of the School Governing Authority, which shall include, but not be limited to, policies and procedures with respect to meetings, including quorum and voting rules, conflicts of interest, meeting notices, Ohio ethics and conflicts laws, corporate governance, duties of officers and directors, audits, term limits, succession plans, removal procedures, committee responsibilities, and other necessary corporate governance or public school requirements..

All Governing Authority members, Directors as well as the Chief Administrative Officer and other administrative employees shall complete training on an annual basis on public records and open meetings law. Members new to this School's Board must complete a minimum of five (5) hours of Board training, at least two (2) hours of which are on public records and open meetings law, within three (3) months of being elected to the Board. The Sponsor may extend the deadline for completion of training at its sole discretion. Such training must be approved by the Sponsor. The Governing Authority shall timely comply with such training, as well as conflict disclosures and signed ethics and conflicts policies annually or more frequently as may be reasonably required.

E. CLOSURE. In the event of the School's closure, the Governing Authority and its officers must remain in their positions and participate in necessary meetings and documentation of professional development from the time the School learns it must close or votes to close or is closed, until the School is fully closed and the final closing audit is completed.

F. COMPENSATION. The School Governing Authority may provide, by resolution, for the compensation of each of its members in an amount up to, but not to exceed, One Hundred Twenty Five Dollars (\$125) per meeting that the member attends and the statutorily limited compensation for professional development/training. Such compensation must be voted on before the term of a director. No member shall be compensated more than a total amount of five thousand dollars per year for all community school governing authorities upon which the individual serves.

G. REPORTING.

1. Annual Report. Within four (4) months after the end of each school year, the School Governing Authority shall submit to the Sponsor and the parents of all students enrolled in the school a report of its activities and progress in meeting its goals and performance standards, as well as its financial status.

2. Reports to Sponsor. The School Governing Authority with the administration shall report to the Sponsor monthly on a template sent by the sponsor, and, at least on a bi-monthly basis, unless otherwise noted, all information or documents required under applicable law, including, but not limited to:

- i. that information required under R.C. 3314.08(B)(2)(a)-(i);
- ii. the number of students suspended and expelled;
- iii. the number and names of students withdrawn, withdrawal reasons and documentation;
- iv. the number of students receiving Special Education or services related to an IEP, special education program information and compliance;
- v. school attendance reports as per Sponsor template suitable for calculating full time equivalent as required by Ohio law;
- vi. attendance and participation logs for non-classroom based learning opportunities;
- vii. all material events, changes, omissions or occurrences which may be required to be reported by the Sponsor to ODE and the School Governing Authority's position, cure, or plan of action;
- viii. School Governing Authority meeting minutes with all approved resolutions and all attachments to the minutes handed out in public sessions of any meeting;
- ix. all items required to be reported in this Contract;
- x. all required financials, budgets, assets, liabilities, or similar information, as well as aged payables;

- xi. the required reporting under the state Sponsor Performance Review that is expected or required from or about the School;
- xii. staff and teacher turnover;
- xiii. any changes in structure, governance or operational information;
- xiv. current roster of staff by position, including notations on licensure, HQT status, and FBI/BCI&I completion;
- xv. current roster of Board members, including contact information (home phone numbers and home addresses will not be released to the public);
- xvi. evidence of Board member training completion, FBI/BCI&I completion, and conflict of interest disclosure and signed conflict of interest policy;
- xvii. any findings for recovery issued by the Auditor of State against any Board member, or against any management company or school employee with responsibility for fiscal operations of the School or authorization to spend money on the School's behalf at least annually and when requested;
- xviii. schedule of regular Board meetings, including dates, times, and location;
- xix. notice of all regular, special, or emergency Board meetings as soon as scheduled;
- xx. monthly financial and enrollment reports, monthly residency verifications;
- xxi. board-approved five-year forecast and budgets, whenever updated;
- xxii. CCIP, SOES, EMIS, and OEDS-R administrator information;
- xxiii. school calendar, including assessment schedule;
- xxiv. progress on internal and state-wide assessments, mission-driven programs, and contract goals;
- xxv. lease/rental agreement or mortgage/deed, loans and settlement agreements;
- xxvi. building inspection certificates – fire and health department inspections, school environment inspection report, building permits, Certificate of Occupancy, etc.
- xxvii. Inventory and Fixed Assets List updated annually;
- xxviii. Articles of Incorporation, Code of Regulations, Employer ID No., IRS Determination Letter (if any), corporate Code of Regulations;
- xxix. current safety plan as filed with the Attorney General's office (unless required to be kept confidential), evidence of approved Emergency Management Plan;
- xxx. material changes in finances, litigation, settlement obligations or risks
- xxxi. any staff, student, finance, operational, safety, Board, and other school policies, upon Sponsor's request
- xxxii. structural/organizational chart;
- xxxiii. any required/requested information in Sponsor's document management system, Epicenter, on a timely basis;
- xxxiv. annually, verification of completion of annual public records and open

meetings law training by each governing authority member, fiscal officer, chief administrative officer, administrative employees of the School, and all individuals performing supervisory or administrative services for the school through an operator contract;

- xxxvii. annually, any finding for recovery issued by the auditor of state against any member of the governing authority, the operator, or any employee of the School;
- xxxviii. annually, disclosure statements for each member of the governing authority as filed pursuant to R.C. 3314.02(E)(7);
- xxxix. annually, updated asset reports showing all assets purchased with public funds and all assets purchased by nonpublic funds, divided into state and federal assets, with proper USAS codes, and purchase price if available, as well as depreciation schedules, and the ownership of each; and
- xl. annually, a detailed accounting of the nature and costs of the goods and services that the operator provides to the School, pursuant to R.C. 3314.04, if the operator receives more than twenty percent (20%) of the School's gross annual revenues.

H. PAYMENT TO SPONSOR. In accordance with section 3314.03(C) of the Ohio Rev. Code, the School Governing Authority shall pay the Sponsor three percent (3%) of the total amount of payments for operating expenses that the school receives from the state consistent with this section to provide monitoring, oversight, and technical assistance as required by law. Payments to the Sponsor shall be made by monthly automatic transfer to the general fund of the Sponsor, and the School Governing Authority agrees to sign documentation necessary to accomplish the same.

I. CONFLICTS OF INTERESTS. The Governing Authority shall have a Conflict of Interest policy. Such policy shall address public officers' ethics and conflict rules, corporate conflict rules, and if the School is an Internal Revenue Code (IRC) tax-exempt entity, IRC conflict rules. The Conflict of Interest policy shall be signed annually by all required public officials of the School. In addition, annual conflict of interest disclosures must be submitted to the Sponsor.

J. LIABILITY INSURANCE. The School Governing Authority shall at all times maintain comprehensive general liability insurance in amounts not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the aggregate, plus an excess or umbrella policy extending coverage as broad as primary coverage in an amount no less than Five Million Dollars (\$5,000,000). The insurance coverage shall be not only for the School and the School Governing Authority, its directors, officers and its employees but also for the Sponsor, its board, superintendent and employees as additional insured's. The School Governing Authority shall also maintain directors and officers liability/errors and omissions coverage in the amount of One Million Dollars (\$1,000,000) per occurrence. The insurance coverage must be occurrence coverage rather than claims made coverage. The School Governing Authority must

obtain policies that notify the Sponsor in writing at least thirty (30) days in advance of any material adverse change to, or cancellation of, such coverage. The School Governing Authority shall provide copies of all of the foregoing insurance policies to the Sponsor.

K. INDEMNIFICATION. The School Governing Authority and School shall defend, indemnify, save and hold harmless the Sponsor, its representatives, officers, agents, board, superintendent and employees from any and all claims, debts, actions, causes of actions, proceedings, judgments, mitigation costs, fees, liabilities, obligations, damages, losses, costs, or expenses (including, without limitation, attorneys', expert, accounting, auditor or other professionals' fees and court costs) of whatever kind or nature in law, equity or otherwise arising from any of the following:

1. A failure of the School Governing Authority and/or School or any of its officers, directors, employees, agents or contractors to perform any duty, responsibility or obligation imposed by law or this Contract, or other obligation between or on behalf of the School and another party;

2. An action or omission, misrepresentation or inaccuracy by or of the School Governing Authority and/or School or any of its officers, directors, employees or contractors that results in injury, death or loss to person or property, breach of contract, or violation of statutory law or common law (state and federal);

3. Any sum that the Sponsor may pay or become obligated to pay on account of: (1) any inaccuracy or breach of any representation under this Contract; (2) any breach or any failure of the School to duly perform, comply with, or observe any term, provision, covenant, agreement, obligation, or condition under this Contract or under the law, and all agreements delivered in any way connected herewith, on the part of the School, to be performed, complied with, or observed; or (3) liabilities to lenders, vendors, the State of Ohio, receivers, parents, students, the School Governing Authority or to third parties in any way related to the School or arising out of this Contract; and

4. Any and all liabilities incurred by Sponsor or any of its officers, directors, employees, agents or contractors as a result of an action or legal proceeding at law or equity brought against Sponsor relating to activities and/or operations of the School or the School Governing Authority by a third party.

5. The School shall indemnify, defend, hold harmless and reimburse the Sponsor for costs incurred by the Sponsor in connection with the Sponsor's oversight and monitoring of the School. The total amount of such payments shall not exceed three per cent of the total amount of payments for operating expenses that the School receives from the state. The word "received" means the receipt and acceptance by the Sponsor in accordance with and pursuant to the revenues received on the monthly School Foundation Statement. The Sponsor has a right to rely upon the monthly statement and is not responsible for FTE findings, except for reductions due to FTE findings already deducted in the then current monthly School Foundation Statement, or those FTE findings deducted in future statements upon which Sponsor figures its fee.

L. LIABILITY OF SCHOOL GOVERNING AUTHORITY. Liability under this Contract, and any other contract entered into by the School Governing Authority, shall be deemed to be in accordance with section 3314.071 of the Revised Code and other applicable provisions of Ohio law.

M. COMPREHENSIVE PLAN. The School shall submit, through the School Governing Authority, a comprehensive plan to the Sponsor. The plan shall specify the following:

1. The process by which the governing authority of the school will be selected in the future (to be included in the School's corporate Code of Regulations);
2. The management and administration of the school;
3. That the School was not a currently existing public school or an educational service center building when it opened;
4. The instructional program and educational philosophy of the school;
5. The internal financial controls and the governing authority policies regarding internal financial controls; and
6. Any other statutory requirement for the Comprehensive Plan.

N. NONSECTARIAN. The School shall be nonsectarian in its programs, admission policies, employment practices, and all other operations, and will not be operated by a sectarian school or religious institution.

#### ARTICLE IV Enrollment/Students

A. ADMISSIONS STANDARDS. The School Governing Authority shall adopt admission procedures that specify the following per R.C., Section 3314.03:

1. Enrollment is limited to students who reside in the district in which the school is located, is open to residents of other adjacent districts, or is open to students who reside in any district in the state of Ohio;
2. That there will be no discrimination in the admission of students to the School on the basis of race, creed, color, handicap, or gender, except as may otherwise be permitted by law in order to carry out a specific educational goal or purpose;
3. That the School may not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability, except that the School may limit its enrollment to students as described in Section 3314.061(B) of the Revised Code;

4. That the School will admit the number of students that does not exceed the capacity of the School's programs, classes, grade levels, or facilities; and

5. That, except as otherwise provided under Subsection 3 above or Section 3314.061 of the Revised Code, if the number of applicants exceeds the capacity restrictions, students shall be admitted by lot from all those submitting applications, except preference may be given to students attending the School the previous year and shall be given to students who reside in the district in which the School is located (to the extent such preference is permitted by then federal law). Preference may also be given to siblings of students attending the school the previous year, or, students of full-time staff members to the extent permitted by law.

B. **COMMUNITY BALANCE.** The School shall attempt to achieve racial and ethnic balance reflective of the community it serves by doing the following: The School will have an open enrollment process. The Academy will fully comply with Ohio law regarding admission policies and procedures, as well as all other applicable state and federal provisions. In particular, as a public charter school, the school will not discriminate on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapped person, or any other basis not permitted by a school district. The school will be nonsectarian in all respects, and will comply with state and federal laws applicable to public schools concerning church-state issues. The School will not charge tuition unless otherwise expressly authorized by law.

The School will actively publicize open enrollment to all community sectors. If necessary, the School will host its first enrollment lottery at a date compliant with the application enrollment window dependent upon the approval process with subsequent annual lotteries held on the first Monday of April in each year. The School will market or recruit to attempt to achieve a racial/ethnic balance reflective of the community it serves by actively involving the entire community in the school, and by reaching out during the enrollment process, to those sectors of the community which are underrepresented and underserved. It is our goal to found a true community school which is reflective in every way of the neighborhood and the community which it serves.

C. **ATTENDANCE AND PARTICIPATION POLICY.** The School Governing Authority shall adopt an attendance policy, including any policy or procedures for non-classroom learning opportunities (and/or blending learning program if applicable), that includes a procedure for automatically withdrawing a student from the School if the student, without legitimate excuse, fails to participate in seventy two (72) consecutive hours of the learning opportunities. The School's Truancy Officer may be notified to intervene on behalf of the School after a student misses the hours and/or days specified in the School's attendance policy. The School must follow through on all truancy requirements under state law until the student is withdrawn. The School's attendance and participation policies must be available for public inspection. The School's attendance and participation records shall be made available, upon request, to the Department of Education, Auditor of State, and Sponsor, to the extent permitted by 20 U.S.C. 1232g, the Family Educational Rights and Privacy Act (FERPA), R.C. 3319.321, and any applicable rule or regulations thereto.

The School must submit to the Sponsor its Residency Policy and its procedures for verifying residency in the home districts of its enrollees for Sponsor approval, which shall include also that parents must notify the School of any change of address of parent's or student's location. Monthly verifications shall be signed by an administrator or his or her designee and sent each month to the Sponsor for its records.

The School must submit its Enrollment, Truancy and Withdrawal policy(ies) to the Sponsor and it shall contain provisions including but not limited to the requirements as to automatic withdrawal and those under the latest truancy and attendance laws, as well as the completion of parent withdrawal forms and automatic withdrawal letters stating the reason for withdrawal. If the parent or guardian is not responsive, the School shall notate the apparent reason for withdrawal on the form.

D. STUDENTS RESIDING OUTSIDE THE HOME DISTRICT. The School Governing Authority shall adopt a policy with respect to admission of students who reside outside the home district in which the School is located. Such policy shall comply with the requirements set forth in section 4 of this Article and shall do one of the following: (a) prohibit the enrollment of students who reside outside the district in which the School is located; (b) permit the enrollment of students who reside in districts adjacent to the district in which the School is located; or (c) permit the enrollment of students who reside in any other district in the State of Ohio.

E. NOTICE. The Governing Authority shall distribute to parents of students upon their enrollment the required statement concerning state-prescribed testing and compulsory attendance law as prescribed in ORC 3314.041 and a copy of the school's most recent State report card.

F. SUSPENSION AND EXPULSION. The School shall adopt a policy regarding the circumstances under which a student may be suspended, expelled or removed from the School. A copy of such policy shall be available to the Sponsor upon request.

Prior to suspension, expulsion or removal of any student, the superintendent or principal must adhere to the procedures set forth on Appendix E. The School's policies and practices must comply with the requirements of sections 3313.66, 3313.661, 3313.662, and 3313.668 of the Revised Code, which set forth procedures regarding suspension, expulsion, removal and permanent exclusion. The policies and practices must not infringe upon the rights of handicapped students, as provided by state and federal law, and the School shall maintain a policy for the discipline of students receiving special education services.

G. MINIMUM NUMBER OF STUDENTS. The School shall provide learning opportunities to a minimum of one hundred fifty (150) students, or as otherwise agreed to in writing by Sponsor, for a minimum of nine hundred twenty (920) hours per school year.

## ARTICLE V. Staffing

A. TEACHER QUALIFICATIONS. The School shall employ at least one (1) full-time classroom teacher or two (2) part-time classroom teachers each working more than twelve (12) hours per week for every twenty five (25) students attending the School. All teachers must be licensed in accordance with sections 3319.22 to 3319.31 of the Revised Code, except that the School may employ non-certified persons to teach up to twelve (12) hours per week pursuant to section 3319.301 of the Revised Code.

B. EMPLOYEE BENEFITS. The School or Management Company must provide health and other benefits to all full-time employees as per their policies. A summary of employee benefits shall be detailed in Appendix E.

C. DISCIPLINARY PROCEDURES FOR EMPLOYEES. The School shall provide to the Sponsor the procedures for discipline, suspension and termination of employees. Additionally, the School shall provide to the Sponsor a written and signed acknowledgement by each teacher that he/she is an employee-at-will.

D. DISMISSAL OF EMPLOYEES. If this Contract is terminated or non-renewed and there is no successor Sponsor, the School shall follow the dismissal requirements and procedures set forth on Appendix F.

E. CRIMINAL BACKGROUND CHECKS.

1. The School Governing Authority must request that the FBI and the superintendent of the bureau of criminal identification and investigation conduct a criminal background records check for any applicant who has applied to the School for employment, in any position, as a person responsible for the care, custody and control of a child, including those who may be in unsupervised contact with a child. The criminal background records check shall be repeated annually for each employee or staff member. A letter from the School Governing Authority regarding the criminal background histories must be forwarded to the Sponsor for each employee, staff or person described above, stating that the checks are either (i) without incident, or (ii) reviewed and approved by legal counsel, on a timely basis, or upon demand. If the results of the criminal records check indicate that the employee does not qualify for employment or care, custody or control of, or unsupervised contact with children, the employee shall be released from employment immediately.

2. All volunteers must be notified that the School may require a background check of the volunteer at any time, at the School's request. All volunteers in direct contact with children will be required to submit to a background check; provided however, in order to preserve parent participation, parents are permitted to have unsupervised contact with their own child and supervised contact with other children without being required to submit to a background check.

F. CHIEF ADMINISTRATOR. The School's Chief Administrative Officer will be the School's leader. This individual is responsible for the daily operations at the School and will be listed as such in any State reporting system. The Superintendent shall be the person listed in

OEDS-R as the "Superintendent" of the School even if the School does not call or employ a position of Superintendent.

ARTICLE VI.  
Fiscal Standards

A. FINANCIAL AUDITS. The School shall maintain all financial records in the same manner as are financial records of school districts, as required by Ohio law, so that audits by the Auditor of the State may be conducted of such financial records in accordance with section 117.10 of the Revised Code. The School shall make all such financial records available to the Sponsor for review. In the event the Auditor of the State declares the School unauditible, the School shall cooperate with the Sponsor to create a plan for providing the Auditor with the documentation necessary to complete the audit for the School and for ensuring that all financial documents are available in the future. Within five (5) business days of receiving notification from the Auditor, the School shall notify the Sponsor in writing of the time, date, and location of any scheduled meetings with the Auditor. If the governing authority contracts with an entity specializing in audits, including an attorney or accountant, that entity must be independent from the operator with which the School has contracted.

B. FISCAL OFFICER.

1. The School Governing Authority shall be responsible for employing or contracting with a fiscal officer of the School. No fiscal officer may be employed who has audit findings against them or their company. The fiscal officer of the School, before entering upon duties as fiscal officer of the School, must execute a bond in an amount and with surety to be approved by the School Governing Authority, payable to the State of Ohio, conditioned for the faithful performance of all the official duties required of the fiscal officer. Any such bond shall be deposited with the School Governing Authority, and a copy thereof, certified by the School Governing Authority, shall be filed with the county auditor. If the School and the Sponsor have waived the requirement of employing or contracting with the fiscal officer, pursuant to R.C. 3314.011(D), the current resolution waiving this requirement must be attached to this Contract at Appendix A. Such resolution shall only be valid for one year, and any subsequent resolution adopted by the School must be approved by the Sponsor and submitted to the Ohio Department of Education.

In lieu of a surety bond, the School may adopt a policy permitting its Fiscal Officer to obtain insurance coverage through an "employee dishonesty and faithful performance of duty policy" issued by a joint self-insured pool. Insurance coverage must for no less than twenty-five thousand dollars (\$25,000), and both the School and Sponsor shall be listed as additional insured parties. Coverage must be in place prior to the start of the Fiscal Officer's term of office. The Fiscal Officer must notify the Governing Authority in writing at least thirty (30) days in advance of any material adverse change to, or cancellation of, such coverage; and the School shall provide evidence of coverage and notice of lapse of any such coverage to Sponsor within five (5) business days of request, and, within five (5) business days of any change or notice to School by the applicable insurance entity.

2. Prior to assuming the duties of fiscal officer, the fiscal officer designated by the School Governing Authority shall be licensed under section 3301.074 of the Revised Code. The School's fiscal officer shall also complete training on an annual basis on public records and open meetings law.

3. The School Governing Authority shall require the fiscal officer to provide all financial statements. The fiscal agent shall prepare statements of revenue and expense, balance sheets and accounts payable in accordance with accepted accrual accounting procedures. Records, files and reports shall be provided to the School Governing Authority on a monthly basis. The Sponsor shall be granted access to such statements and other financial information.

4. The fiscal officer must be employed by or enter into a written contract with the Governing Authority which must include, among other obligations, that the fiscal officer will prepare and maintain the fiscal records of the school even if the school closes, the school is suspended, the fiscal officer is terminated or the sponsorship agreement is terminated, until the records are deemed auditable by the State Auditor. The fiscal officer is obligated to turn over records in auditable condition at the time of the closure of the school or as soon as possible thereafter and this obligation survives the termination of this agreement and any agreement with the fiscal agent.

C. FINANCIAL PLAN. The School shall maintain a financial plan detailing an estimated school budget for each year of this Contract, by October 31 of each year, and specifying the total estimated per pupil expenditure amount for each such year including developing a 5-year budget and including all required elements under Ohio Revised Code Section 3314.032(C). A copy of the financial plan is attached hereto and incorporated herein as Appendix A.

D. BORROWING. The School may borrow money to pay any necessary and actual expenses of the School in anticipation of receipt of any portion of the payments to be received by the School pursuant to the Ohio Revised Code Section 3314.08(C). The School may issue notes to evidence such a borrowing. The proceeds from the notes shall be used only for the purposes for which the anticipated receipts may be lawfully expended by the School (ORC 3314.08(G)(1)(a)). A school may also borrow money for a term not to exceed fifteen years unless a longer term becomes legally permissible for the purpose of acquiring facilities pursuant to Ohio Revised Code 3314.08(G)(1)(b). All borrowing must be documented in a promissory note and copies of all notes must be provided to the Sponsor within ten (10) business days of signing. All moneys borrowed from the School's operator, including facilities loans or cash flow assistance, must be accounted for, documented, and bear interest at a fair market rate.

E. The SCHOOL shall comply with the latest FTE Manual of the Ohio Department of Education including but not limited to documentation of participation in learning opportunities. The SPONSOR shall spot-check such documentation at least once annually. Notwithstanding anything contrary in this Contract, under no circumstances is the Sponsor liable for the debts, obligations, FTE or audit findings of any kind of the School.

F. The SCHOOL shall have a policy to recover overpayments to vendors and employees which shall be included in Appendix D.

ARTICLE VII.  
Educational Plan

A. LEARNING OPPORTUNITIES. The School shall provide the learning opportunities, including both classroom based and non-classroom based learning opportunities, as set forth on Appendix C attached hereto and incorporated herein by reference.

The School may register a blended learning program under R.C. 3302.41(A), upon receiving prior written approval by Sponsor, provided that the details of the School's blended learning model are explicitly set forth in Appendix C. If the School operates a preschool program that is licensed by the Ohio Department of Education under R.C. 3301.52 to 3301.59, such operation shall be detailed in Appendix C.

If the School operates as an internet- or computer-based community school, or as a blended learning program, such operation(s) shall be detailed in Appendix C.

B. GOALS. The academic, financial, and organizational goals are attached as Appendix G, which shall be the performance standards by which the School will be evaluated by the Sponsor, including as a part of any high-stakes review. The Performance Standards and goals included therein may be updated from time-to-time pursuant to changes in the School's education program, and updates in law or the sponsor performance review.

1. Performance Standards. Academic goals and performance shall include, but are not limited to, all applicable report card measures set forth in R.C. 3302.03 or 3314.017 and assessments administered by the School. Operational performance measures and fiscal performance measures shall also be included in the Performance Standards. Performance Standards shall be specified in Appendix G.

2. Method of Measurement. The School shall be evaluated by the Sponsor based upon the Performance Standards specified in Appendix G and pursuant to Sponsor procedures, at least once every five (5) years and as a part of the high stakes review prior to any contract renewal.

C. EDUCATIONAL PROGRAM.

1. Mission of the School. The School shall adopt a mission. The School's education program, including the School's mission and philosophy shall be set forth in Appendix C. The School's curriculum and academic goals shall be tied to this mission, and the mission shall be integrated into the curriculum and academic goals.

2. Student Characteristics. The School shall describe the anticipated characteristics of the student population in Appendix C.

3. Education Plan. The School shall describe its plan for education, including a summary of its instructional program and educational philosophy, in Appendix C.

D. CURRICULUM. The School shall follow the curriculum set forth on Appendix C attached hereto and incorporated herein by reference.

E. EDUCATION AUDITS. The School shall maintain all data required by section 3301.0714 of the Revised Code in a manner suitable so that audits may be conducted by ODE, as provided by Ohio law. The School shall provide such information to the Sponsor upon request.

## ARTICLE VIII Obligations of the Sponsor

A. SPONSORSHIP DUTIES. The duties and responsibilities of the Sponsor include the following:

1. Evaluate the academic, operational and fiscal performance of the School. The performance standards by which the Sponsor shall make such evaluations are set forth on Appendix G.

2. Verify by a site visit prior to the School's initial opening or relocation to a new facility for the first time as per RC 3314.19 (Opening Assurances by Community School Sponsors) for instruction whether the School complies with all requirements, including, but not limited to, the following:

- i. Local health and safety requirements, including a certificate of occupancy;
- ii. Safety plan and proof of dissemination to local fire and police authorities;
- iii. Criminal background investigations completed or in-progress for all staff and Governing Authority members;
- iv. Current staff list and proof of proper teacher licensure of all faculty;
- v. Proper licensure for the credentialed fiscal officer of the School, as set forth in section 3314.011 of the Revised Code;
- vi. Bonding for those responsible for the fiscal operations of the School;
- vii. Worker's Compensation Certificate;
- viii. Food service inspection and/or licensure;
- ix. Name and contact information as assurance that qualified personnel are in place for the following reporting duties: EMIS, SOES, OEDS, EMAD, and FLICS;
- x. Liability insurance for the School stating Sponsor as additional insured;
- xi. School calendar for the upcoming year;
- xii. Business Plan for the upcoming year;

- xiii. Minimum enrollment as recommended by fiscal officer;
- xiv. School Governing Authority roster with contact information and committee assignments;
- xv. List of School Governing Authority meeting dates and times; and
- xvi. Current census or FTE count.

If the Sponsor verifies that the School complies with all of the requirements, then the Sponsor shall submit written notice of the School's opening date for instruction to ODE not less than ten (10) business days prior to such opening date.

3. Provide monitoring, oversight and technical assistance, including monitoring the School's compliance with all laws applicable to the School and with the terms of this Contract, including, but not limited to, the following:

- i. Conduct comprehensive site visits to the School as necessary, but at least twice annually while classes are in session; and
- ii. Make written reports of all information obtained during site visits, and provide written reports of all site visits to ODE upon request.
- iii. Corrective actions will be implemented if Adequate Yearly Progress is not met for two or more consecutive school years.
- iv. Monitor and evaluate the academic and fiscal performance and the organization and operation of the School at least once each fiscal year based upon all information obtained from site visits, monthly fiscal and attendance records' reviews, and any other information obtained in conjunction with performance requirements set forth in Appendix G of this Contract, state report cards, and any other analysis conducted by the Ohio Department of Education or the Sponsor.
- v. Report on an annual basis the results of the evaluation conducted under subsection (iv) herein to ODE and to the parents of students enrolled in the School.
- vi. Report the results of the evaluations conducted under subsections (iii) and (iv) herein to the parents of the students enrolled in the School, and submit a written report of the evaluation to ODE by November thirtieth (30th) of each year.
- vii. Provide technical assistance to the School in complying with laws applicable to the School and the terms of this Contract.
- viii. Determine whether steps should be taken to intervene in the School's operation to correct problems in the School's overall performance, declare the School to be on probationary status pursuant to section 3314.073 of the Revised Code, suspend the operation of the School pursuant to section 3314.072 of the Revised Code, or terminate this Contract pursuant to section 3314.07 of the Revised Code as determined necessary by the Sponsor.
- ix. Have in place a written plan of action to be undertaken in the event that the School experiences financial difficulties or closes prior to the end of a

school year, consistent with requirements of division (E) of section 3314.015 of the Revised Code, and submit for approval the written plan of action (including, but not limited to, the handling of facilities, equipment, materials, supplies, employees, students, school records and addressing any other obligations of the School) to ODE within ten (10) business days of the execution of this Contract. Disposition of assets shall occur in accordance with Chapter 1702 of the Ohio Revised Code, as well as R.C. 3314.015(E), 3314.074, and any other applicable laws, rules, or regulations.

- x. Have a representative of the Sponsor, knowledgeable in school finance, meet with a representative of the School to review the financial records of the School monthly and prepare written reports which shall be made available to ODE upon request.
- xi. Notify the Principal or CEO of the School, of complaints received by the Sponsor or complaints of the Sponsor, as soon as possible.
- xii. Offer other activities, as determined by the Sponsor, specifically designed to benefit the School.
- xiii. Report on the amounts and types of expenditures made to provide monitoring, oversight, and technical assistance to sponsored schools, pursuant to the specific requirements of R.C. 3314.025.
- xiv. Oversee, monitor and give technical assistance throughout any closure process of the School.

4. **Liability of Sponsor.** In accordance with section 3314.07 of the Revised Code, the Sponsor, its representatives, officers, directors, and employees shall not, under any circumstances whatsoever, be liable for the debts, obligations or business of the School arising out of, relating to or in connection with (i) any failure of the School Governing Authority, the School or any of its employees or representatives to perform any obligation imposed by law or this Contract, or (ii) any act or omission of the School Governing Authority, the School or any of its employees or representatives that results in harm, loss, or liability.

5. **ODE Takeover.** If at any time the state board of education finds that the Sponsor is not in compliance or is no longer willing to comply with this contract or with ODE's rules for sponsorship, the Sponsor recognizes ODE's statutory rights under R.C. 3314.015.

6. **ODE Suspension of School.** If at any time the state board of education finds the Sponsor is not in compliance or is no longer willing to comply with (i) the authority of public health and safety officials to inspect the facilities of the school and to order the facilities closed if those officials find that the facilities are not in compliance with health and safety laws and regulations; (ii) evidence of conditions or violations of law at the school that pose an imminent danger to the health and safety of the school's students and employees and the Sponsor refuses to take such action, the Sponsor recognizes ODE's statutory rights to suspend the school under R.C. 3314.072.

7. **Intervention.** The Sponsor shall intervene as required pursuant to R.C. 3314.023

and the Sponsor's Community School Intervention Policy and Process when conditions trigger intervention are identified. Interventions may include, but are not limited to, placing the School on a corrective action plan, probation, suspension, termination or non-renewal of this Agreement.

B. SUSPENSION OR TERMINATION, NON-RENEWAL OR PROBATION.

1. Suspension of School.

- i. The Sponsor may suspend operations of the School for any or all of the reasons listed in subsection 2(i) in this division, below, if Sponsor sends a written notice of intent to suspend explaining the reasons and provides the School Governing Authority with five (5) business days to submit a remedy, and promptly reviews and disapproves the proposed remedy, or if the School Governing Authority fails to submit a remedy or fails to implement the remedy.
- ii. Once the School is suspended it must cease operations on the next business day, immediately send notice to all School employees and parents stating that the School is suspended and the reasons therefore, and the School again has an opportunity to submit a proposed remedy within five (5) business days. At all times during suspension, the School remains subject to non-renewal or termination laws and proceedings in accordance with the law and as provided herein.

2. Non-Renewal, Suspension or Termination of Contract.

- i. The Sponsor may suspend, choose not to renew this Contract at its expiration or may choose to terminate the Contract prior to its expiration for any of the following reasons:
  - a. Failure to meet student performance requirements stated in the Contract or as set forth by ODE and/or law;
  - b. Failure to meet generally accepted standards of fiscal management, as set forth by ODE and/or law;
  - c. Violation of any provision of the Contract or applicable state or federal law;
  - d. Other good cause,
  - e. Lack of faithfulness to the Contract terms,
  - f. Debt, loans or obligations, findings or repeated audit violations, material litigation that is opined by the School's attorney in an audit, or any of the former, whether disclosed or undisclosed, determined to be a material risk to the School's financial status, or
  - g. Failure to adhere to or make progress in any required improvement, corrective action or performance plan.

- i. The Sponsor may choose to terminate the Contract prior to its expiration if the Sponsor has suspended the operation of the Contract under section 3314.072 of the Revised Code.
- ii. In advance of a renewal decision, as well as annually, the Sponsor will provide the School with the following: (i) a cumulative performance report that summarizes the School's performance record over the charter term and states the Sponsor's summative findings concerning the School's performance and (ii) a summary statement regarding its prospects for renewing the contract. The Sponsor shall conduct a high stakes review prior to any renewal decision.
- iii. By January 15 of the year in which the Sponsor intends to not to renew this Contract, or, to terminate this Contract, the Sponsor shall notify the School of the proposed action in writing. The notice shall include the reasons for the proposed action in detail, the effective date of the non-renewal, and a statement that the School may, within fourteen (14) days of receiving the notice, request, in writing, an informal hearing before the Sponsor. The informal hearing shall be held within fourteen (14) days of the receipt of a request for the hearing. Within fourteen (14) days of the informal hearing, the Sponsor shall issue a written decision either affirming or rescinding the decision to not renew or not to terminate (as the case may be) this Contract.
- iv. The termination of the Contract under this section shall be effective upon the occurrence of the later of the following events:
  - a. the date of the notice of termination; or
  - b. if an informal hearing is requested and as a result of that hearing the Sponsor affirms its decision to terminate the Contract, the effective date of the termination specified in the notice issued by the Sponsor.

No termination shall be effective until the end of a school year unless there is immediate danger to the health and safety of the students, in which case the school shall close on the date specified in the notice of termination.

3. Permanent Closure. If this Contract is terminated not renewed by the Sponsor for failure to meet student performance requirements stated in the Contract or for failure to meet generally accepted standards of fiscal management, the School must close permanently at the end of the then-current school year or on a date specified in the notification of termination and the School shall not enter into any other contract with any other sponsor.

4. Closing Procedures. The Governing Authority and School administrators shall comply with and cooperate with the closing requirements summarized on Appendix J and all other required procedures, including any Ohio Department of Education Closing Procedure Guidance at the pertinent time.

5. Good Faith Deposit. Immediately upon receipt of any Notice of Intent to Suspend



or intended to be given under this Contract shall be in writing and shall be deemed to be duly given if delivered personally or if deposited in the United States mail, marked certified or registered, return receipt requested, with postage prepaid, or delivered by nationally recognized overnight courier, by confirmed fax transmission, or email addressed to the Sponsor at:

Richland Academy of the Arts  
75 North Walnut St.  
Mansfield, Ohio 44902  
Attn: Sheri Hughes, Community School Director  
Email: shughes@richlandacademy.com

with a copy to:  
Marianne Cooper, Executive Director  
75 North Walnut St.  
Mansfield, Ohio 44902  
Email: mcooper@richlandacademy.com

and addressed to the School Governing Authority at:

Lorain Bilingual Preparatory Academy  
Attn.: Board Chair  
307 West 7<sup>th</sup> Street  
Lorain, OH 44052

with a copy to:  
Callender Law Group  
Attn.: Jamie Callender  
100 East Broad Street, Ste. 690  
Columbus, OH 43215  
Email: jamie@callender.com

or to such other addresses as the Sponsor or School Governing Authority may designate from time to time in a written notice to each other.

B. SURVIVAL. All representations, obligations, covenants and agreements contained herein shall survive expiration, termination, non-renewal, suspension or abandonment of this Contract. This includes but is not limited to responsibilities to ensure that financial records are prepared or kept in auditable condition for the State Auditor, that final accounting for SOES purposes is prepared and that closure activities as required by this contract, the Ohio Department of Education and Ohio law are completed.

C. ASSIGNMENT OR MERGER. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party.

The School shall notify the Sponsor of any impending merger at least sixty (60) days prior to the effective date of the merger. In the event of a merger, this Contract shall not be

assigned to the sponsor of any surviving entity.

D. ENTIRE AGREEMENT. This document and the Appendices attached hereto and made a part hereof constitute the entire agreement between the parties and supersedes all prior or contemporaneous discussions, representations or agreements relating to the subject matter contained herein. No amendments, modifications or additions to this Contract shall be made or be binding on any party unless made in writing and signed by each party. Provided however, (1) Sponsor has internal policies posted, provided and explained to School and with which the School must comply. Sponsor shall provide notice of modifications or updates to such policies to the governing authority and shall post them on Sponsor's website or link therein concerning community schools and (2) Sponsor has an obligation to update this Contract for changes in laws or regulations and School agrees, understands and shall cooperate with the need for modifications to r of this Contract within the term of this Contract, due to changes in laws and regulations, Ohio's accountability system of data reviews and assessments, as well as the ODE's Sponsor Performance Review requirements.

E. GOVERNING LAW; SEVERABILITY OF PROVISIONS. This Contract shall be construed in accordance with the laws of the state of Ohio. If any part of this Contract is held to be invalid or unenforceable for any reason, the remainder of this Contract shall continue in full force and effect.

F. HEADINGS AND PRONOUNS. The headings to the sections hereof have been inserted for convenience of reference only and shall in no way modify or restrict any provision hereof or be used to construe any of such provisions. Any pronoun used herein shall include all other numbers and genders, as the context or the number and gender of its antecedent may require.

G. CONTRACT AUTHORIZATION. The Governing Authority shall employ an attorney independent from the Sponsor for any negotiation of this Contract or its amendments.

For purposes of this Contract, approval of the Sponsor may mean written approval by the RAA Executive Director or his/her designee or other agent of the Sponsor authorized by RAA.

H. CONTRACT MODIFICATIONS. The Sponsor shall require modifications of this Contract (a) whenever Laws, rules or regulations change, (b) whenever required to do so for Sponsor evaluations by the Ohio Department of Education, or (c) whenever changes in conditions make modifications necessary, at the Sponsor's discretion. The governing authority shall have the opportunity to review and approve each modifications prior to execution. The School shall request modifications from the Sponsor, in writing, whenever of any of the above (a)-(c) are implicated.

I. APPENDICES. The following Appendices are made a part of this Contract.

Appendix A

- The process by which the governing authority of the school will be selected in the future (to be included in the School's corporate Code of Regulations);

- That the School was not a currently existing public school or an educational service center building when it opened;
- Certificate of Good Standing as an Ohio Non-profit corporation; and
- IRS tax exemption determination letter.

#### Appendix B

- The management and administration of the school; and
- The organizational chart.

#### Appendix C

- The instructional program, curriculum and educational philosophy of the school;
- STEM designation or use of blended learning model, if applicable;
- Mission; and
- Anticipated characteristics of student population.

#### Appendix D

- The internal financial controls and the governing authority policies regarding internal financial controls, including the FTE True-Up Policy.

#### Appendix E

- Dismissal of employees upon closure; and
- Summary of employee benefits.

#### Appendix F

- Operator Contract.

#### Appendix G

- Performance Standards.

#### Appendix H

- Intentionally left blank

#### Appendix I

- Facilities Plan.

#### Appendix J

- ODE Closing Procedures and Sponsor Supplemental Closing Plan.

[Signatures on next page]

IN WITNESS WHEREOF, this Contract has been executed and is effective as of this day of \_\_\_\_\_, 2021.

Richland Academy of the Arts  
Sponsor

Lorain Bilingual Preparatory Academy  
School Governing Authority

By: Brian Hamilton

By: David Arredondo  
David Arredondo (May 26, 2021 22:55 EDT)

Printed Name: Brian Hamilton

Printed Name: David Arredondo

Its: Board President  
(Title)

Its: Board Chairman  
(Title)



Appendix A

- The process by which the governing authority of the school will be selected in the future (to be to be consistent with and ' included in the School's corporate Code of Regulations);
- That the School was not a currently existing public school or an educational service center building when it opened;
- Certificate of Good Standing as an Ohio Non-profit corporation; and
- IRS tax exemption determination, if any.



acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board of directors relating to the employment of any officer of the corporation.

#### **Section 5. VACANCIES**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board of directors. In the event of a vacancy in any office other than that of Chair, such vacancy may be filled temporarily by appointment by the Chair unless such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

#### **Section 6. DUTIES OF CHAIRPERSON**

The Chairperson ("Chair"), subject to the control of the board of directors, shall supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. Unless another person is specifically appointed as chairperson of the board of directors, the Chair shall preside at all meetings of the board of directors and, if this corporation has members, at all meetings of the members.

#### **Section 7. DUTIES OF VICE CHAIR**

In the absence of the Chair, or in the event of his or her inability or refusal to act, the Vice Chair shall perform all the duties of the Chair, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chair. The Vice Chair shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the board of directors.

#### **Section 8. DUTIES OF SECRETARY**

The secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy, of these bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.



**Bylaws/Code of Regulations  
of  
LORAIN BILINGUAL PREPARATORY ACADEMY**

**Article I  
General**

**Section 1. NAME**

The name of this Ohio nonprofit corporation shall be **LORAIN BILINGUAL PREPARATORY ACADEMY** (hereinafter the “Corporation” or “School”).

**Section 2. OPERATION, OBJECTIVES, AND GUIDING PRINCIPLES**

Subject to all of the terms and conditions set forth in these Bylaws, the Corporation is organized, and will be operated, exclusively for charitable, educational, and scientific purposes within the meaning of 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future federal tax code (the “Code”), as follows:

- a. To form, maintain and provide a school exclusively for educational, literary, scientific, and related teaching services of all kinds that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, and to receive and maintain real or personal property, or both, and subject to the restrictions and limitations hereinafter set forth, to use and apply the whole or any part of the income therefrom and the principal thereof exclusively for the purposes set forth hereinabove.
- b. In addition, the Corporation may engage in other charitable and educational activities described in 501(c)(3) and 170(c)(2) of the Code.
- c. In carrying out its charitable, educational, and scientific purposes, the Corporation shall have all of the powers that may be conferred upon nonprofit corporations formed under the laws of the State of Ohio to carry out such purposes.

In carrying out its charitable, educational, and scientific purposes, the Corporation shall have authority to receive and maintain real and tangible or intangible personal property and shall use and apply all or any part of such property and/or the income therefore exclusively for charitable, educational, and scientific purposes within the meaning of 501(c)(3) and 170(c)(2) of the Code.

**Mission**

The mission of the Academy is to allow students to become productive global citizens of the world by providing them with a world-class high-quality education.

## Vision

Our vision is to become a school that provides highly qualified, high school and college ready students. Lorain Bilingual Preparatory Academy's curriculum model embraces standards-based instruction in such a way that allows for research-based resources to be used within a framework of best practices fostering engagement to produce students who are considered highly qualified applicants for high school and college. Research shows that the four components of high school and college readiness are: cognitive strategies, content knowledge, self-management skills, and knowledge about postsecondary education. With this understanding in mind our Lorain Bilingual Preparatory Academy's curriculum model embeds the very components that foster high school and college readiness.

## Philosophy Statement

The Academy will implement a school model that places an emphasis on building a foundation for post-secondary education while providing a supportive environment for students, families, and staff. The Academy will ensure the following essential values:

- ***SAFE and Caring:*** We care about the well-being and development of each child. We are interested in each child's future. Secure and orderly learning environments are our top priority. We address every aspect of security, from building codes and safety procedures, to codes of conduct and character education.
- ***Individualized Learning:*** We care about every student and are committed to preparing children for lifelong success. We know that each student has unique needs, and our educational approach ensures we provide an educational path that engages all students.
- ***Academic Excellence:*** We bring great teachers, proven educational practices, and rigorous standards to every classroom. We share best practices in curriculum design, teacher training, and integrated technology to drive continuous gains in academic performance.
- ***Community Partnership:*** Those who live and work in a community know it best. Our School honors the values of the community and partners, stakeholders, and government leaders to serve the community.
- ***Accessible to All:*** We foster a culture that is reflective of local values and interests and are open to all students.

### **Section 3. LOCATION**

The Corporation's headquarters shall be located and maintained in Lorain County, Ohio, or at such other location within the State of Ohio as the Board of Directors may from time to time

determine.

**Section 4. PROPERTY**

The Corporation may purchase, lease, rent, accept as gifts or contributions, or otherwise receive, acquire and manage real and personal property in furtherance of its purposes.

**Section 5. FISCAL YEAR**

The fiscal year shall begin on July 1 and end on June 30 of each year.

**Section 6. AUDIT**

The fiscal records of the Corporation may be prepared each year by independent Certified Public Accountants and the report thereof made available to the Executive Director, the Board of Directors, and such other persons as may be necessary or appropriate. The level of the report shall be at least a review by the Certified Public Accountants, and the Board shall determine on an annual basis whether or not audited financial statements are appropriate. The Board shall comply with Ohio law for the purposes of fiscal oversight of the school.

**Article II**  
**Membership**

The Corporation has no members. The rights which would otherwise vest in the members vest in the Board of Directors (the "Board") of the Corporation. Actions which would otherwise require approval by a majority of all members or approval by members require only approval of a majority of all Directors.

**Article III**  
**Directors**

**Section 1. NUMBER**

The corporation shall have at least five directors but not more than ten, as set forth below, plus non-voting ex officio Directors, if any. Collectively they shall be known as the Board. Upon the action of the Board, these Bylaws may be amended to alter the size or composition of the Board of Directors.

**Section 2. POWERS**

Except when the law provides, the Articles or these Bylaws otherwise provided, all of the Corporation's authority shall be vested in and exercised by the board. To the extent permitted by law, any authority of the Directors may be delegated to such persons or committees as the Directors so acting may determine.

**Section 3. DUTIES**

It shall be the duty of the directors to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws;
- b. Meet at such times and places as required by these bylaws;
- c. Register their postal addresses and email with the secretary of the corporation, and notices of meetings mailed or emailed to them at such addresses shall be valid notices thereof.

#### **Section 4. ELECTIONS AND TERMS OF OFFICE**

- a. The Interim Directors of the Corporation shall be named at a time to be determined by the Incorporator. The Interim Directors shall serve until a Board of Directors is elected.
- b. The Board may elect any person who, in its discretion, it believes will serve the interests of the Corporation faithfully and effectively.
- c. Two of the initial five directors elected shall hold office for a period of five years, two shall hold office for a period of two years, and one or two for a period of one year. Thereafter each director shall hold office for a period of up to three years and until his or her successor is elected and qualifies. Each director's term of office shall be specified at the time of election. The term of no more than 40% of the directors shall expire in the same year.
- d. Any Director may, by written notice to the Board of Directors, resign at any time.
- e. Any Director may be removed by a majority vote of all of the remaining members of the Board of Directors without cause at any time, with the exception of the CEO who can only be removed by a majority vote of the remaining directors.

#### **Section 5. EX OFFICIO DIRECTORS**

The Chairperson of Board of Directors may appoint one or more *ex officio* members of the Board of Directors. The individual holding the office of Executive Director of the Corporation shall be an *ex officio* member of the Board. *Ex officio* members of the Board of Directors shall be entitled to a notice to be present in person, to present matters for consideration and to take part in consideration of any business by the Board of Directors at any meeting of the Board of Directors, shall not be counted for purposes of a quorum and shall have no voting rights for purposes of authorizing any act or transaction of business by the Board of Directors. Except for the individual holding the office of Executive Director of the Corporation (who shall serve so long as he or she is the Executive Director), the term of an *ex officio* Director shall be for such time as the Board of Directors shall designate.

## **Section 6. COMPENSATION**

A Director may be compensated in accordance with Ohio Revised Code §3314.02(E)(4), or reimbursed for expenses incurred in furtherance of the purposes of the Corporation as authorized and approved by a majority of the current Directors. Any payments to Directors shall be approved in advance in accordance with this Corporation's conflict of interest policy, as set forth in Article 9 of these Bylaws and Chapter 3314 of the Ohio Revised Code.

## **Section 7. ANNUAL AND REGULAR MEETINGS**

Annual Meetings of the Board of Directors shall be held each year during the first quarter of each fiscal year at a time and place, within the State of Ohio, designated by the Directors, Regular Meetings of the Board of Directors may be held at such other times and places as may be fixed by the Directors, however, the Board of Directors will meet at least quarterly upon the call of the Chair, or any two other Directors.

## **Section 8. SPECIAL MEETINGS**

Special Meetings of the Board of Directors may be held at any time upon the written call of the Chair or at the written request of a majority of the Directors entitled to vote on matters presented to the Board of Directors.

## **Section 9. NOTICE OF MEETINGS**

Except for Special Meetings, written notice of any Board of Directors Meeting shall be given to the Directors at least five (5) days prior to such meeting and shall set forth the reasons therefore. Notice of any Special Meeting may be made other than by written notice when circumstances dictate.

Whenever any notice of a meeting is required to be given to any director of this corporation under provisions of the articles of incorporation, these bylaws, or the law of this state, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

The Board shall ensure compliance with Ohio Revised Code section 121.22(F), and shall follow the following guidelines as it related to the posting of meeting notices:

The Secretary of the Board of Directors shall cause and/or direct an administrator of the school post notice of a meeting in the following manners:

1. **Regular Meetings:** Notice of regular meetings shall be posted (i) on the main entrance of the school or in a conspicuous place in the school no less than five (5) days prior to the date of the meeting; (ii) notice will be provided to any news media that requests notification no less than five (5) days prior to the date of the meeting; and (iii) notice will be provided via e-mail to any person requesting advanced notice of meetings no less than five (5) days prior to the date of the meeting.

2. **Special Meetings:** Notice of special meetings shall be posted (i) on the main entrance of the school or in a conspicuous place in the school no less than 24 hours prior to the date of the meeting; (ii) notice will be provided to any news media that requests notification no less than 24 hours prior to the date of the meeting; and (iii) notice will be provided via e-mail to any person requesting advanced notice of meetings no less than 24 hours prior to the date of the meeting.
3. **Emergency Meeting:** Notice of emergency meetings shall be posted (i) on the main entrance of the school or in a conspicuous place in the school immediately and prior to the start of the meeting; (ii) notice will be provided to any news media that requests notification immediately and prior to the start of the meeting; and (iii) notice will be provided via e-mail to any person requesting advanced notice of meetings immediately and prior to the start of the meeting.

#### **Section 10. WAIVER OF NOTICE**

Notice of any meeting of the Board may be waived in writing, either before or after the holding of such meeting, by any Board of Director, which writing shall be filed with or entered upon records of the meeting. The attendance of any Board of Director at any meeting of the Board without protesting, prior to or at the commencement of the meeting, the lack of proper notice, shall be deemed to be a waiver of notice of such meeting.

#### **Section 11. ACTION WITHOUT A MEETING AUTHORIZED**

The Board may authorize actions by means of a writing or writings signed by all of the Directors, without a meeting.

#### **Section 12. QUORUM FOR MEETINGS**

Except as otherwise provided in these Bylaws, the minimum number of Directors necessary to constitute a quorum for the transaction of business at any meeting shall be a majority of the Directors entitled to vote who are then in office.

#### **Section 13. MAJORITY ACTION AS BOARD ACTION**

Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the articles of incorporation, these bylaws, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

#### **Section 14. CONDUCT OF MEETINGS**

The Chair shall employ such rules of order as the Chair deems appropriate in conducting

meetings, except that each item placed for vote or other action shall be placed before the Board by motion of a member of the Board other than the Chair with a second by another member of the Board other than the Chair.

**Section 15. MEETINGS HELD THROUGH COMMUNICATION EQUIPMENT**

Meetings of the Board of Directors may not be held through communications equipment.

Meetings of committee of the Board may be held through communications equipment provided that all persons participating in such meeting can hear and otherwise communicate with each other. Such participation shall constitute presence at such a meeting.

**Section 16. NONLIABILITY OF DIRECTORS**

The Directors shall not be personal liable for the debts, liabilities, or other obligations of the corporation.

**Article IV**  
**Officers**

**Section 1. DESIGNATION OF OFFICERS**

The officers of the corporation shall be a chair, a vice chair, a secretary, and a treasurer. The corporation may also have one or more vice chairs, assistant secretaries, assistant treasurers, and other such officers with such titles as may be determined from time to time by the board of directors.

**Section 2. QUALIFICATIONS AND AUTHORITY OF OFFICERS**

The Officers of the Corporation may, but do not need to, be Directors of the Corporation. Officers of the Corporation shall have such authority as may be specified from time to time by the Directors.

**Section 3. ELECTION AND TERM OF OFFICE**

Officers shall be elected by the board of directors, at anytime, and each officer shall hold office for a period of one year, until he or she resigns, or is removed, or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

**Section 4. REMOVAL AND RESIGNATION**

Any officer may be removed, either with or without cause, by the board of directors, at any time. Any officer may resign at any time by giving written notice to the board of directors or to the chair or secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the

acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board of directors relating to the employment of any officer of the corporation.

#### **Section 5. VACANCIES**

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board of directors. In the event of a vacancy in any office other than that of Chair, such vacancy may be filled temporarily by appointment by the Chair unless such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

#### **Section 6. DUTIES OF CHAIRPERSON**

The Chairperson ("Chair"), subject to the control of the board of directors, shall supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. Unless another person is specifically appointed as chairperson of the board of directors, the Chair shall preside at all meetings of the board of directors and, if this corporation has members, at all meetings of the members.

#### **Section 7. DUTIES OF VICE CHAIR**

In the absence of the Chair, or in the event of his or her inability or refusal to act, the Vice Chair shall perform all the duties of the Chair, and when so acting shall have all the powers of, and be subject to all the restrictions on, the Chair. The Vice Chair shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the board of directors.

#### **Section 8. DUTIES OF SECRETARY**

The secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy, of these bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with the provisions of these bylaws or as required by law. Be custodian of the records and of the seal of the corporation and affix the seal, as authorized by law or the provisions of these bylaws, to duly executed documents of the corporation.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the bylaws and the minutes of the proceedings of the directors of the corporation.

In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

### **Section 9. DUTIES OF TREASURER**

The treasurer shall:

Oversee the Ohio licensed school fiscal officer in his/her charge and custody of, and his/her responsibility for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.

Oversee the Ohio licensed school fiscal officer in his/her receiving, and giving receipt for, monies due and payable to the corporation from any source whatsoever.

Oversee the Ohio licensed school fiscal officer in his/her disbursements, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.

Oversee the Ohio licensed school fiscal officer in his/her keeping and maintaining adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

Oversee the Ohio licensed school fiscal officer in his/her exhibits, at all reasonable times, the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefore.

Oversee the Ohio licensed school fiscal officer in his/her rendering to the Chair and directors, whenever requested, an account of any or all transactions and of the financial condition of the corporation.

Oversee the Ohio licensed school fiscal officer in his/her preparation, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, Oversee the Ohio licensed school fiscal officer in his/her performance of duties incident to the school financials and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

## Article V Committees

### **Section 1. EXECUTIVE COMMITTEE**

The board of directors may, by a majority vote of its members, designate an Executive Committee consisting of not less than three but no more than five board members and may delegate to such committee the powers and authority of the board in the management of the business and affairs of the corporation, to the extent permitted, and, except as may otherwise be provided, by provisions of law.

By a majority vote of its members, the board may at any time revoke or modify any or all of the executive committee authority so delegated, increase or decrease but not below two (2), the number of the executive committee, and fill vacancies on the Executive Committee from the member of the board. The executive committee shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

### **Section 2. OTHER COMMITTEES**

The corporation shall have such other committees as may from time to time be designated by resolution of the board of directors. These committees may consist of persons who are not also members of the board and shall act in an advisory capacity to the board.

### **Section 3. MEETINGS AND ACTION OF COMMITTEES**

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the board of directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the board of directors or by the committee. The board of directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

## Article VI Indemnification and Insurance

### **Section 1. GENERAL INDEMNIFICATION**

The Corporation: (a) shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether, civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a Director or volunteer of the Corporation, or while a Director or volunteer of the Corporation is or was serving at the request of the Corporation as a director, trustee, fiduciary, officer, employee, partner, joint venturer, agent, or volunteer of any other corporation domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, employee benefit plan or other enterprise; and (b) may indemnify or agree to indemnify any person who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than any action by or in the right of the Corporation) by reasons of the fact that he or she is or was an officer, employee, or agent of the Corporation, or while an officer, employee, or agent of the Corporation is or was serving at the request of the Corporation as a director, trustee, fiduciary, officer, employee, partner, joint venturer, agent or volunteer of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, employee benefit plan or other enterprise, against expense (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believes to be in or not opposed to the best interest of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order settlement or conviction, upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner he or she reasonably believes to be in or not opposed to the best interest of the Corporation, and with respect to any criminal action or proceeding, the person had reasonable cause to believe that the conduct was unlawful.

## **Section 2. SUITS BY THE CORPORATION**

The Corporation may indemnify or agree to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the person is or was a Director, officer, employee, agent or volunteer of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, fiduciary, officer, employee, partner, joint venturer, agent or volunteer of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, employee benefit plan or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believes to be in or not opposed to the best interest of the Corporation.

No such indemnification shall be made in respect of: (a) any claim, issue or matter as to which such person is adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Corporation unless and only to the extent that the court of common pleas, or the court in which such action or suit was brought, determined upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and

reasonable entitled to indemnity for such expense as the court of common pleas or such other court shall deem proper; or (b) any action or suit in which the only liability asserted against a Director is pursuant to Section 1702.55 of the Ohio Revised Code.

### **Section 3. INDEMNIFICATION FOR EXPENSES**

To the extent that a Director, officer, employee, agent or volunteer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 6.1 and 6.2, including any action or suit brought against a Director pursuant to Section 1702.55 of the Ohio Revised Code, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by the individual in connection with the action, suit or proceeding.

### **Section 4. DETERMINATION REQUIRED**

Any indemnification under Section 6.1 and 6.2 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that the indemnification of the Director, officer, employee, agent or volunteer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 6.1 and 6.2. Such determination shall be made by any one of the following: (a) the Board of Directors by a majority vote of a quorum consisting of Directors, who were not and are not parties to, or threatened with, such action, suit or proceeding; (b) if such a quorum is not obtained or if a majority of a quorum of disinterested Directors so directs, in a written opinion by independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the Corporation or any person to be indemnified within the past five years; (c) the Members; or (d) the court of common pleas or the court in which the action, suit or proceeding was brought. If any action by or in the right of the Corporation is involved, any determination made by the disinterested Directors or by the independent legal counsel under this Section 6.4 shall be communicated promptly to the person who threatened or brought the action or suit by or in the right of the Corporation under Section 6.2, and such person shall have the right, within ten days after receipt of such notification, to petition the court of common pleas or the court in which action or suit was brought to review the reasonableness of such determination.

### **Section 5. ADVANCES FOR EXPENSES**

(a) Expenses (including attorney's fees) incurred by a Director or a volunteer in defending any civil or criminal action, suit or proceeding referred to in Section 6.1 and 6.2 of this Article VI, except where the only liability asserted against a Director is pursuant to Section 1702.55 of the Ohio Revised Code, shall be paid by the Corporation as they are incurred, in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Director or volunteer in which he or she agrees to: (i) repay such amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that his or her action or failure to action involved in act or omission undertaken with deliberate intent to cause injury to the Corporation or undertaken with reckless disregard for the best interest of the Corporation; and

(ii) reasonably cooperate with the Corporation concerning the action, suit or proceeding.

(b) Expenses (including attorney's fees) incurred by a Director, officer, employee, agent or volunteer in defending any action, suit or proceeding referred to in Section 6.1 and 6.2 of this Article VI, including any action or suit brought against a Director pursuant to Section 1702.55 of the Ohio Revised Code, may be paid by the Corporation as they are incurred in advance of the final disposition of the action, suit or proceeding as authorized by the Director in the specific case upon receipt of an undertaking by or on behalf of the Director, officer, employee, agent or volunteer to repay such amount of it is ultimately determined that he or she is not entitled to be indemnified by the Corporation.

#### **Section 6. NOT EXCLUSIVE**

The indemnification authorized by this Article VI shall not be deemed exclusive of, and shall be in addition to, any other rights granted to those seeking indemnification under the Articles, common law, the Nonprofit Corporation Law of the State of Ohio, these Bylaws or any agreement, vote of Members or disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee, agent or volunteer and shall inure to the benefit of the heirs, executors and administrators of such a person.

#### **Section 7. INSURANCE**

The Corporation may purchase and maintain insurance or furnish similar protection, including but not limited to trust funds, letters of credit or self-insurance, on behalf or for any person who is or was a Director, officer, employee, agent or volunteer of the Corporation, or is or was serving at the request of the Corporation as a director, trustee, fiduciary, officer, employee, partner, joint venturer, agent or volunteer of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provision of this Article VI. Insurance may be purchased from or maintained with a person in which the Corporation has financial interest.

#### **Section 8. SECTIONS 1 AND 2**

The authority of the Corporation to indemnify persons pursuant to Sections 1 and 2 of this Article VI does not limit the payment of expenses as they are incurred, indemnification, insurance or other protection that may be provided pursuant to another Section of Article VI. Sections 1 and 2 of this Article VI do not create any obligation to repay or return payments made by the Corporation under other Sections of this Article VI.

#### **Section 9. DEFINITION OF "THE CORPORATION" AND "VOLUNTEER"**

As used in this Article VI, references to “the Corporation” include all constituent corporations in a consolidation or merger, and the new or surviving corporation, so that any person who is or was a trustee, director, officer, employee, agent or volunteer of such a constituent corporation, or is or was serving at the request of such constituent corporation as a director, trustee, fiduciary, officer, employee, partner, joint venturer, agent or volunteer of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provision of this Article VI with respect to the new or surviving corporation in the same capacity. As used in this Article VI, references to a “volunteer” include any person defined as a “volunteer” with respect to the Corporation under Section 1702.01 of the Ohio Revised Code.

## Article VII Corporate Records, Reports, and Seal

### **Section 1. MAINTENANCE OF CORPORATE RECORDS**

The Corporation shall keep at its principal office:

- a. Minutes of all meetings of directors, committees of the board, and, if this corporation has members, of all meetings of members, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- c. A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;
- d. A copy of the corporation’s articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

### **Section 2. CORPORATE SEAL**

The board of directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

### **Section 3. DIRECTORS’ INSPECTION RIGHTS**

Every director shall have the absolute right at any reasonable time to inspect and copy all books,

records, and documents of every kind and to inspect the physical properties of the corporation, and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation.

**Section 4. RIGHT TO COPY AND MAKE EXTRACTS**

Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspect shall include the right to copy and make extracts.

**Section 5. PERIODIC REPORT**

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members, if any, of this corporation, to be so prepared and delivered within the time limits set by law.

**Article VIII**

**IRC 501(c)(3) Tax Exemption Provision**

**Section 1. LIMITATIONS ON ACTIVITIES**

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office. Notwithstanding any other provisions of these bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

**Section 2. PROHIBITATION AGAINST PRIVATE INURNMENT**

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

**Section 3. DISTRIBUTION OF ASSETS**

Upon the dissolution of this corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law), as the Board of Directors shall determine. Any of

such assets not so disposed of shall be disposed by the Court of Common Pleas of the county in which the principal office of the Corporation is then located, exclusively for such purposes, or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

**Section 4. PRIVATE FOUNDATION REQUIREMENTS AND RESTRICTIONS**

In any taxable year in which this corporation is a private foundation as described in Section 509(a) of the Internal Revenue Code, the corporation 1) shall distribute its income for said period at such time and manner as not to subject it to tax under Section 4942 of the Internal Revenue Code; 2) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code; 3) shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; 4) shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code; and 5) shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

**Article IX**  
**Conflict of Interest Policy and Compensation Approval Procedures**

**Section 1. PURPOSE**

The purpose of the conflict of interest policy is to protect Lorain Bilingual Preparatory Academy, an Ohio non-profit corporation and tax-exempt organization (the "Organization") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

**Section 2. DEFINITIONS**

A) Interested Person. Any director, principal officer, or member of a committee with Corporate Board or Governing Board (collectively the "Board") delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

B) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
2. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3 (B), a person who has a financial interest may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists.

**Section 3. PROCEDURES**

A) Duty to Disclose.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with Board delegated powers considering the proposed transaction or arrangement

B) Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

C) Procedures for Addressing the Conflict of Interest.

1. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

2. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the Board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

D) Violations of the Conflicts of Interest Policy.

1. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall

take appropriate disciplinary and corrective action.

#### **Section 4. RECORDS OF PROCEEDINGS**

The minutes of the Board and all committees with board delegated powers shall contain:

A) The names of the persons who disclosed or otherwise were found to have a financial a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, the action taken to determine whether a conflict of interest was present, and the Board's or committees decision as to whether a conflict of interest in fact existed.

B) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Section 5. COMPENSATION**

Any compensation received by Board members will be in compliance with State and Federal laws and/or regulations, and only after a vote of the board.

#### **Section 6. ANNUAL STATEMENTS**

Each director, principal officer and member of a committee with Board delegated powers shall sign a statement which affirms such person:

- A) Has received a copy of this Conflict of Interest Policy;
- B) Has read and understands the policy;
- C) Has agreed to comply with the policy; and
- D) Understands the Organization is charitable, and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### **Section 7. PERIODIC REVIEWS**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A) Whether compensation arrangements and benefits are reasonable, based on

competent survey information and the result of arm's length bargaining.

B) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organizations written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## **Section 8. USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

### **Article X**

#### **Compensation Policy**

##### **Section 1. PURPOSE**

The Compensation Policy (the "Compensation Policy") of the School, an Ohio non-profit corporation and tax exempt organization, has established this policy to ensure compliance with the Internal Revenue Service guidelines for approval of senior management compensation. The corporate board of directors of the School shall follow the following review and approval guidelines.

##### **Section 2. INDIVIDUALS SUBJECT TO THIS POLICY ("COVERED INDIVIDUAL")**

1. Chief Employed Executives: The individual or individuals who have the ultimate responsibility for implementing the decisions of the School's corporate board or for supervising the management, administration, or operations of the School, including the School's top management official and top financial official. If this ultimate responsibility resides with two or more individuals (i.e. co-presidents or co-treasurers) who may exercise such responsibility in concert or individually, than each individual shall be included.
2. Officers: The individual or individuals elected or appointed to manage Lorain Bilingual Preparatory Academy daily operations, such as president, vice-president, secretary or treasurer. The officers of an organization are determined by references to its organizing document, by-laws, and include, at a minimum, those officers required by applicable state law.
3. Key Employees: Individuals who are not a Chief Employed Executive or an Officer of the School, but who meet all of the following tests, applied in the following order:

- a. \$150,000 Test: The individual receives reportable compensation<sup>1</sup> from Lorain Bilingual Preparatory Academy and all related organizations<sup>2</sup> in excess of \$150,000 for the calendar year ending with or within Lorain Bilingual Preparatory Academy' tax year.
  - b. Responsibility Test: At any time during the calendar year ending with or within the School's tax year:
    - i. has responsibilities, power or influence over The Steve Sanders School as a whole that is similar to those officers, directors, or trustees;
    - ii. manages a discrete segment or activity of School that represents 10% or more of the activities, assets, income, or expenses of the organization, as compared to the organization as a whole; or
    - iii. has or shares authority to control or determine 10% or more of Lorain Bilingual Preparatory Academy' capital expenditures, operating budget, or compensation for employees.
  - c. Top 20 Test: In addition to meeting the \$150,000 Test and the Responsibility Test, the individual is one of the top 20 most highly compensated employees (including all income from Lorain Bilingual Preparatory Academy and related organizations) for the calendar year ending with or within Lorain Bilingual Preparatory Academy' calendar year.
4. Highest Compensated Employees: One of the five highest compensated employees of Lorain Bilingual Preparatory Academy whose reportable compensation (including all income from Lorain Bilingual Preparatory Academy and related organizations) is greater than \$100,000 for the calendar year ending with or within School's calendar year who are not also current officers, directors, or key employees of the School.

### Section 3. PROCEDURE FOR APPROVING COMPENSATION

In reviewing and approving the compensation of any Covered Individuals the School corporate board of directors, or a delegated committee of the corporate board (the "Approval Body") will utilize the following process:

---

<sup>1</sup> Compensation that is reported on Form W-2, Box 5, or in Box 1 if the employee's compensation is not reported in Box 5, or Form 1099-MISC, Box 7, filed for the calendar year ending with or within the organization's tax year.

<sup>2</sup> An organization that stands in one or more of the following relationships to the filing organization: (1) Parent – an organization that controls the filing organization; (2) Subsidiary – an organization controlled by the filing the filing organization; (3) Supporting/Supported – an organization that is (or claims to be) at any time during the organization's tax year (i) a supporting organization of the filing organization within the meaning of Section 509(a)(3), if the filing organization is a supported organization within the meaning of Section 509(f)(3), or (ii) a supported organization, if the filing organization is a supporting organization.

1. Impartial Decision Makers: The compensation arrangement must be approved in advance (before any payment is made) by the Approval Body of Lorain Bilingual Preparatory Academy composed entirely of individuals who do not have conflict of interest with respect to the compensation arrangement (i.e. neither the executive whose compensation is being determined nor any of his/her family members may be present during the discussion/debate or participate in the vote).
2. Comparability Data: When the Approval Body is considering compensation to Covered Individuals, it must rely on comparability data that demonstrates the fair market value of the compensation in question (i.e. when creating compensation packages, the Approval Body must secure data that documents compensation levels for similarly qualified individuals in like positions at like organizations). This data may include the following:
  - a. expert compensation studies by independent firms;
  - b. written job offers for positions at similar organizations;
  - c. documented telephone calls about similar positions at both non-profit and for-profit organizations.
3. Concurrent Documentation: The Approval Body must document how it reached decisions, including the data on which it relied. To qualify as Concurrent Documentation, written or electronic records of the Approval Body (i.e. meeting minutes) must note:
  - a. the terms of the compensation and the date it was approved;
  - b. the members of the Approval Body who were present during the debate on the compensation that was approved and those who voted on it;
  - c. the comparability data obtained and relied upon and how the data was obtained; and
  - d. any action taken with respect to the consideration by anyone who is otherwise a member of the Approval Body, but who had a conflict of interest with respect to the decision on the compensation.

#### **Section 4. RECORDS**

Lorain Bilingual Preparatory Academy shall retain all records relating to compensation in accordance with Lorain Bilingual Preparatory Academy' Record Retention and Destruction Policy.

### **Article XI**

#### **Code of Ethics Policy**

##### **Section 1. PURPOSE**

The following Code of Ethics (the "Code") of Lorain Bilingual Preparatory Academy ("School"), an Ohio non-profit corporation and tax exempt organization, is intended to

guide ethical decision making by its directors, officers and staff members. The Code is based on the following key values:

1. Respect for all persons.
2. Transparency for our actions.
3. Responsibility for our decisions and their consequences.
4. Accountability for our actions.
  - a. We are committed to being responsible, transparent and accountable for all our actions.
  - b. We are committed to avoiding conflicts of interest.
  - c. We are committed to complying with the spirit and the letter of all applicable laws.
  - d. We are committed to treating our staff members with respect and fairness in a workplace that safeguards the rights and welfare of all.
  - e. We are committed to a philanthropic and educational community that is transparent and accountable.

## **Section 2. POLICIES AND PROCEDURES SUPPORTING THE CODE OF ETHICS**

The School has a number of policies and procedures in place to assume ethical conduct. The following are examples of the major policies and procedures that support and reflect our Code:

1. The School has a detailed Conflict of Interest Policy to protect its interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director or may result in a possible excess benefit transaction. If any conflict is found, the officer or director must abstain from voting on the particular proposal and the abstaining officer or director is not counted toward a quorum for a vote.
2. The audit committee was established in March 2010. The audit committee selects the independent auditor; reviews the quality and integrity of the School's annual financial statements; oversees the performance of the School's internal accounting functions; and handles complaints and concerns regarding corporate accounting practices, internal controls and auditing matters in accordance with the School's Whistleblower Policy. All current members of the audit committee are financially literate.
3. There is no salary compensation of the officers and directors of the School except as provided within these Bylaws.

### **Article XII Nondiscrimination Policy**

Lorain Bilingual Preparatory Academy, an Ohio non-profit corporation (the “School”), admits students of any race, color, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the School. the School does not discriminate on the basis of race, color, national or ethnic origin in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other School administered programs.

The School will ensure that this policy is placed in all literature of the School, including, but not limited to, public notices, student handouts, promotional materials, etc.

The School will maintain records to support this policy as required by Internal Revenue Procedure 75-50.

### Article XIII

#### DOCUMENT RETENTION AND DESTRUCTION POLICY

This policy reflects the minimum document retention requirements set forth to protect the School, an Ohio non-profit corporation and tax-exempt organization.

The following types of documents will be retained for the following periods of time. At least one copy of each document will be retained according to the following schedule.

<b>Type of Document</b>	<b>Minimum Requirement</b>
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently, or until the Cancellation of the Corporation
Bank reconciliations	2 years
Bank statements	3 years
Checks registers/books, canceled checks, deposit slips	7 years
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently, or until the Cancellation of the Corporation
Corporate records (minute books, charter, resolutions, etc.)	Permanently, or until the Cancellation of the Corporation
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently, or until the Cancellation of the Corporation
Correspondence (with vendors)	2 years
Credit card receipts	3 years
Deeds, mortgages, bills of sale, etc.	Permanently
Depreciation schedules	Permanently
Donor lists/acknowledgements	3 years
Employment applications	3 years
Expense analyses/expense distribution schedules	7 years
Financial statements	Permanently, or until the

	Cancelation of the Corporation
Insurance policies (expired)	3 years
Insurance records (current policies - accident reports, claims, policies, etc.)	Permanently, or until the Cancelation of the Corporation
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Investment records (deposits, earnings, withdrawals)	7 years
Invoices (to customers, from vendors)	7 years
IRS correspondence	Permanently, or until the Cancelation of the Corporation
Lease/Loan contracts	Permanently, or until the Cancelation of the Corporation
Patents and related Papers	Permanently, or until the Cancelation of the Corporation
Payroll records and summaries	7 years
Personnel records (terminated employees)	7 years
Personnel records (current employees)	Permanently, or until the Cancelation of the Corporation
Retirement and pension records	Permanently, or until the Cancelation of the Corporation
Tax returns and worksheets	Permanently, or until the Cancelation of the Corporation
Timesheets	7 years
Vendor contracts	7 years
Trademark registrations and copyrights	Permanently
Whistleblower records	7 years
Withholding tax statements	7 years
Correspondence between board members as it relates to school business (email)	30 days
Correspondence between board members as it relates to school business (texts)	5 days
Correspondence between board members as it relates to school business (voicemail)	5 days

### **Document Protection**

Documents will be stored in a protected environment for the duration of the Document Retention Requirement. Computer backup media will be included.

### **Document Destruction**

Documents that have been retained until the end of the Document Retention Requirement shall be destroyed by shredding. Computer backup media that has been retained until the end of the Document Retention Requirement shall be destroyed by fire or other proven means to destroy such media.

**Article XIV**  
**NON-PROFIT FUNDRAISING POLICY**

**Purpose**

The Non-Profit Fundraising Policy (the “Fundraising Policy”) of the School, an Ohio non-profit corporation and tax exempt organization, has established this policy to ensure the directors and officers honor the intentions of donors and ensure that their intentions are honestly fulfilled. As a part of the annual audit, the independent auditors will review any grant and contribution related correspondence and review financial transactions to ensure that any restrictions imposed were met.

**Donor Privacy**

All information concerning donors or prospective donors, including their names, addresses, telephone numbers, amount of their gifts and other information shall be kept strictly confidential by the School’s directors, officers and staff unless permission is obtained from the donor to release such information.

Gifts and donations may be restricted by a donor for use in any specific service area and/or for any stated the School purpose or program, and these requests must be honored.

Solicitations shall be free from undue influence or excessive pressure and shall be respectful of the needs and interests of the donor or prospective donor.

All fundraising solicitations shall include the following:

1. The School does not share, sell, trade or rent donor lists.
2. Include an option for the donor’s gift to remain anonymous.

**Acceptance of Gifts**

Whereas the School actively solicits gifts and grants to further the goals of the organization, there is the potential for controversy if certain gifts are accepted that could damage the ability for the School to accomplish its goals. The following procedures are adopted as policy:

1. All decisions to solicit and/or accept potentially controversial gifts are to be made by the corporate board of directors, preferable prior to soliciting such gifts.
2. It is recognized that the School cannot generally ascertain whether the value of the gift was generated using commonly accepted ethical and moral standards. Furthermore, the School asserts that its primary responsibility is to use any gifts to further the organizations mission, goals and objectives.

When considering, soliciting and/or accepting gifts that might be potentially controversial, the corporate board of directors shall consider the following:

1. Will accepting the gift compromise any core values of the organization?
2. Will accepting the gift further the mission, goals and/or objectives of the organization and the donor?
3. Will there be a perceived conflict of interest for the organization?
4. Is there clear charitable intent and a commitment to serve the community? It is understood that it is usually appropriate for there to be tax incentives, community acceptance and publicity value for donors.
5. Will acceptance of the gift be inconsistent with other fundraising activities and/or gifts?
6. Will the reputation of the donor have a negative effect upon the reputation of the receiving organization?
7. If controversy develops, will it likely be significant enough to undermine the stability of the organization? If so, will there be a sufficient reservoir of community image and goodwill to allow the organization to continue to thrive?
8. Will the nature of the in-kind contribution create problems, such as in advertising or sponsorship?
9. Will the gift encourage or discourage others to give?
10. What will be the net effect on the bottom line?

### **Outside Parties Fundraising on Behalf of The School**

Outside organizations raising money without charge on behalf of the School must be reviewed and approved by the corporate board of directors.

### **Records**

The School shall retain for a period of at least seven (7) years, all records relating to any gift or donation received in accordance with the School's Record Retention and Destruction Policy.

## Article XV

### INVESTMENT POLICY

#### Purpose

This Investment Policy (the "Investment Policy") of the School, an Ohio non-profit corporation and tax exempt organization, has established this policy in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives of Fund assets.
3. Offer guidance and limitations to all Investment Managers regarding the investment of Fund assets.
4. Establish a basis for evaluating investment results.
5. Manage Fund assets according to prudent standards as established in common trust law.
6. Establish the relevant investment horizon for which the Fund assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

#### Definitions

1. "Fund" shall mean the School's investment portfolio.
2. "Executive Committee" shall refer to the Committee authorized to administer the Fund as specified by the corporate board of directors of the School.
3. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over Fund management or any authority or control over management, disposition or administration of the Fund assets.
4. "Investment Manager" shall mean any individual, or group of individuals, employed to manage the investments of all or part of the Fund assets.
5. "Investment Management Consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.
6. "Securities" shall refer to the marketable investment securities which are defined as acceptable in this statement.
7. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this Fund is 3-5 years.

### **Delegation of Authority**

The School's Executive Committee is a Fiduciary and is responsible for directing and monitoring the investment management of Fund assets on behalf of the School. As such, the Executive Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant. The consultant may assist the Executive Committee in establishing investment policies, objectives, and guidelines; selecting Investment Managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
2. Investment Manager. The Investment Manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Fund's investment objectives.
3. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Fund accounts.
4. Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the Executive Committee to assist in meeting its responsibilities and obligations to administer Fund assets prudently.

No officer or director of the School shall act as Investment Management Consultant, Investment Manager, or Custodian.

The Executive Committee will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper Investment Managers, each Investment Manager should request modifications which they deem appropriate.

If such experts employed are also deemed to be Fiduciaries, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, and will be borne by the Fund as deemed appropriate and necessary.

### **General Investment Principals**

1. Investments shall be made solely in the interest of the Fund.
2. The Fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. Any attempt to engage in "market timing" will be avoided.
4. There shall be no short sales or trading on margin.

5. There shall be no options, including puts or calls, unless they are covered options.
6. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

### **Investment Management Policy**

1. Preservation of Capital. Consistent with their respective investment styles and philosophies, Investment Managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion. Understanding that risk is present in all types of securities and investment styles, the Executive Committee recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Fund's objectives. However, the Investment Managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. Adherence to Investment Discipline. Investment Managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.
4. Liquidity. The Fund will require the ability to deposit and withdraw funds on a continuous basis. Investment Managers therefore should make decisions that will maximize returns through short term investments, while understanding the need for liquidity.
5. Long Term Investments. A portion of the Fund's overall portfolio will be invested in long term growth mechanisms. This amount will be determined either as a percentage of the overall Fund or a fixed amount of the Fund by the Executive Committee on the advice of the Investment Managers.
6. Alternative Fund Sources. This Fund may receive funds from various sources which have their own specific investment policies in place. The sources of these funds may come from planned giving or estate planning, foundation sources or others. In these cases, this Investment Policy will be modified to reflect those conditions and subsequently guide Investment Managers in the handling of those specific funding mechanisms.

### **Investment Goals**

In order to meet its needs, the School's investment objective emphasizes capital growth with some focus on income.

### **Specific Investment Goals**

Over the investment horizon established in this statement, it is the goal of the aggregate Fund assets to exceed:

1. An absolute rate of return of 3-6%, including fixed income.

The investment goals above are the objectives of the aggregate Fund, and are not meant to be imposed on each investment account (if more than one account is used).

### **Definition of Risk**

The Executive Committee realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the School's assets understands how it defines risk so that the assets are managed in a manner consistent with the Fund's objectives and investment strategy as designed in this statement of Investment Policy. The Executive Committee considers the tolerance for risk to be classified as medium. That is, comfortable with fluctuations in the portfolio, and the possibility of larger declines in value, in order to grow the portfolio over time. The School's risk/return trade-off is classified as moderate.

### **Asset Allocation**

Based on the School's profile, the asset allocation will be 40% Equity, 60% Fixed Income. Additionally, the following guidelines shall be followed:

1. Investment in any one company shall be limited to no more than 5% of the total Fund.
2. No more than 25% of the Fund shall be invested in any one industry.
3. The School shall not control any more than 10% of the stock in any one company.
4. The maximum remaining maturity on each bond is limited to 30 years.
5. There shall be no direct investment in gold, other commodities, and collectibles.
6. There shall be no direct investment in real estate partnerships.

### **Guidelines for Fixed Income Investments and Cash Equivalents**

The mutual funds selected have been evaluated by the Investment Management Consultant who conducted a screening process that includes both quantitative and qualitative criteria. Investment options are reviewed periodically to ensure that high-quality standards are maintained. The overall process seeks to ensure that the investment strategies implemented will be compatible with the School's return requirements and tolerance for risk.

### **Performance Review and Evaluation**

Performance reports generated by the Investment Management Consultant shall be compiled at least quarterly and communicated to the Executive Committee for review. The investment performance of total portfolios, as well as asset class components, will be

measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Executive Committee intends to evaluate the portfolio(s) over at least a three year period, but reserves the right to terminate an Investment Manager for any reason including the following:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this statement of Investment Policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization.

Investment Managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

### **Investment Policy Review**

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of Investment Policy, the Executive Committee plans to review this investment policy at least annually.

### **Records**

The School shall retain all records relating to investments in accordance with The School's Record Retention and Destruction Policy.

## **Article XVI**

### **PUBLIC RECORDS POLICY**

#### **Purpose**

The Public Records Policy (the "Records Policy") of the School, an Ohio non-profit corporation and tax exempt organization, has established this policy to ensure the directors and officers honor the Internal Revenue Service and Ohio Attorney General requirements pertaining to disclosure and availability of required records.

#### **Statement**

Openness leads to a better informed citizenry, which leads to better government and better public policy. Consistent with the premise that government at all levels exists first and foremost to serve the interests of the people, it is the mission and intent of the School

to at all times fully comply with and abide by both the spirit and the letter of Ohio's Public Records Act and the Internal Revenue Service Taxpayer Bill of Rights II.

### **Internal Revenue Disclosure Requirements**

1. The School must make available for public inspection its exemption application. An exemption application includes the Form 1023, together with supporting documents and any letter or document issued by the IRS concerning the application.
2. In addition, the School must make available for public inspection and copying its annual return (Form 990) including any schedules, attachments, or supporting documents that relate to the imposition of tax or the unrelated business income of the organization.
3. If applicable, the School must make available for public inspection and copying any Form 990-T (Exempt Organization Business Income Tax Return) filed after August 17, 2006.
4. The School is not required to disclose Schedule K-1 of Form 1065 or Schedule A of Form 990-BL.
5. Documents must be available for a three-year period beginning with the due date of the return (including any extension of time for filing).
6. In response to a written *or* in-person request by an individual at the principal office of the School, a copy of the covered tax documents must be provided to the requester. If the request for copies is made in person, the request will generally be honored on the day of the request; if the request is written, then the School has thirty days to respond. (A request that is faxed, e-mailed or sent by private courier is considered a written request.)
7. The School may charge reasonable copying costs and the actual cost of postage before providing the copies. The School can charge no more than the Internal Revenue Service charges for copying (the Freedom of Information Act provides a rate of 20 cents per page). The law permits this, but the School must provide timely notice of the approximate cost and acceptable form of payment within seven days of receipt of the request. Acceptable forms of payment must include cash and money order (in the case of an in-person request) and certified check, money order, and personal check or credit card, in the case of a written request.

### **Ohio Attorney General Disclosure Requirements**

In addition to the public disclosure requirements set forth by the Internal Revenue Service, the Ohio Attorney General has set forth additional requirements which the School shall follow.

#### **Defining Public Records**

All records kept by the School are public unless they are exempt from disclosure under Ohio law. All public records must be organized and maintained in such a way that they can be made available for inspection and copying.

A record is defined to include the following: A document in any format – paper, electronic (including, but not limited to, business e-mail) – that is created, received by, or comes under the jurisdiction of the School that documents the organization, functions, policies, decisions, procedures, operations, or other activities of the School.

### Response Timeframe

Public records are to be available for inspection during regular business hours, with the exception of published holidays. Public records must be made available for inspection promptly. Copies of public records must be made available within a reasonable period of time. “Prompt” and “reasonable” take into account the volume of records requested; the proximity of the location where the records are stored; and the necessity for any legal review and redaction of the records requested.

It is the goal of the School that all requests for public records should be acknowledged in writing or, if possible, satisfied within 10 business days following the School’s receipt of the request.

### Handling Requests

No specific language is required to make a request for public records. However, the requester must at least identify the records requested with sufficient clarity to allow the School to identify, retrieve, and review the records. If it is not clear what records are being sought, the School must contact the requester for clarification, and should assist the requester in revising the request by informing the requester of the manner in which the School keeps its public records.

The requester does not have to put a records request in writing, and does not have to provide his or her identity or the intended use of the requested public record. It is the School’s general policy that this information is not to be requested. However, the law does permit the School to ask for a written request, the requestor’s identity, and/or the intended use of the information requested, but only (1) if a written request or disclosure of identity or intended use would benefit the requestor by enhancing the School’s ability to identify, locate, or deliver the public records that have been requested; and (2) after telling the requestor that a written request is not required and that the requester may decline to reveal the requestor’s identity or intended use.

In processing the request, the School does not have an obligation to create new records or perform new analysis of existing information. An electronic record is deemed to exist so long as a computer is already programmed to produce the record through simple sorting, filtering, or querying. Although not required by law, the School may accommodate the requestor by generating new records when it makes sense and is practical under the circumstances.

In processing a request for inspection of a public record, a the School employee must accompany the requester during inspection to make certain original records are not taken

or altered.

A copy of the most recent edition of the Ohio Sunshine Laws manual is available via the Attorney General's internet website ([www.ohioattorneygeneral.gov](http://www.ohioattorneygeneral.gov)) for the purpose of keeping employees of the School and the public educated as to the School's obligations under the Ohio Public Records Act, Open Meetings Act, records retention laws and Personal Information Systems Act.

#### Electronic Records

Records in the form of e-mail, text messaging, and instant messaging, including those sent and received via a hand-held communications device (such as a Blackberry) are to be treated in the same fashion as records in other formats, such as paper or audiotape.

Public record content transmitted to or from private accounts or personal devices is subject to disclosure. All employees or representatives of the School are required to retain their e-mail records and other electronic records in accordance with applicable records retention schedules.

#### Denial or Redaction of Records

If the requester makes an ambiguous or overly broad request or has difficulty in making a request for public records, the request may be denied, but the denial must provide the requester an opportunity to revise the request by informing the requester of the manner in which records are maintained and accessed by the School.

Any denial of public records requested must include an explanation, including legal authority. If the initial request was made in writing, the explanation must also be in writing. If portions of a record are public and portions are exempt, the exempt portions may be redacted and the rest released. When making public records available for public inspection or copying, the School shall notify the requestor of any redaction or make the redaction plainly visible. If there are redactions, each redaction must be accompanied by a supporting explanation, including legal authority.

#### Copying and Mailing Costs

Those seeking public records may be charged only the actual cost of making copies, not labor. The charge for paper copies is 10 cents per page. The charge for electronic files downloaded to a compact disc is \$5.00 per disc.

A requester may be required to pay in advance for costs involved in providing the copy. The requester may choose whether to have the record duplicated upon paper, upon the same medium in which the public record is kept, or upon any other medium on which the School determines that the record can reasonably be duplicated as an integral part of the School's normal operations.

If a requester asks that documents be mailed, he or she may be charged the actual cost of the postage and mailing supplies. There is no charge for documents e-mailed.

### Managing Records

The School's records are subject to records retention schedules. The School's current schedules are available at the School, a location readily available to the public as required by §149.43(B)(2), Ohio Revised Code.

## Article XVII

### WHISTLEBLOWER POLICY

#### Section I

##### Purpose

The Code of Ethics (the "Code") of the School, an Ohio non-profit corporation and tax exempt organization, requires the directors, officers and staff members to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As staff members and representatives of the School, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. It also is our responsibility to report violations of the Code in accordance with this Whistleblower Policy. No director, officer or staff member who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. The School has adopted this Whistleblower Policy to address the submission by directors, officers and staff members of complaints, concerns and suspected violations with respect to one or more of the following matters:

1. Questionable accounting, internal accounting controls and auditing matters.
2. Compliance with legal and regulatory requirements.
3. A violation or suspected violation of the School's Code of Ethics.
4. A retaliatory act against a director, officer or staff member who reports a suspected violation of any of the above matters.

#### Section II

##### Reporting Responsibility

It is the responsibility of all directors, officers and staff members to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy. Under this policy, it is a disciplinary issue for a staff member to know of ethical misconduct and stay silent.

#### Section III

##### No Retaliation

No director, officer or staff member who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. A staff member who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable staff members and others to raise serious concerns within the School prior to seeking resolution outside the organization.

#### **Section IV**

##### **Reporting Violations**

The Code addresses the School's open door policy and suggests that staff members share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, a staff member's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with the Executive Director or anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected violations of the Code of Conduct to the Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the School's open door policy, individuals should contact the Compliance Officer directly.

#### **Section V**

##### **Compliance Officer**

The School's Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his/her discretion, shall advise the Executive Director and/or the audit committee. The Compliance Officer has direct access to the audit committee and is required to report to the audit committee at least annually on compliance activity. The School's Compliance Officer is the Superintendent, or his/her designee. If a director, officer or staff member thinks it is inappropriate to report a complaint, concern or suspected violation to the Compliance Officer, the complainant should report such matters to the President of the Board of Directors.

#### **Section VI**

##### **Accounting and Auditing Matters**

In the event that a reported concern of complaint involves corporate accounting practices, internal controls or auditing matters, the Compliance Officer shall immediately notify the audit committee of the complaint and work with the audit committee until the matter is resolved. The audit committee shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing matters.

## Section VII

### Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly false will be viewed as a serious disciplinary offense.

## Section VIII

### Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## Section IX

### Handling of Reported Violations

The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

## Section X

### Acknowledgement and Distribution of Policy

As it is the intent of the School to strive for high ethical conduct from all directors, officers and staff. The Board of Directors is particularly sensitive to individuals who hold management and governance positions of trust and confidence in fulfilling the mission and goals of the School. These sensitive positions include all officers, members of the Board of Directors, the Executive Director and key senior staff members designated by the Executive Director. Therefore, each of the above staff will receive a copy of this Policy, and any subsequent updates, and will be requested to acknowledge and sign this Code by July 1<sup>st</sup> of each year. This acknowledgement will be kept on file in the personnel files of each staff member and in the board files for each board member.

## Section XI

### Records

The Compliance Officer shall retain for a period of at least seven (7) years, all records relating to any complaint, concern or suspected violation reported to him/her in accordance with this Whistleblower Policy.

### **Article XVIII**

#### **Employee Dismissal and Grievance Procedures**

All employees of the School are and shall be at-will employees that may be terminated or whose contracts may be non-renewed for any reason, provided that the decision is not in violation of any applicable law. In the event the Building Leader or Superintendent intends to recommend the non-renewal of an employee's contract, s/he shall comply with applicable statutory and contractual non-renewal procedures. Any decision to terminate a staff member's employment contract shall be subject to review consistent with the grievance procedures.

#### **DEFINITIONS**

For purposes of this grievance procedure, the following definitions shall apply:

"Workplace safety" refers to any condition of employment or duty, responsibility, or environmental hazard that may reasonably be viewed to affect an employee's health or the health of other employees. Workplace safety matters expressly include workplace harassment, including sexual harassment. In the event that an employee believes the safety of the workplace is compromised by harassment, s/he must first make a complaint concerning the matter and follow the procedures outlined in the School's Harassment Policies. Grievance timelines associated with workplace harassment do not begin to run until completion of an investigation and final action on the complaint by the administration.

"Termination" does not include voluntary resignation or retirement.

"Employee discipline" refers to unpaid suspensions and written reprimands, but excludes performance conferences/evaluations, staff assignments, oral reprimands (unless a written record of the reprimand is placed in the employee's file).

"Grievance" shall mean a dispute concerning an employee's discipline or termination of employment, or a dispute concerning workplace conditions that affect workplace safety. Only one subject matter shall be covered in any one grievance.

#### **GRIEVANCE PROCEDURE**

It is the policy of the School to treat all employees equitably and fairly in matters affecting their employment. Each employee of the School shall be provided an opportunity to understand and resolve matters affecting employment that the employee believes to be unjust. This section shall apply to all regular full-time, part-time, limited, temporary, and seasonal employees not covered by a collective bargaining. This procedure is available in the case of any employee's disagreement with discipline or termination of employment, as well as any matter relating to workplace safety.

All employee grievances must be filed, in written form, by the aggrieved employee(s). The grievance must be filed within five (5) working days after the employee knew or should have known of the cause of such grievance.

A written grievance shall contain:

- A. the name and position of the grievant;
- B. a clear and concise statement of the grievant;
- C. the issue involved;
- D. the relief sought;
- E. the date the incident or violation took place;
- F. the specific section of the Staff/Employee Handbook alleged to have been violated;
- G. the signature of the grievant and the date.

The following procedures shall be followed:

#### STEP 1- APPEAL TO SUPERINTENDENT

The employee may, within five (5) working days of the date of an employee dismissal, termination or non-renewal is issued, present his/her grievance in writing to the Superintendent. This grievance shall fully state the details of the problem and suggest a remedy. The Superintendent shall, within five (5) working days of receipt of the grievance, meet and discuss the grievance with the employee and then reply in writing within ten (10) working days.

#### STEP 2 – APPEAL TO BOARD GRIEVANCE/DUE PROCESS COMMITTEE

In the event the matter is not resolved to the employee's satisfaction by the Superintendent, the employee may, within five (5) working days of the date of the written decision of the Superintendent, request in writing that the matter be heard before the Board Grievance/Due Process Committee. The Chair of the Board Due Process/Grievance Committee shall conduct the hearing. The Chair of the Board Due Process/Grievance Committee may also appoint a second hearing officer or a panel of hearing officers from the current roster of School Board members, of which said panel must consist of less than a majority of the total members of the School Board. The Chair of the Board Due Process/Grievance Committee shall delegate to the Superintendent the responsibility to arrange for a venue and logistical implementation for such hearing to occur. Each grievance shall be heard by the Board Due Process/Grievance Committee and such hearings shall be private. The employee and the Superintendent may present witnesses, and each side may select one individual to attend the hearing as a

representative. Any employee representative selected shall be at no expense to the School. The Board Due Process/Grievance Committee may only consider the matter(s) as grieved and presented to him/her/them in the initial grievance filed by the employee. The decision will apply exclusively to the employee presenting the grievance. The Board Due Process/Grievance Committee shall issue a written decision within ten (10) working days of the hearing of the grievance via U.S. Certified Mail.

### STEP 3 – APPEAL TO THE BOARD

In the event that the employee is dissatisfied with the Board Due Process/Grievance Committee decision, s/he may, within ten (10) working days of receipt of the decision, appeal the grievance(s) in writing, to the full Board of Directors, of which a majority of the board shall hear the matter at its next regularly scheduled board meeting, unless postponed by mutual agreement. The Board shall, after discussion with appropriate personnel and after hearing the grievance from the employee in an Executive Session, make a decision by majority vote, which shall be final. The grievant shall be notified, in writing, of the final decision within ten (10) working days, via US Certified Mail. This procedure constitutes the exclusive process for the redress of any employee grievances.

However, nothing in this grievance procedure shall prevent any employee from addressing concerns regarding matters not subject to the grievance procedure with school administration, and employees are encouraged to do so.

Time limits contained in this grievance procedure outlined above may be extended by the written mutual consent of the parties. If any applicable time limit for advancing the grievance to the next step in the process is not met, the grievance shall be deemed resolved. Each employee shall be afforded any opportunity to be represented at each step of the grievance procedure by a representative of the employee's choice and at no expense to the School.

## Article XIX Amendment of Bylaws

### Section 1. AMENDMENT

Subject to the power of the members, if any, of this corporation to adopt, amend, or repeal the bylaws of this corporation and except as may otherwise be specified under provisions of law, these bylaws, or any of the articles of incorporation, may be altered, amended, or repealed and new bylaws adopted by approval of the board of directors.

## Article XIX

### **Construction and Terms**

If there is any conflict between the provisions of these bylaws and the article of incorporation of this corporation, the provisions of the articles of incorporation shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the article of incorporation shall be to the articles of incorporation, articles of organization, certification of incorporation, organizational charter, corporate, charter, or other founding document of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986, as amended from time to time, or to corresponding provisions of any future federal tax code.

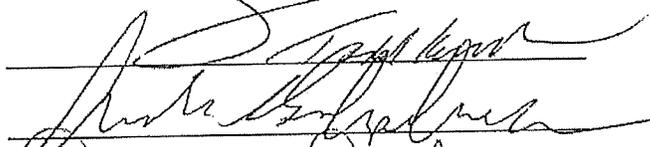
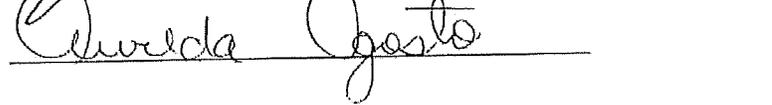
[End of Document]

# Lorain Bilingual Preparatory Academy

## ADOPTION OF BYLAWS

We, the undersigned, are all of the Board of Directors of this corporation, and we consent to, and hereby do, adopt the foregoing amendment bylaws, in its entirety, consisting of 42 preceding pages, as the bylaws of this corporation.

Dated: April 6, 2018

  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CERTIFICATION OF RESOLUTION

FIRST AMENDMENT TO BYLAWS/CODE OF REGULATIONS

Lorain Bilingual Preparatory Academy  
(An Ohio Non-Profit Corporation)

The Governing Authority (the "Board") of Lorain Bilingual Preparatory Academy (the "School" and the "Corporation"), a non-profit corporation organized under the laws of the State of Ohio, hereby resolves as follows:

IT IS HEREBY RESOLVED that the Lorain Bilingual Preparatory Academy Board of Directors adopts the Amendment to School Bylaws/Code of Regulations. The Amendment to Bylaws/Code of Regulations is attached as Exhibit A, attached hereto and incorporated herein as if restated in its entirety.

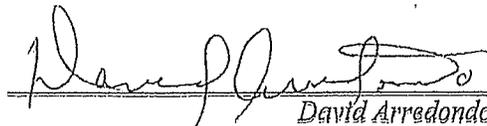
APPROVAL AND ADOPTION OF RESOLUTION

Motion to adopt the Amendment to Bylaws/Code of Regulations

~~(without)~~ / with) amendment, made by Member Bivins  
seconded by Member Bartlett

Board Member Name/Initials	AYE	NAY	OTHER (Not Present, Abstain, etc.)
David Arredondo	✓		
Kimberly Bartlett	✓		
Pastor Terrance Bivins	✓		
Todd Kubasak	✓		
Awilda Viera Baez, Chairwoman			Not present

Executed and adopted by a vote of the Board on this 11<sup>th</sup> day of June, 2020

  
\_\_\_\_\_  
David Arredondo, Vice Chairman  
Lorain Bilingual Preparatory Academy

**EXHIBIT A**

**AMENDMENT TO LORAIN BILINGUAL PREPARATORY ACADEMY BYLAWS/CODE OF REGULATIONS**

The following amendment to Lorain Bilingual Preparatory Academy ("School") Bylaws is hereby approved by the Governing Authority ("Board").

**Whereas**, Section 15 of the Bylaws/Code of Regulations states:

**A. Section 15. Meetings held through communication equipment:**

Meetings of the Board of Directors may not be held through communications equipment.

Meetings of committee of the Board may be held through communications equipment provided that all persons participating in such meeting can hear and otherwise communicate with each other. Such participation shall constitute presence at such a meeting.

**NOW THEREFORE**, the Board hereby approves the following amendment to the current bylaws:

**Section 15. Meetings held through communication equipment:**

~~Meetings of the Board of Directors may not be held through communications equipment.~~

Meetings the Board may be held through communications equipment provided that all persons participating in such meeting can hear and otherwise communicate with each other. Such participation shall constitute presence at such a meeting. Provided however, once the Corporation becomes a community school, the Directors must be physically present as defined by Ohio's Open Meetings Act at a meeting in order to be counted as part of a quorum and to vote.



## Lorain Bilingual Preparatory Academy

The School was not a currently existing public school or an educational service center building when it opened.





DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	CERT	COPY
04/18/2018	201809601964	DOMESTIC NONPROFIT CORP - ARTICLES (ARN)	99.00	0.00	0.00	0.00

**Receipt**

This is not a bill. Please do not remit payment.

CALLENDER LAW GROUP  
100 EAST BROAD ST.  
SUITE 690  
COLUMBUS, OH 43215

**STATE OF OHIO  
CERTIFICATE**

**Ohio Secretary of State, Jon Husted  
4164225**

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

**LORAIN BILINGUAL PREPARATORY ACADEMY**

and, that said business records show the filing and recording of:

Document(s)

**DOMESTIC NONPROFIT CORP - ARTICLES**

Effective Date: 04/06/2018

Document No(s):

**201809601964**



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of the  
Secretary of State at Columbus, Ohio this  
18th day of April, A.D. 2018.

**Ohio Secretary of State**

Form 532B Prescribed by:

Date Electronically Filed: 4/6/2018

**JON HUSTED**  
Ohio Secretary of State



Toll Free: (877) SOS-FILE (877-767-3453) | Central Ohio: (614) 466-3910  
www.OhioSecretaryofState.gov | busserv@OhioSecretaryofState.gov  
File online or for more information: www.OHBusinessCentral.com

For screen readers, follow instructions located at this path.

**Initial Articles of Incorporation**  
**(Nonprofit, Domestic Corporation)**  
**Filing Fee: \$99**  
**(114-ARN)**  
**Form Must Be Typed**

**First:** Name of Corporation

**Second:** Location of Principal Office in Ohio

City

State

County

**Optional:** Effective Date (MM/DD/YYYY)

(The legal existence of the corporation begins upon the filing of the articles or on a later date specified that is not more than ninety days after filing.)

**Third:** Purpose for which corporation is formed

see attached

\*\* Note: for Nonprofit Corporations: The Secretary of State does not grant tax exempt status. Filing with our office is not sufficient to obtain state or federal tax exemptions. Contact the Ohio Department of Taxation and the Internal Revenue Service to ensure that the nonprofit corporation secures the proper state and federal tax exemptions. These agencies may require that a purpose clause be provided. \*\*

\*\* Note: ORC Chapter 1702 allows for additional provisions to be included in the Articles of Incorporation that are filed with this office. If including any of these additional provisions, please do so by including them in an attachment to this form. \*\*

### Original Appointment of Statutory Agent

The undersigned, being at least a majority of the incorporators of

Lorain Bilingual Preparatory Academy

(Name of Corporation)

hereby appoint the following to be Statutory Agent upon whom any process, notice or demand required or permitted by statute to be served upon the corporation may be served. The complete address of the agent is:

JAMES S CALLENDER JR

(Name of Statutory Agent)

100 E. BROAD ST., SUITE 690

(Mailing Address)

COLUMBUS

(Mailing City)

OH

(Mailing State)

43215

(Mailing ZIP Code)

Must be signed by the incorporators or a majority of the incorporators.

JAMIE CALLENDER

(Signature)

(Signature)

(Signature)

### Acceptance of Appointment

The Undersigned,

JAMES S CALLENDER JR

(Name of Statutory Agent)

, named herein as the

Statutory agent for

Lorain Bilingual Preparatory Academy

(Name of Corporation)

hereby acknowledges and accepts the appointment of statutory agent for said corporation.

Statutory Agent Signature

JAMES S CALLENDER JR

(Individual Agent's Signature / Signature on Behalf of Business Serving as Agent)

By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

**Required**

Articles and original appointment of agent must be signed by the incorporator(s).

JAMIE CALLENDER

Signature

If the incorporator is an individual, then they must sign in the "signature" box and print his/her name in the "Print Name" box.

By (if applicable)

Print Name

If the incorporator is a business entity, not an individual, then please print the entity name in the "signature" box, an authorized representative of the business entity must sign in the "By" box and print his/her name and title/authority in the "Print Name" box.

Signature

By (if applicable)

Print Name

Signature

By (if applicable)

Print Name

Purpose for which corporation is formed:

1. To form, maintain and provide a school exclusively for educational, literary, scientific and related teaching services of all kinds that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, and to receive and maintain real or personal property, or both, to use and apply the whole or any part of the income therefrom and the principal thereof exclusively for the purposes set forth hereinabove.
2. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to any Director or Officer of the Corporation, or any member of the Corporation or any other private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), and no Director or Officer of the Corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation. No substantial part of the activities of the Corporation shall be carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.
3. The Corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
4. The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
5. The Corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
6. The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

7. The Corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
8. Notwithstanding any other provisions of these Articles of Incorporation, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and Regulations as they now exist or as they may hereafter be amended.
9. Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, education, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed by the Court of Common Pleas of the county in which the principal office of the Corporation is then located, exclusively for such purposes, or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **MAY 22 2019**

LORAIN BILINGUAL PREPARATORY  
ACADEMY  
C/O HEIDI L CALLENDER  
9853 JOHNNYCAKE RIDGE RD STE 107  
MENTOR, OH 44060

Employer Identification Number:  
82-5246755  
DLN:  
17053320311028  
Contact Person:  
PETER A ORLETT ID# 31436  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
June 30  
Public Charity Status:  
170(b)(1)(A)(ii)  
Form 990/990-EZ/990-N Required:  
Yes  
Effective Date of Exemption:  
April 6, 2018  
Contribution Deductibility:  
Yes  
Addendum Applies:  
No

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

You're not subject to the specific publishing requirements of Revenue Procedure 75-50, 1975-2 C.B., page 587, as long as you operate under a contract with the local government. If your method of operation changes to the extent that your charter is terminated, cancelled or not renewed, you should notify us. You'll also be required to comply with Revenue Procedure 75-50.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt

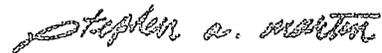
Letter 947

LORAIN BILINGUAL PREPARATORY

organization, go to [www.irs.gov/charities](http://www.irs.gov/charities). Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

We sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

Handwritten signature of Stephen A. Martin in cursive script.

Director, Exempt Organizations  
Rulings and Agreements

Appendix B

- The management and administration of the school; and
- The organizational chart.

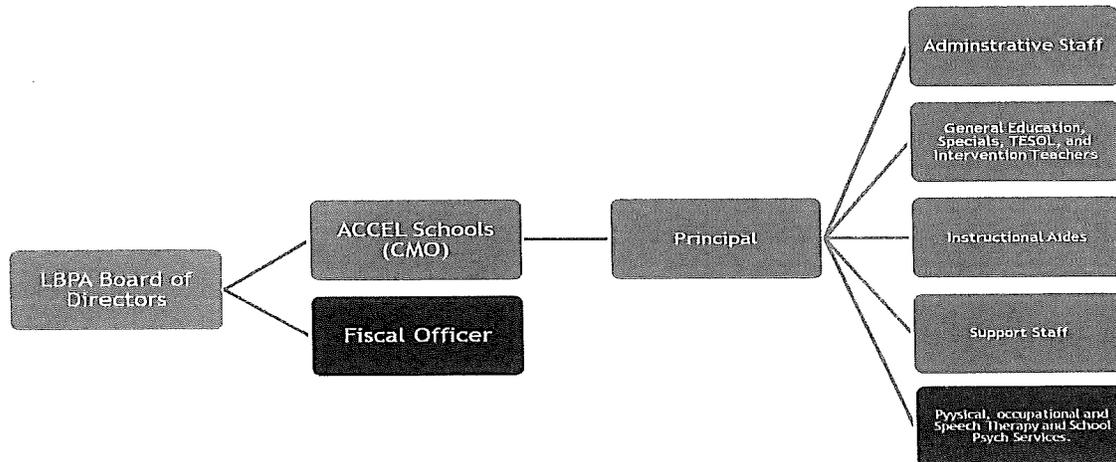


## APPENDIX B

### Management and Administration of the School

---

#### Lorain Bilingual Preparatory Academy Organization Chart



The management and administration of the Academy is led by the Board of Directors of Lorain Bilingual Preparatory Academy. The Academy has contracted with two main partners a Fiscal Treasurer and a Management Organization. Both organizations will work closely with the Board of Directors to ensure the goals of the charter are upheld. In addition, the Academy will also work closely with our Board Counsel for training, contract review and advice. As outlined in the organization chart, the Board of Directors is responsible for holding all contractors accountable.

#### **Board of Directors:**

It is the Board's responsibility to ensure that the total organization is effective in achieving its mission and efficient in using its resources. This annual discussion is begun by evaluating success as a board. By evaluating its performance in fulfilling its responsibilities, the Board can recognize its achievements and reach consensus on which areas need to be improved.

The Board has sought board members that have diverse backgrounds in a number of areas critical for maintaining a high-functioning governing board. We have looked for individuals with experience in: education, higher education, finance, fundraising, organizational development, charter school governance, marketing, and community outreach. We also sought diversity in terms of race and ethnicity, gender, and age. The Board meets monthly and as the school's expansion unfolds during the next few years, the Board will remain committed to the training and support which has ensured a high level of functionality since our inception.

As the school's public agents, the Board is legally and ethically responsible for ensuring the school's academic achievement, organizational viability, and adherence to the terms of its charter. The Board asserts much of its leadership through its policy-setting responsibilities. Board-level policies allow the school to operate effectively and efficiently in pursuit of its mission by establishing clear frameworks for the implementation of the school's work. As a new school, we will work closely with our legal counsel to develop policies and procedures that are aligned with state requirements. All powers of the Board lie in its collective action.

The main responsibilities of the Board are:

- Stay true to the school's Vision and Mission
- Select the Administrator
- Provide Proper Financial Oversight (including federal and state funds)
- Ensure Adequate Resources
- Ensure Legal and Ethical Integrity and Maintain Accountability
- Ensure Effective Organizational Planning
- Recruit and Orient New Board Members and Assess Board Performance
- Enhance the School's Public Standing
- Determine, Monitor and Strengthen the School's Programs and Services
- Support the Principal/Head of School and Assess His or Her Performance

### **Management Organization:**

Accel Schools will be responsible for managing the daily operations of the school as well as providing the school's innovative blended learning curriculum. The management organization will lead all aspects of the school's curriculum, operational model, staffing structure, professional development, and all other efforts to ensure that the school is highly effective in educating its student population. Accel Schools, as the school's management organization, will report to the school's Governing Authority.

The management organization will be responsible for oversight of the school's educational programs, supervision of the school's Principal and staff, and administration of the school's business affairs including the following services:

1. Work with the Sponsor and other agencies as necessary to obtain and maintain the authorization for the school, including maintaining compliance with reporting requirements and any other general inquiries received from these agencies;
2. Provide marketing for student recruitment and enrollment;
3. Provide back office support services in the areas of:
  - i. Finance and Accounting
    1. Payroll and Payment Administration
    2. Accounting
    3. Financial Analysis (cost comparison, trends analysis)
    4. Financial Management (budgeting, tools and tracking, reporting templates)
    5. Budget projections, summary actual and summary budget
  - ii. Staff Recruitment
    1. Manage talent pipeline for all staff. Duties include:
      - a. Cultivate talent through job postings, attendance at career fairs, webinars, and advertisements
      - b. Design and manage selection process
      - c. Conduct reference checks

- iii. Human Resources
    - 1. Support employee life cycle. Duties include:
      - a. On-board and process all new employees
      - b. Off-board and exit all departing employees
    - 2. Administer all employee benefits. Duties include:
      - a. Research, identify and recommend benefits package for employees providing services to the schools
      - b. Enroll/Dis-enroll all new employees
      - c. Serve as primary point of contact between employees and benefit providers
    - 3. Provide support/consultation for all personnel issues
    - 4. Maintain all personnel records
    - 5. Develop, manage, and maintain human resources information System
    - 6. Develop and maintain all personnel policies and procedures
  - iv. Instructional Leadership
    - 1. Provide professional development, training, support, and tools to school leadership staff
    - 2. Create tools and resources to support classroom teachers
    - 3. Operate teacher summer training program
  - v. Curriculum Development and Individualization
    - 1. Provide guidance relating to the curriculum
    - 2. Identify instructional on-line learning programs to support individualized student learning
    - 3. Serve as primary point of contact between on-line learning program providers and school
    - 4. Create scope and sequence maps for all taught subjects in all grades
    - 5. Identify and select assessment suite
    - 6. Develop and maintain student performance database
    - 7. Identify and implement tutoring curriculum
  - vi. Data
    - 1. Aggregate and analyze student data
    - 2. Provide data reports for authorizers and funders
    - 3. Develop, manage, and maintain student information system
  - vii. Operational Systems
    - 1. Design and develop school operations systems. Systems may include, but are not limited to:
      - a. Lottery and enrollment system
      - b. Compliance system
      - c. Lunch administration system
      - d. IEP management system
      - e. Attendance tracking system
      - f. Performance management system
      - g. Information technology
      - h. Equipment procurement
  - viii. Insurance
    - 1. Identify and recommend casualty, liability, officers and directors and other insurance for the School
    - 2. Oversee premium payment and claims management on school's behalf
4. Legal and Compliance
- i. Comply with local, state, and federal constitutional, statutory, and judicial

- matters
- ii. Maintain school records in compliance with state and federal law
- iii. Comply with Sponsor requirements and maintain school records system  
Manage pupil accounting according to state procedures

**Treasurer:**

An independent treasurer performs a vital role for the Board of Directors by providing clear and understandable financial information to support the fiduciary responsibility to the school. Essential roles include:

- Assist in the development, implementation and maintenance of the fiscal policies and procedures for the school and the Governing Authority in accordance with professional accounting standards;
- Maintain financial stability in internal fiscal controls and systems to assure compliance with established standards, policies and procedures;
- Provide recommendations to the School and Governing Authority of alternative fiscal practices or plans which would result in additional revenue, decreased expenditures and financial efficiency;
- Provide technical advice or assistance regarding fiscal matters, policies, procedures and computerized accounting systems;
- Secure a Public Official Bond on behalf of the School and maintain credentials required by the State of Ohio to hold the position of Fiscal Officer;
- Maintain all financial records in accordance with Generally Accepted Accounting Principles (GAAP);
- Ensure that all transactions are coded utilizing the State of Ohio Chart of Accounts and maintain ability to file reports on a cash-basis where required;
- Maintain accurate general ledger and all their financial records; Prepare financial and statistical reports as requested by the School Administrator and the Governing Authority;
- Assist in preparation, monitoring, and revision of Annual Budget for the School. Present comparison of actual results to budget at all regular meetings of the Governing Authority;
- Assist in the preparation, revision, and submission of the School's Five-Year Forecast in accordance with Section 5705.391 of the Ohio Revised Code;
- Monitor and comply with all financial requirements imposed on the School through Sponsor Contracts and if applicable, management agreements;
- Communicate with the Ohio Department of Education and the Auditor of the State of Ohio, among other funding agencies, to ensure sufficient funds are available for program operation and to assist in the execution of fund transfers;
- Review and approve financial status reports and funding reimbursement requests; Ensure the reports are reconciled to the general ledger, verify supporting documentation and submit to funding agencies in a timely manner;
- Responsible for working with appropriate School personnel to complete, submit, and Fiscal Approve the "Consolidated" application (Title I, IDEA and Title IIA) in the Comprehensive Continuous Improvement Plan (CCIP). This service would also extend to any other Federal programs that the School participates in through the CCIP.

- Responsible for all financial reporting and cash draw down requests for federal and state allocations made to the School;
- Prepare monthly unaudited financial statements and other financial reports (as requested) for presentation to the School Administrator and Governing Authority at special and regular meetings of the Governing Authority;
- Attend Board meetings (in person or by phone if necessary) to present financial reports to Board of Directors;
- Review and approve bank reconciliations on a monthly basis, verifying balances are reconciled to the general ledger;
- Review Accounts Payable records for accuracy of funding source, general ledger account coding and verify the supporting documents are attached, including those indicating approval;
- On an annual basis, prepare Form 1099-MISC on behalf of the School and distribute to qualifying parties;
- Ensure compliance with purchasing procedures.
- Maintain appropriate depreciation schedules for capitalized assets;
- Coordinate and act as the liaison between the Governing Authority, School, and Auditor of State of Ohio during the annual audit process. Prepare all schedules and compile all information as required for annual and interim audits by the Auditor of the State of Ohio;

#### **School Personnel:**

School success depends on the presence of exceptional leaders, highly qualified teachers and well-trained instructional coaches. Brief job descriptions are listed below.

**Head of School.** The Head of School ensures that all students are engaged in a safe learning environment that utilizes effective and approved curricula.

Responsibilities:

- Ensures the established policies and procedures are in place and enforced equitably for all participants of the school including students, staff and leadership
- Provides effective guidance, support, coaching, assistance and supervision to all members of the leadership team.
- Conducts evaluations for staff and leaders and earns and maintains OTES credentials
- Maintains knowledge of all polices, laws and mandates as imposed by the handbooks, State of Ohio and Department of Education and sees they are fully implemented and communicated effectively within the school building.
- Supervises all school personnel directly or indirectly
- Serves as the chief administrator of the school in developing, implementing and communicating policies, projects, programs, curricular and non- curricular activities in a manner that promotes the educational development of each student and the professional development and growth of each staff member.
- Conceptualizes goals and plans accordingly to ensure that procedure and schedules are implemented to carry out the total school program
- Ensures the school program in its entirety is compatible with the legal, financial and organizational structure of the school system.

- Identifies objectives for the instructional and extracurricular programs of the school
- Manages, directs and maintains records of supplies and equipment necessary to carry out the daily school routines
- Organizes, oversees and provides support to various services, supplies, materials, and equipment necessary to carry out the school program
- Assumes responsibility for the health, safety, and welfare of students, employees and visitors.
- Maintains and accounts for all student activity funds and money collected from Students and functions in compliance with the determined CFO policies
- Protects confidentiality of records and information gained as part of exercising professional duties and use discretion in sharing such information within legal confines.
- Provides progress reports and report cards to families
- Encourages the staff and leaders to contribute their best efforts to the school's success
- Organizes and oversees staff meetings
- Protects the privacy rights and confidentiality of matters in dealing with students and staff.
- Establishes the annual master schedule for instructional programs, ensuring sequential learning experiences for students consistent with the school's philosophy, mission statement and instructional goals.

**Director of Academics.** The Director of Academics enhances student learning by offering instructional staff mentoring and regular professional development.

Responsibilities:

- Design and facilitate professional development for teaching staff that are purposefully designed to meet the identified needs and concerns of teachers.
- Create and foster positive learning environments for teachers to ACCELErate professional growth.
- Advocate for student learning and employ instructional mentoring strategies designed to help teachers enhance student learning.
- Ensure academic programming supports strong improvement in student academic performance
- Ensures that appropriate differentiation is implemented for all learners including those with exceptional needs
- Use data results from all internal and external assessment systems to inform all curricular decisions
- Seek and share curriculum practices from high performing urban schools
- Serve as primary instructional coach for new and existing faculty; providing feedback and support on instructional methods, classroom management, and curriculum and implement coaching plans when necessary to assist staff in areas of weakness or deficiency
- Helps staff resolve problems that impede student participation in appropriate learning activities thorough conference, professional development and coaching.
- Participates in collaborative planning of effective staff development programs that improve teaching outcomes and student learning (e.g., methods, skills, commitment, etc.).
- Helps manage the instructional program. Promotes academic excellence in a nurturing environment

- Conduct frequent classroom observations and provide intentional feedback to push classroom instruction and teacher performance

**Teachers.** Teachers drive student learning through high quality, well-planned instruction.

Responsibilities:

- Use assessment data to refine curriculum and inform instructional practices.
- Participate in collaborative curriculum development, grade-level activities, and school-wide functions.
- Communicate effectively with students, families, and colleagues.
- Remain highly organized and meet deadlines 100% of the time.
- Create intentional lesson plans that support academic rigor and student engagement.
- Deliver highly effective daily lessons based on student need, rooted in research-based instructional practices.
- Differentiate instruction to meet the needs of all students.
- Utilize research-based best practices in daily planning and classroom instruction.
- Create a joyful, caring, and loving classroom environment for all students.
- Integrate culturally responsive teaching practices into daily lessons and interactions with students, parents, and colleagues.
- Implement school-wide culture expectations and norms, inside the classroom and beyond.
- Communicate regularly with families regarding the academic and social-emotional growth of their child.
- Incorporate 21st century technology skills into daily classroom practice and team settings
- Collaborate and communicate effectively, humbly, and respectfully with all colleagues.



### Appendix C

- The mission and educational philosophy of the School;
- The instructional program and curriculum, including STEM designation if applicable;
- Learning Opportunities;
- Blended Learning or Electronic-based school requirements, if either is applicable;
- Mission; and
- Anticipated characteristics of student population.



## APPENDIX C

### **[Instructional Program]**

#### **A. Mission**

The mission of the Lorain Bilingual Academy is to allow students to become productive global citizens of the world by providing them with a world-class high-quality education.

#### **B. Vision**

Our vision is to become a school that provides highly qualified, high school and college ready students regardless of their native language. Lorain Bilingual Academy's curriculum model embraces standards-based instruction in such a way that allows for research-based resources to be used within a framework of best practices fostering engagement to produce students who are considered highly qualified applicants for high school and college. Research shows that the four components of high school and college readiness are: cognitive strategies, content knowledge, self-management skills, and knowledge about postsecondary education. With this understanding in mind our LBA's curriculum model embeds the very components that foster high school and college readiness.

#### **C. Values**

The Academy will implement a school model that places an emphasis on building a foundation for post-secondary education while providing a supportive environment for students, families, and staff. The Academy will ensure the following essential values:

- ***SAFE and Caring:*** We care about the well-being and development of each child. We are interested in each child's future. Secure and orderly learning environments are our top priority. We address every aspect of security, from building codes and safety procedures, to codes of conduct and character education.
- ***Individualized Learning:*** We care about every student and are committed to preparing children for lifelong success. We know that each student has unique needs, and our educational approach ensures we provide an educational path that engages all students.
- ***Academic Excellence:*** We bring great teachers, proven educational practices, and rigorous standards to every classroom. We share best practices in curriculum design, teacher training, and integrated technology to drive continuous gains in academic performance.
- ***Community Partnership:*** Those who live and work in a community know it best. Our School honors the values of the community and partners, stakeholders, and government leaders to serve the community.
- ***Accessible to All:*** We foster a culture that is reflective of local values and interests and are open to all students.

### **Educational Program**

---

#### **Curricular Plan**

The school is built on a strong foundation of high expectations for academic achievement for all students. A standards-based curriculum that teaches students skills for college and career readiness is fundamental to the teaching and learning program implemented at the school. Teachers will receive on-going professional development in unpacking learning standards so that students develop the skills necessary to successfully advance from one grade level to the next. The curriculum is built on the Ohio Learning Standards (OLS) for English Language Arts, mathematics, science, social studies, visual arts, and physical education.

The Head of School and Director of Academics will work with the teachers to develop the curriculum maps and pacing guides for Lorain Bilingual Academy. The resources from Houghton Mifflin Harcourt (HMH) for Reading, Mathematics, Social Studies and Sciences provide a starting point for the development of both documents. To ensure there are no additional gaps, our team will work together to create curriculum maps for every core subject and grade level. The pacing guides will be developed to provide a timeline for moving through the curriculum. The driving force in the curriculum mapping process was the review of the ODE Model Curriculum. We will continue to review these the curriculum to ensure the OLS are accurately met.

A curriculum map provides a guide to ensure instruction covers the standards and meets the needs of ALL learners. A curriculum map documents the relationship between every component of the curriculum and allows teachers to check for gaps and redundancies. It is a process for collecting and recording curriculum-related data that identifies core skills and content taught, processes employed, and assessments used for each subject area and grade level. All School Curriculum Maps and Pacing Guides will be continuously updated.

Curriculum maps in ELA and Mathematics will be created using the model curriculum and maps from HMH Journeys and HMH Go Math. Curriculum maps in Mathematics were research-based and created by HMH Go Math. We will follow the curriculum maps and pacing for this content. We will conduct a gap analysis to ensure the curriculum maps are accurate and fill any gaps with supplemental materials.

Curriculum maps in Science and Social Studies will be developed using:

- ODE Model Curriculum and Ohio Learning Standards
- A publisher's planning/pacing guide, which may include suggestions for pacing instruction.
- Assessment schedules
- Teacher expertise in grade level and content

The major difference between curriculum maps and pacing guides is that curriculum maps are what will be taught during the current school year, while pacing guides are when and for how long content will be taught.

Pacing guides are like timelines showing what each teacher cover over the course of a year. Each subject area follows a logical sequence within a grade level and between grade levels. The pacing guides will sequence the Ohio Learning Standards in a logical and progressive manner. The pacing guides will outline what is to be taught, when it is to be taught and for how long it is to be taught. The pacing guides will outline the scope – the set of topics that will be studied. The scope is the breadth and depth of the course content. We will have the following goals for our pacing guides:

- To guide teachers to understand what, when, and for how long they are going to teach the standards. We will encourage different teaching styles, but want to ensure the standards, assessments, and basic content are taught in a way that will allow our teachers to examine data and make informed decisions to increase student outcomes.
- To allot more time for more in-depth standards. To determine which standards may need more time, we reviewed the OLS looking for difficult standards, standards with multiple layers or sub-standards.
- To involve teachers in the development and review of the pacing guides. Pacing guides will be reviewed during Professional Development meetings during summer, weekly grade level meetings, and professional development days in correlation with data review to inform decision making and adjust pacing, breadth and depth.

Curriculum maps and pacing guides for Art, Music, and PE will be created by the specialists. When possible, the specialists will work collaboratively with other ACCEL teachers in the same subject area to

develop curriculum maps and pacing guides. For curriculum mapping, the specialists will go through the process of collecting and recording curriculum-related data that identifies core skills and content taught, processes employed, and assessments used for the subject area (Art, Music, PE) and grade level. The completed curriculum map will then become a tool that helps teachers keep track of what has been taught and plan what will be taught. The pacing guide will be developed in order to help plan the year to enable the teachers to cover necessary material.

## **Instructional Practices**

### ***Instructional Strategies:***

***Differentiated Instruction:*** Differentiation is a teacher-driven effort to respond to variations among learners. Teachers can differentiate instruction in at least four areas: content, process, products/culminating projects, and learning environment. Our teachers are taught effective strategies for successfully tailoring all of these areas to individual student needs, insuring that different learners are all given the best opportunity to succeed.

There is much evidence showing that students are more successful academically if they are taught in ways that match their readiness levels (e.g., Vygotsky, 1986), interests (e.g., Csikszentmihalyi, 1997) and learning profiles (e.g., Sternberg, Torff, & Grigorenko, 1998). Also, differentiating instruction is a key part of effective professional development. Expert teachers' pay attention to their students' varied learning needs (Danielson, 1996); "to differentiate instruction, then, is to become a more competent, creative, and professional educator."<sup>[1]</sup> Differentiated instruction is a key component of the professional development program for all teachers.

***Teaching to Multiple Intelligences:*** Accel recognizes different domains of ability, or "intelligences," as described by Dr. Howard Gardner.<sup>[2]</sup> Gardner's Theory of Multiple Intelligences provides a foundation for recognizing the different abilities and talents of students. This theory acknowledges that while all students may not be verbally or mathematically gifted, children are likely to have expertise in other areas, such as music, spatial relations, or interpersonal skills. The program seeks to capitalize on children's various skills, experiences, and talents to provide them with multiple opportunities to learn and succeed.

***Reciprocal Teaching:*** Using reciprocal instruction, a teacher introduces a concept and then reinforces it by circling back to it in later lessons. Our model is predicated on the balance between rigorous core courses in Language Arts, Mathematics, and Science and a Social Studies curriculum that applies basic core skills in a highly engaging manner, providing students with content knowledge rich in cultural literacy while reinforcing basic skills.

***Extensive use of technology both integrated throughout the curriculum and used to facilitate learning and monitor individual progress:*** Our goals here are to a) ensure that students are versed in using technology for communications, research, presentation, calculations and more – and b) develop and implement a clear vision for school-wide, data-driven culture in every school we serve, leading to the effective use of data to drive school improvement.

***Strong emphasis on reading, literacy and numeracy fundamentals,*** with rigorous emphasis on core subjects every day. Data-driven instructional groups are used daily to differentiate learning through small group "workshop" opportunities.

### ***Research Based Curriculum Resources include:***

***English Language Development:*** *The HMH ACCESS* series has curriculum resource materials to support *English, Science, Math, Science and Social Studies*. The materials focus on language development that prepares students for academic and lifelong success and on supporting educators and families in creating a collaborative environment that fosters student achievement.

***English Language Arts:*** *The HMH Journeys* program will be used to provide core reading instruction to students. *Journeys* delivers effective vocabulary instruction, reading comprehension instruction and

differentiation to meet the needs of all learners. When we add additional grade levels, middle school students in grades 6 – 8 will receive instruction in English Language Arts using the Houghton Mifflin Harcourt, *Collections Series*.

**Mathematics:** The *McGraw Hill Everyday Math* curriculum will be used to teach the Ohio Learning Standards for Mathematics. Go Math provides a standards based approach integrated with creative instruction and digital learning to provide a robust approach to mathematics instruction. Go Math is aligned to the Ohio Learning Standards for Mathematics and provides teachers with the alignments to the Ohio Learning Standards for mathematics. The program provides balanced instruction on mathematical content and practices that focus on application, critical thinking, and multiple representations.

The school's science instruction is aligned to the Ohio Learning Standards and Model Curriculum. The program is inquiry-based and designed in a manner to engage the interest of students. Utilizing the Model Curriculum as a guide the program is supplemented with resources from Science Weekly and Discovery Education. The program challenges students to think about real life applications with STEM skills being emphasized throughout the series. Lab activities are built into inquiry lessons that incorporate directed inquiry, guided inquiry, and independent inquiry. In addition to a comprehensive digital curriculum, each student has a write-in edition that incorporates vocabulary work, math and writing, and a reading component. Leveled readers provide rich opportunities for students to further develop informational reading standards aligned to Ohio Learning Science standards.

The school's social studies instruction is aligned to the Ohio Learning Standards and Model Curriculum. The program is inquiry-based and designed in a manner to engage the interest of students. Utilizing the Model Curriculum as a guide the program is supplemented with resources from Social Studies Weekly and Discovery Education and provides opportunities for students to learn content that is aligned to the national standards. Students learn about people, places, and events that help them make connections to the world in which they live. Units are organized around big ideas, and essential questions set the purpose for reading and focuses on a specific reading skill. These reading skills are explicitly addressed and assessed. Ohio specific resources are provided in accordance with the Ohio Learning Standards for Social Studies. Students are presented with biographies, point of view, primary sources, citizenship skills, and critical thinking skills to analyze, apply knowledge, make thoughtful decisions, pose questions, and apply events in history. Online programs include assessments, video selections, and interactive presentations to support student learning.

All classrooms will be equipped with the necessary supplies and equipment to meet the needs of our students. Upon opening each classroom will be equipped with HMH curriculum, access to school-wide assessments, White Boards, and Chromebooks. We will work with FIT technology to ensure each classroom has access to the internet and Whiteboards will be added to each classroom as funds are available. All specialists will have the needed supplies and materials to provide standards based instruction. LBA will also use supplemental digital resources such as IXL, Brainpop, iReady, and RazKids,

The School will implement a research-based Response to Intervention (RTI) framework and will establish a school based RTI team to ensure that students needing Tier 2 and Tier 3 services receive the research-based interventions that will allow them to accelerate their learning. The School Principal will lead the RTI framework and serve as the leader for RTI. Starting with the RTI process in the general classroom, the School's 3-tiered system utilizes multiple measures including, but not limited to, teacher observation, results from Ohio's State Tests (OCBA, KRA, OPELPA), normative testing (iReady), report cards/progress reports, classroom assessments, incident reports, behavior logs, suspension records, and anecdotal records. The results of these assessments are used to identify students that are "at risk" and demonstrate a struggle in performing proficiently with grade level material and skills. For those student

that are identified as “at risk” in the general education population, the students may be referred to the Intervention Assistance Team (IAT) to engage in the RTI process.

[1] All references from Tomlinson, C. (2001). *Differentiation of Instruction in the Elementary Grades*. ERIC Digests.

[2] Gardner, H. *The unschooled mind: how children think and how schools should teach* (1991); Gardner, H., & Hatch, T., *Multiple intelligences go to school: Educational implications of the theory of multiple intelligences* (1989) at 18(8), 4-9.

***Curriculum Material Evaluation:***

The instructional resources for the core curriculum were chosen by committee. The committee was responsible for reviewing vendors and materials. The resources were chosen based on The National Common Criteria for Quality Instructional Materials which included a discussion on 1. Content, 2. Equity and Accessibility, 3. Assessment, 4. Organization and Presentation, and 5. Instructional Design & Support. In addition, we also included our past history with other vendors and results with similar demographics. Once narrowed down, the final candidates were put before the Board of Directors for approval.

In the future, the change process for instructional resources and materials will continue to be data driven. It is not uncommon for a school to purchase an instructional resource only to determine there are gaps in the alignment to the State Standards. Based on the curriculum mapping process, we will determine any gaps and evaluate resources needed to fill these gaps including both text and online options. Should student data or teacher feedback determine a curriculum resource is needed, we will go to the Board for approval. Rather than set a review schedule (I.e. every five years), we will review our resources annually as part of our school-wide needs assessment. As part of the needs assessment we will gather feedback from all stakeholders including teachers, parents, administrators, and when appropriate the students.

In the area of technology, the school will likely have a mix of both Chromebooks and Apple computers. At this time, Chromebooks were chosen due to cost and ease servicing the product. A technology plan is being developed to determine a cycle for replacing these computers and adding additional technology based on the growth of the school enrollment. When possible, LBA will leverage the purchasing power of ACCEL to get the lowest possible price on all resources and materials.

Please find attached a sample calendar and bell schedule. With an extended day, our goal is to maximize the time spent in school with efficient transitions and a deliberate use of time for intervention and acceleration of student achievement.

First day of school:	August 9, 2018
School day start/end time:	7:45 – 3:15
Hours in school day:	7.5
Number of instructional minutes (core instruction) per day:	330
Number of instructional school days per year:	180
Number of supplemental instruction hours per day:	1
Time devoted to staff development during school year (indicate days or hours):	10 Days

Time devoted to staff development prior to school opening (indicate days or hours):	5 Days
---	--------

**Special Student Populations**

**Response to Intervention**

The School will implement a research-based Response to Intervention (RTI) framework and will establish a school based RTI team to ensure that students needing Tier 2 and Tier 3 services receive the research-based interventions that will allow them to accelerate their learning. The School Principal will lead the RTI framework and serve as the leader for RTI. Starting with the RTI process in the general classroom, the School's 3-tiered system utilizes multiple measures including, but not limited to, teacher observation, results from Ohio's State Tests (OCBA, KRA, OPELPA), normative testing (iReady), report cards/progress reports, classroom assessments, incident reports, behavior logs, suspension records, and anecdotal records. The results of these assessments are used to identify students that are "at risk" and demonstrate a struggle in performing proficiently with grade level material and skills. For those student that are identified as "at risk" in the general education population, the students may be referred to the Intervention Assistance Team (IAT) to engage in the RTI process.

The IAT uses the Response to Intervention (RTI) model to identify and measure the success of the interventions and plans. Based upon the American Institutes for Research's Response to Intervention essential components, Our School will utilize this multi-level prevention system to maximize student achievement and reduce behavior problems. The four essential components of an RTI framework include screening, progress monitoring, multi-level or multi-tier prevention system, and data-based decision making.

The teachers and IAT will screen students, review data, complete classroom observations, and give teacher/parent/student surveys, to make informed decisions regarding necessary accommodations. When a student is suspected of needing an intervention, teachers will refer the student to the IAT via the School Referral Form. The Referral Form has teachers indicate any concerns they may have academically or behaviorally, outline student successes, and share data that led them to refer the student. This form is submitted to the Principal and is placed in the IAT binder. A meeting will be scheduled for the IAT to review observations and data.

The IAT will utilize specific, research-based interventions implemented in the classroom and/or building, set goals and timelines for the intervention, and a schedule a follow up meeting date. These intervention plans are developed by all instructional staff involved including parents, Intervention Specialists, Teachers, Administrators, Title I staff and other support staff. These interventions will be monitored and evaluated for effectiveness during an agreed upon time frame with an agreed upon frequency, which will depend on the individual student and the interventions being made. During this time period, the IAT will implement and progress monitor the chosen interventions.

During the follow up meeting, the IAT will review data and determine the effectiveness of the intervention. Interventions, Observations, Progress Monitoring and Evaluation are recorded and documented by all instructional staff involved, including parents when appropriate. If the interventions are successful and lead to expected outcomes and goals, the intervention will continue until the student is able to perform proficiency. For interventions that are determined to be ineffective for "at risk" students, intervention strategies and intensity increases through a succession of three trials if necessary, or until the IAT moves to the next tier, where the process will be repeated. If in the end of the successive interventions of the RTI process, progress is not made and effectiveness has not been determined, a student may be referred for evaluation for Special Education.

## **Three-Tier Model of the Response to Intervention Model**

### **Tier 1**

- Most Important Level
- Includes All Students
- Scientifically-Based Curriculum with High Quality Instruction
- Differentiated Instruction
- Universal Behavior Management System
- Universal Screenings: Formative and summative assessments

### **Tier 2**

- Small group instruction
- Differentiated and/or leveled grouped instruction inside or outside of the classroom
- Target a specific skill to improve
- Small group size
- Frequency: 2 to 3 times per week
- Duration: At least 6 weeks
- Monitor progress at least weekly
- Parents may be invited and will be notified via a phone call or letter
- Developed programs
- Title I Reading, Title I Math

### **Tier 3**

- Intensive, Smaller group instruction
- Differentiated and/or leveled grouped instruction inside or outside of the classroom
- Target a specific skill to improve
- Smaller group size: no more than 3
- Frequency: 4 to 5 times per week
- Duration: At least 8 weeks
- Monitor progress at least two times per week
- Parents will be invited and should be involved

Students in grades K-3 found "Not on Track" on any diagnostic assessment (KRA, TGRG) will be placed on a RIMP within 60 days. The School notifies and involves the student's parent or guardian and the classroom teaching in the development of the plan. The plan includes:

- Identification of the student's specific reading deficiency,
- A description of proposed supplemental instruction services that will target the student's identified reading deficiencies, as appropriate for grade level (phonemic awareness, phonics, comprehension, fluency, vocabulary),
- Opportunities for the student's instructional services in reading deficiency area,
- A small-group reading curriculum during regular school hours that assists students to read at grade level and provides for reliable tests and ongoing analysis of each student's reading progress, and
- A statement that unless the student attains the appropriate level of reading competency by the end of grade 3 (TGRG), the student will be retained, unless otherwise exempt.

Our School is able to serve gifted students well since the school's model enables self-pacing and hundreds more digital electives than most schools. Strong and gifted students can move faster and be more challenged than in most schools.

The School complies with all requirements of the McKinney-Vento Homeless Assistance Act, including the provision of transportation when necessary, having an appointed liaison, and removing all barriers to enrollment.

Based on the "one size does not fit all" belief, the school has a vast variety of supplemental courses or "special courses" to meet all students' individual learning needs, while still working towards the Ohio Learning Standards. The school will use a variety of supplemental materials that are aligned to the Ohio Learning Standards and which can be seamlessly immersed within the classroom learning environment and small group instruction. Additionally, implementation of evidence-based interventions is a standard practice across special populations, based on individual student need and the use of assistive technology deeply embedded into the model, allowing access for all. This model has proven to work well with students with different kinds of learning disabilities, and particular focus and processing issues such as ADHD and Asperger's Syndrome, because there is less stigma as all students meet one on one or in small groups with teachers.

### **Anticipated Characteristics of Student Population**

It was initially anticipated that the school would have a high population of English Language Learners. This has not been the case. The school's demographics are approximately 25% students who qualify for TESOL services, 10% students with IEP's, and 100% students who qualify for free or reduced lunch.

### **Bilingual Education Program**

#### **English Language Learners**

The school serves a wide variety of students, some of which qualify for services in the ESL program. The basic staffing model will include a minimum of one TESOL certified teacher to oversee the program with additional dedicated TESOL support staff for every 35 qualifying students. The model will be a hybrid of Push-in and Pull-out ESL Instruction. Teachers will utilize the curricular resources available through Houghton Mifflin Harcourt (*ACCESS* Series) or similar research based programs which support English Language Development.

Our model has the flexibility to be assigned based on student need. For example, the school will increase the English proficiency of English Language Learners ("ELL"s) by providing high quality language instructional programs that are scientifically-based and demonstrate the effectiveness of English proficiency and achievement in academic content areas. Students identified as ELLs will partake in a comprehensive English as a Second Language Program, which provides instruction in English across all subject areas. This program takes into account the student's level of English proficiency and builds on the language skills and academic subject knowledge the student has acquired in his or her native language. Students with limited English abilities that demonstrate English Language proficiency of 1, 2 or 3 on their annual assessment in one or more of the four domains (listening, speaking, reading, and writing) will receive intensive research/evidence-based instruction, in addition to the common academic content. Individualize Learning Plans are utilized to identify additional supports, together with the state-approved accommodations they need to achieve academic and language growth and success. Assistive technology

can be fluidly implemented to ensure access to grade level courses. Such assistive technology may include, but is not limited to: new vocabulary words introduced prior to each lesson and highlighted throughout the lesson; screening readers to read/highlight/define online print material; word prediction software; and audio text.

Additionally, students receiving ELL support will partake in quarterly progress monitoring using the LAS Links benchmark assessment. Benchmark assessments assist teachers in monitoring ELL students' progress toward state standards and allow them to adjust curriculum and interventions to target learning and ensure academic growth.

The School utilizes the Home Language Survey developed by the Department of Education to identify students whose Primary or Home Language is Other Than English (PHLOTE) according to ODE guidelines. Once students have met the PHLOTE criteria (failed to PHLOTE) the school contracts with its provider to evaluate the student's level of English Proficiency and to develop an appropriate service plan, which can occur both in a general education setting and/or other settings. These interventions may include the participation of an TESOL teacher and/or contracted services for initial native language instruction, and a phasing-in of English instruction. Intervention resources may include research-based language instructional programs, assistive technology, audio resources, and online language instruction. Providers of LEP/ELL services and general education teachers regularly communicate to assure any necessary accommodations in instruction and/or testing are provided.

Students identified as LEP students must participate in the Ohio English Language Proficiency Assessment (OELPA) to determine their level of English proficiency. Parents are informed of the student's LEP/ELL status and program first through a parent notification letter in either English or the parent's native language detailing the results of to OELPA, explaining the need for LEP/ELL services, program participation and exit requirements, providing the parent with program options. Parents are informed regularly of the student's progress, their OELPA results, and are informed when the student has met criteria for exiting the LEP/ELL program.



Appendix C, continued

- Learning Opportunities
  1. [Note: Also include: Detailed description of preschool operation, if the School operates a preschool program that is licensed by the Ohio Department of Education under R.C. 3301.52 to 3301.59,
  2. Blended Learning Plan, if applicable
    - a. An indication of what blended learning model or models will be used
    - b. A description of how student instructional needs will be determined and documented
    - c. The method to be used for determining competency, granting credit, and promoting students to a higher grade level
    - d. The school's attendance requirements, including how the school document participation in learning opportunities
    - e. A statement describing how student progress will be monitored
    - f. A statement describing how private student data will be protected
    - g. A description of the professional development activities that will be offered to teachers
  3. Description of classroom-based and non-classroom-based learning opportunities and explanation of how the learning opportunity ties into curriculum and mission
    - a. Classroom-based
      - i. Description
      - ii. Format(s)
    - b. Non-classroom-based, including (if applicable):
      - i. Credit Flex or College Credit Plus
      - ii. Field Trips with academic enhancement component
      - iii. Tutoring
      - iv. Post-secondary enrollment
      - v. Career
      - vi. Learning on contingency days or while a student is suspended/expelled
      - vii. Internet or independent study
      - viii. Other]



## INTERNET- OR COMPUTER-BASED COMMUNITY SCHOOLS ONLY

1. The School must provide a filtering device or filtering software to protect against internet access to materials that are obscene or harmful to juveniles on the computers provided to students for instructional use, or the filter or software at no cost to a child who utilizes a computer that was not provided by the School;
2. The School must create a plan outlining meetings between teachers and students, which plan shall indicate the number of times teachers will visit each student throughout the school year and the manner in which those visits will be conducted.
3. The School must set up a central base of operation with a sponsor-provided representative within fifty miles of said base to provide monitoring and assistance.
4. The School must create a plan for providing special education and related services to disabled students enrolled in the School, which must be submitted prior to the School's receipt of its first payment from the state and on or before September 1 of each year thereafter.
5. The School must retain an affiliation with at least one full-time teacher of record licensed in accordance with R.C. 3314.03(A)(10).
6. Each student enrolled in the School must be assigned to at least one teacher of record who is primarily responsible for no more than 125 students.
7. The School must comply with the standards developed by the international association for K-12 online learning.
8. The School must communicate with each student's parent, guardian, or custodian on a periodic basis throughout the school year about the performance and progress of that student. The School must also provide opportunities for parent-teacher conferences and documents the School's requests for such conferences. The School may permit the students to participate and may conduct the conferences electronically.
9. The School must offer a student orientation course and notify each student who enrolls of that student's opportunity to participate in the student orientation course.
10. Each student enrolled in the School is entitled to a computer provided by the school. The School must provide written notice of the one-computer-per-student provision to all parents of enrolled students and all parents who are interested in enrolling a child. The School may not provide a stipend or any other substitute in lieu of supplying an actual computer, provided, however, that a parent may waive the one-computer-per-student requirement and may amend or rescind that waiver at any time. Parents and the School must keep copies of waivers and the School must notify the State and copy the Sponsor concerning any waivers, amendments, or rescissions.
11. The School may provide its students with a location within 50 miles of the student's resident at which the student may receive counseling, instructional coaching, and testing

assistance. The School may not otherwise enter into a contract with a nonpublic school to use or rent any facility space at the nonpublic school for the provision of instructional services to enrolled students.

12. The School must provide its students with a location within 50 miles of the student's residence to complete statewide achievement tests and diagnostic assessments.
13. The School must withdraw students who fail to participate in spring administration of state tests for two consecutive school years (unless excused pursuant to statute). The School must report any such student's data verification code to the department of education, and the School will not receive funds for any enrolled student whose data verification code appears on the department of education list. Notwithstanding any provision of Ohio law to the contrary, the parent of any such student must pay tuition.
14. Students enrolled in the School are prohibited from engaging in more than 10 hours of learning opportunities within a 24 hour period. Any time exceeding the 10 hour maximum will not count toward satisfying the annual minimum number of required hours. If the School's participation is based on days rather than hours, participation must amount to at least five hours per day.
15. The School must keep an accurate record of each individual student's participation in learning opportunities each day, and the records must be easily submitted to the department of education.
16. The School shall not enroll more students than the number permitted under the enrollment limit provided in R.C. 3314.20.
17. This Appendix K is statutory and the School shall comply with these provisions as now in effect, or, as the law may hereafter amend.

Appendix C, continued.

- Blended Learning Requirements

If not applicable mark N/A here N/A.



Appendix D

- The internal financial controls;
- Include the current Governing Authority policies regarding internal financial controls; and
- Include the current five year forecast and the funding calculations and requirements under 3314.08 of the Ohio Revised Code].



**CERTIFICATION OF RESOLUTION**  
**FOR**  
**ACCEPTANCE OF FISCAL OFFICER INTERNAL FINANCIAL POLICIES MANUAL**

Lorain Bilingual Preparatory Academy  
*(An Ohio Non-Profit Corporation)*

The Governing Authority (the "Board") of **Lorain Bilingual Preparatory Academy**, (the "School" and the "Corporation"), a non-profit corporation organized under the laws of the State of Ohio, hereby resolves as follows:

IT IS HEREBY RESOLVED that the Lorain Bilingual Preparatory Academy Board of Directors has retained the services of C. David Massa and Massa Financial Solutions, LLC. As the Fiscal Officer, Mass Financial Solutions LLC utilizes an Internal Financial Policies Manual. This Manual, Exhibit A, is attached hereto and incorporated herein as if restated in its entirety.

**APPROVAL AND ADOPTION OF RESOLUTION**

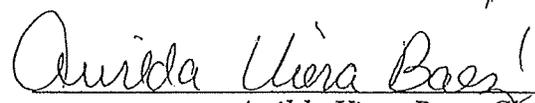
Motion to accept the Fiscal Officer Internal Financial Policies Manual (without / with)

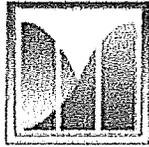
amendment(s), made by PASTOR BIVINS

seconded by MR. ARREDONDO

Board Member Name/Initials	AYE	NAY	Other (Not present, abstain, etc.)
David Arredondo	✓		
Kimberly Bartlett	✓		
Pastor Terrance Bivins	✓		
Todd Kubasak	✓		
Awilda Viera Baez, Chairwoman	✓		

Duly adopted by a vote of the Board on this 14<sup>th</sup> day of MAY, 2020.

  
Awilda Viera Baez, Chairwoman  
 Lorain Bilingual Preparatory Academy



**Massa**  
Financial Solutions, LLC

# **Financial Policies and Controls Manual**

---

## Table of Contents

Financial Management Overview .....	3
Banks Accounts.....	4
Investments.....	5
Revenues.....	6
Accounts Receivable.....	8
Requisitioning/ Purchasing.....	9
Purchasing Policy for Federal Grants.....	11
Accounts Payable and Cash Disbursements.....	21
Purchasing Card (“PEX Card”) Policy.....	22
Payroll.....	25
Capital Assets, Federally Funded Equipment and Inventory.....	26
Business Expense Reimbursement.....	28
Budgeting.....	29
Grant Programs.....	30
Month End Closing Procedures and Reports to Board of Directors.....	31
Community School Funding Adjustments.....	32
Annual Audit.....	33
Disaster Recovery Plan for Massa Financial Solutions Financial Systems.....	34



---

## Fiscal Management Overview

Massa Financial Solutions (MFS) strives to reflect sound economic and accounting policies in the operation of the Schools it serves. MFS believes that having established procedures and strong internal controls is an integral part of delivering the educational model and achieving the overall School mission.

MFS has established the following procedures to maintain internal control over all assets. The purpose for establishing internal control is to provide reasonable assurance that the school will accomplish its objectives of safeguarding assets, providing accurate financial information, promoting operational efficiency and ensuring compliance with laws, regulations and established school policies and procedures.

MFS utilizes SAGE 50 Accounting Software to record the financial transactions of the Schools it serves. This same software is used to generate all of the financial statements and related reports that are presented to stakeholders such as the Board of Directors, Authorizers, and Departments of Education. The accounting system is maintained on a remote server in Cleveland, Ohio that is secured and backed up on a daily basis, thus providing piece of mind to MFS clients that its financial systems are protected. (see Disaster Recovery Plan at end of this document) Additionally, MFS utilizes a secure cloud environment called BOX.com to store scans of all School financial records generated during the course of an engagement with MFS. Finally, as described in the Payroll section of this document, MFS strongly encourages the use of ADP payroll service. This service not only ensures that the School will remain in compliance with its tax reporting and filing obligations, but that all payroll records are protected and available for viewing at any time through password restricted access to the School's private payroll portal.

Finally, MFS employees high quality individuals with several years of charter school experience dating back to 1999. Many of the team members are credentialed as CPAs or have expertise in School Finance. MFS always maintains appropriate levels of professional services insurance or bonds, as required.



---

## Bank Accounts

### General

Bank accounts will be maintained at a financial institution as designated by the Board of Directors. If necessary, separate accounts will be established to account for Payroll expenses and Operating Expense separately. The School Fiscal Officer will maintain online access to these accounts via the bank's website which will allow for regular and timely monitoring of the financial transactions in the school's accounts.

### Reconciliation

On at least a monthly basis, the School Fiscal Officer shall reconcile the bank account activity and the activity posted in the School's accounting system. Any reconciling items requiring attention will be adjusted prior to the completion of the following month's bank reconciliation. All reconciliations completed in the system will be published as a standard part of the School's monthly financial package.

### Authorized Signatories

Certain designated individuals will be authorized to conduct business on the School's accounts. Such individuals shall be approved by resolution of the Board of Directors and also be on the appropriate signature card on file at the bank. It is recommended that all checks have two signers. Positions authorized for this access could be:

- CEO/ School Leader
- Board President
- Fiscal Officer



**Massa**  
Financial Solutions, LLC

---

## Investments

### General

If there are sufficient balances on hand, the School may wish to invest a certain amount of School reserve funds in authorized investment vehicles. The Board of Directors shall be solely responsible for authorizing and establishing the School's investment strategy. MFS may assist the Board in this effort by providing information and analysis of eligible investment options, as well as, executing investment transactions.

All investments of the School shall be as permitted under current Ohio law.



**Massa**  
Financial Solutions, LLC

---

## Revenues

### State and Federal Programs

Revenues of the School will primarily consist of direct deposits of monies from the State for various State and Federal Programs. Currently, the Schools receive monies from the following sources:

- State Aid (based on the formula)
- National School Lunch and Breakfast Reimbursement
- Title I, IIA, and IDEA Funds, as applicable

Receipts of direct deposits from these sources are recorded as revenue according to their source in the month they are received. However, monies received under the grant programs are credited against an established receivable in the SAGE 50 accounting system in the month they are received. The School's policy is to recognize revenue under the grant programs at the time eligible expenditures are incurred (done monthly) and to establish a receivable for the grant cash that is to be drawn down to cover those expenditures.

### Miscellaneous Cash Receipts

#### General

From time to time, Schools may receive cash on-site. This may be related to special events admissions, book fairs, fundraising, donations or other such sources. Regardless of the source, it is important for the School to account for and safeguard all cash or cash equivalents (checks and money orders) received. To the extent possible, it is recommended that all cash be placed in a combination safe that is kept in the School leader's office. If this is not possible, any monies should, at a minimum be secured in a locked drawer or cabinet.

## Revenues – Page Two

### Cash Journal

Once money has been received on-site, the School Leader or their designee shall be responsible for logging the amount in the Cash Journal. Each entry should be specific as to the date, the amount, the nature of the receipt, as well as, the initials of the individual making the entry. On a weekly basis, this log should be sent via email to the School Fiscal Officer for review.

### Deposits

On a regular and no less than bi-weekly basis (dependent on the amount on hand), the School Fiscal Officer will make arrangements with the School to pick up the monies and deposit it in the School's bank account. All monies shall be recounted at the time of pickup. In order to evidence that this transaction has occurred, the Fiscal Officer will sign and date the cash journal.

Prior to deposit, all cash should be bundled and any checks/ money orders endorsed "For Deposit Only". Once the monies have been deposited, the deposit receipt from the bank shall be maintained with the School's other financial records and be available for review and audit at all times. This activity will also be recorded in the general ledger and reconciled with other cash activity on a monthly basis.



---

## **Accounts Receivable**

### **AR – Federal Funds Expended**

As described in the Revenue policy, the School will establish a receivable for the amount of Federal monies expended under the Federal programs in any given month. Once the cash request is generated, and the funds are deposited, the receivable will be credited.

### **AR - Other**

To the extent required, the MFS will generate invoices to outside entities/agencies on behalf of the School. Such invoices will be generated through the SAGE 50 accounting system, reviewed by the Fiscal Officer and sent to the appropriate party for collection.

Upon collection of monies due on a particular invoice, the Fiscal Officer will deposit the funds and credit the appropriate invoice in the accounting system.

### **AR Monitoring**

On a regular basis, no less frequently than monthly, outstanding amounts left unpaid will be reviewed for collectability by the Fiscal Officer. After an amount has remained uncollected after 90 days, a determination will be made (based on the specific circumstances that may exist) as to what action will be taken on the invoice.



---

## **Requisition Policy**

### **General**

The School Fiscal Officer is responsible for assuring that all purchases are appropriate and necessary. Therefore, the following policy will be utilized by all staff of the School to requisition needed goods or services.

### **Requisition Initiation**

The purchasing process is initiated when a staff member submits a purchase requisition via email to the School Leader or Business Manager (if one exists).

All requisitions from staff must be sent using the established Requisition Form. This form should be completed in full and attached to the email sent to the address established for requisitions. Requisitions not in the prescribed format will not be approved.

Additional requisitions less than \$1,000 may be made as authorized by the School Leader/ Board of Directors/ School Fiscal Officer via email approval. Requisitions under \$100 may be authorized by the School Leader/ Board of Directors/ Fiscal Officer via verbal approval.

### **Fiscal Approval**

Once the Requisition has been approved by the School Leader or Business Manager, it will then be forwarded to the School Fiscal Officer for budget review and approval. If there are insufficient funds available in the budget or the Fiscal Officer has questions about the requisition, the form will be returned to the originator who will modify the request and return it to the Fiscal Officer. If the modifications are satisfactory, the Fiscal Officer will then approve the requisition and return it to the School for procurement.

## Requisition Policy - Page Two

### Placing Orders

Once the School receives an approved requisition, the order will be placed. If required by the vendor, a PO may have to be generated. Completed POs will then be used as the basis for contacting the appropriate vendor and placing the order. Only one individual at the School should be authorized to actually place orders with vendors. When orders are placed, the billing address should always be stated as:

School Name

Attn:

School Address

City, State, Zip

### Receiving

Once goods and services are received, packing slips shall be reviewed by the receiver. If the goods or services are accurate, the packing slip will be initialed by the receiver and submitted to the Accounts Payable contact at MFS to be matched with the invoice and Purchase Order (or approved requisition) prior to any payment being made. The Accounts Payable process is addressed in a separate policy.

### Enforcement

Please note that adherence to the Requisition Policy as described above is of significant importance. Requisitions made outside of this process will not be recognized as liabilities of the School, but of the individual initiating such an order. Exceptions to this policy are only permitted with the express written approval of the School Fiscal Officer. Further, any violation of this policy by members of the School staff may result in disciplinary action.



---

## **Procurement Policy for Federal Grants**

Policies developed in accordance with federal guidelines in OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200).

### **Purpose of these Procurement Standards/Policies**

To clarify Federal requirements and procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders.

### **School (Recipient) Responsibilities**

The standards contained in this section do not relieve the School (recipient of Federal funds) of the contractual responsibilities arising under its contract(s). The recipient is the responsible authority, without recourse to the Federal awarding agency, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of an award or other agreement. This includes disputes, claims, protests of award, source evaluation or other matters of a contractual nature. Matters concerning violation of statute are to be referred to such Federal, State or local authority as may have proper jurisdiction.

### **Codes of Conduct**

No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, recipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The School may take appropriate disciplinary actions for violations of such standards by officers, employees, or agents of the recipient.

### Competition and Cost/Price Analysis

All procurement transactions must be conducted in a manner that provides, to the maximum extent practical, open and free competition. This means that, even if it seems like a "good deal," grantee agencies (the School or program) cannot make the purchase until a *cost/price analysis* has been done, or other vendors also are given consideration

*Cost analysis* is the review and evaluation of each element of cost to determine whether it is reasonable, allocable to that grant program, and an allowable cost for that grant program. *Cost analysis* involves an examination of all the elements used in calculating a contract's total estimated cost. For example, when fixed-price contracts are based on cost estimates, grantee agencies should perform a cost analysis to determine the reasonableness of the prices. Every cost element listed in the vendor's offer must be examined. Additional cost analysis should be done if there are contract modifications that introduce new conditions or more current information is needed.

*Price analysis* involves a comparison of marketplace prices. There are various ways to conduct a price analysis. These include comparing offered prices including discounts with those listed in commercial catalogs, or with those recently submitted for similar services. It can be done, for example, by comparing the price quotes submitted by vendors, or by telephoning other vendors to obtain their market price, or simply by comparing published market prices (such as from a classroom supply catalog, for example).

Soliciting competitive bid prices from vendors might be done in different ways. For example, a grantee agency could get vendor prices by advertising in newspapers, sending letters to prospective vendors, telephoning prospective vendors, or even by comparing prices in office supply catalogs.

The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. Also, to eliminate unfair advantage, contractors who develop or draft grantee applications or contract specifications or requirements (or statements of work, invitations for bids or requests for proposals) must be excluded from the competition for that procurement.

## **Procurement Policy for Federal Grants – Page Three**

Solicitations for bids should clearly state all the requirements the vendor must fulfill in order for the bid or offer to be evaluated by the grantee agency. The procurement should be given to the vendor whose bid or offer is responsive to the solicitation, and is the most advantageous to the grantee agency (considering price as the primary factor, quality, and other applicable factors). Any and all bids or offers may be rejected when it is in the grantee agency's interest to do so. This means that grantees do not have to accept the lowest bid received because other factors, such as quality of the product or service record of the vendor, also may be considered by the grantee in making the decision.

### **Small Purchases (< \$2,000)**

Purchases under \$2,000 require little formal documentation; they are likely to be catalog purchases, with prices that are readily available from many vendors. A quick notation or copy of prices checked from at least one other source should be attached to the order or noted in the file. Conduct all procurement transactions in a manner that maximizes opportunities, increases quality (if a factor), and reduces the cost of the purchase.

### **Medium/Small Purchases (\$2,000 to \$10,000)**

Purchases from \$2,000 to \$10,000 should have telephone or other quotations and simple purchase or performance descriptions. Inquire in the open market to ensure an advantageous price and quality. The file should document the inquiries made and offers received from at least three sources.

### **Medium/Large Purchases (\$10,000 to \$100,000) – Up to the “Simplified Acquisition Threshold” (currently \$100,000)**

Purchases from \$10,000 to \$100,000 should be treated more formally, though the acquisition procedures can still be somewhat streamlined. Consider using mini-proposals for negotiated acquisitions; more formal purchase and performance descriptions should be included, with bid response requirements spelled out. To ensure that you have an adequate number of bidders, you may wish to advertise and devise pre-qualification procedures aimed at vendors who offer goods and services that you use often. Purchases over \$10,000 require greater documentation of cost allowability, need for the procurement, and the vendor selection.

Request competitive quotes, orally or in writing, from at least three different sources. The file shall document each invitation made and offer received. All requests for proposals shall contain the phrase “Equal Opportunity Employer.”

## Procurement Policy for Federal Grants – Page Four

Document Prices: Maintain files on all quotations solicited and offers or bids received and any criteria for selection. In all instances in which the lowest bid is not awarded in the contract, justification for the selection must be contained in the file.

### General Procurement Procedures

(a) Federal procurement procedures require at a minimum, (1), (2) and (3) below.

(1) Recipients must avoid purchasing unnecessary items.

(2) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical method of procurement for each Federal Government grant expenditure.

(3) **When soliciting competitive bids for goods and services**, the solicitation process must provide for all of the following.

(i) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

(ii) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.

(iii) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

(iv) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

(v) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

(vi) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(b) Positive efforts shall be made by recipients to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible.

## Procurement Policy for Federal Grants – Page Five

When soliciting bids for goods or services, recipients of Federal awards shall take all of the following steps to further this goal.

(1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.

(2) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

(3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

(4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

(5) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's businesses.

(c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the recipient, but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting **shall not be used**.

(d) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

In certain circumstances, contracts with certain parties are restricted by agencies' implementation of E.O.s 12549 and 12689, "Debarment and Suspension." Recipients shall comply with the nonprocurement debarment and suspension common rule implementing E.O.s 12549 and 12689, "Debarment and Suspension." This common rule restricts subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

## Procurement Policy for Federal Grants – Page Six

No contract shall be made with parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the Simplified Acquisition Threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

(e) Recipients shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply.

(1) A recipient's procurement procedures or operation fails to comply with the procurement standards in the Federal awarding agency's implementation of this Circular.

(2) The procurement is expected to exceed the "Simplified Acquisition Threshold" (currently \$100,000) and is to be awarded without competition or only one bid or offer is received in response to a solicitation.

(3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product.

(4) The proposed award over the Simplified Acquisition Threshold is to be awarded to other than the apparent low bidder under sealed bid procurement.

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the Simplified Acquisition Threshold.

**Procurement records.** Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. For price analysis, this would mean keeping copies of all the documentation of the prices and vendors that were compared, identifying which vendor was chosen, and stating why that vendor was chosen. For cost analysis, it would mean keeping written documentation of the determination of whether a cost was reasonable, allocable to that grant, and allowable for that grants.

## Procurement Policy for Federal Grants – Page Eight

In addition, the procurement records for **purchases in excess of the** Simplified Acquisition Threshold (currently \$100,000) shall include the following at a minimum:

- (a) Basis for contractor selection,
- (b) Justification for lack of competition when competitive bids or offers are not obtained, and
- (c) Basis for award cost or price.

**Contract administration.** A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients (Linfield School person overseeing the grant) shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

**Contract provisions.** The recipient shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

- (a) Contracts **in excess of the** Simplified Acquisition Threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms and provide for such remedial actions as may be appropriate.
- (b) All contracts **in excess of the** Simplified Acquisition Threshold shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be affected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
- (c) Except as otherwise required by statute, an award that requires the contracting (or subcontracting) for construction or facility improvements shall provide for the recipient to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the construction contract or subcontract exceeds \$100,000. For those contracts or subcontracts exceeding \$100,000, the Federal awarding agency may accept the bonding policy and requirements of the recipient, provided the Federal awarding agency has made a determination that the Federal Government's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows.

## Procurement Policy for Federal Grants – Page Nine

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

(4) Where bonds are required in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR part 223, "Surety Companies Doing Business with the United States."

(d) All negotiated contracts (**except those for less than the Simplified Acquisition Threshold**) awarded by recipients shall include a provision to the effect that the recipient, the Federal awarding agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(e) All contracts, **including small purchases**, awarded by recipients and their contractors shall contain the procurement provisions of Appendix A to this Circular, as applicable.

### Costs

All allowable costs will be determined by OMB 2 CFR §200, FARs, and/or by the granting entity through grant manuals or award terms and conditions.

For Federally Sponsored awards, allowable costs generally fall within these guidelines:

1. Costs must be reasonable. This is defined as the action that a prudent person would take under the circumstances.

## Procurement Policy for Federal Grants – Page Ten

2. Costs must be allocable to federally sponsored agreements under the principles and methods described in OMB A-21. (See OMB Circular A-21; Unallowable Costs.)
3. Costs must be given consistent treatment through application of Generally Accepted Accounting Principles (GAAP) appropriate to the circumstances as dictated by Cost Accounting Standards (CAS). This includes the use of account codes for cost classification.
4. Costs must conform to any limitations or exclusions set forth in OMB Circular A-21 or in the sponsored agreement as to types or amounts of cost items.

### Cost Classification: Assigning Account Codes

The administration of a contract or grant project involves identifying all costs associated with it. Cost information is needed both to manage the internal affairs of the School and to satisfy external requirements. An account code is assigned to each cost to classify the expenditure according to goods or services received.

### Allowable Direct Costs

Direct costs are expenditures associated with grants, contracts, and cooperative agreements that are necessary for and can be identified with the performance of a specific sponsored project. Direct costs of a sponsored project include all personnel costs charged to the project, expenditures for supplies and equipment, travel expenses, printing, other service department charges, and any other expenses specifically identified with the project.

Principal Investigators should refer to the award document for requirements or restrictions specific to the project. For assistance with specific questions contact the Grant Coordinator or anyone who is specifically in charge of a grant funded program.

### Unallowable Costs

Unallowable functions, such as lobbying, public relations, and fund raising, are groups of costs that due to the nature of the function will make the expenditure unallowable. For example, salaries and wages are generally allowable costs; however, those same salaries and wages incurred for the benefit of a fundraiser are unallowable. Therefore, the function makes the expenditure unallowable.

## **Procurement Policy for Federal Grants – Page Eleven**

Some unallowable costs, such as alcoholic beverages, are types of expenditures that are specifically unallowable by law, regulations and/or contract terms. See OMB Circular A-21 section J. Both unallowable costs and expenses connected with unallowable functions must not be direct charged to sponsored agreements. Other costs, such as utilities and building maintenance are unallowable as a direct cost unless approved in the proposal process and by the sponsor.

### **Facilities and Administrative Costs (Formerly Indirect Costs)**

Facilities and Administrative (F & A) costs are expenditures associated with a grant, contract, or cooperative agreement that cannot be directly charged to nor specifically identified with individual sponsored projects. These costs include maintenance of physical facilities, library services, administrative services, and departmental administration. In general, F&A costs involve expenditures necessary for the development and maintenance of an environment conducive to research and other sponsored projects.

Most grants and contracts provide for the recovery of F&A costs incurred in their executions and management. The recovery is based upon negotiated rates and assessed to individual projects on a percentage basis. The negotiation is based on a review of the School's costs and assessment of the reasonableness of the charges.

In most cases, F&A costs for a sponsored project are calculated by multiplying the approved F&A rate and the wages paid on the award. F&A cost is charged based upon the rate and base in the approved award, up to the federally negotiated rate. Slight F&A cost adjustments may be made manually by the Grants Coordinator during the award closeout process.



---

## Accounts Payable and Cash Disbursements

All vendor invoices are received by School personnel and forwarded to the Fiscal Officer. Once an invoice is received it is reviewed for reasonableness or obvious errors. (Invoices are verified by checking extensions, footing, discounts and freight terms.) If a purchase order was issued for the particular good or service invoiced for, it is closed and then matched to the invoice. Once the documents are matched, the Fiscal Officer will assign the specific expense account that should be charged based on the type of cost incurred.

On a daily basis, invoices that are ready to be paid are then entered into the School's SAGE 50 accounting system and then posted to the general ledger. An Accounts Payable Aging report is then generated by the system weekly and reviewed by the Fiscal Officer. Based on available cash balances, checks are then prepared for selected invoices, signed, and sent to vendors on at least a weekly basis. If special circumstances warrant and the Fiscal Officer approves, checks may be cut outside of the normal check run.

In order to determine the completeness of accounts payable at the end of each fiscal year, the Fiscal Officer will review all invoices paid by the School after yearend (6/30/XX) during the months of July and August (the "review period"). The review will primarily focus on the date that services were rendered or the period for which the charge is intended to benefit. The review will only apply to individual invoices that exceed \$1,500. Each item reviewed will be evaluated to determine if it was properly included or properly excluded from the School's accounts payable listing at 06/30/XX. If adjustments are required to properly classify items reviewed, they will be posted in real-time to the SAGE 50 accounting system as they are identified. Items identified outside of the review period that should be included in the School's accounts payable listing at 06/30/XX, should be brought to the Fiscal Officer's attention for a final determination on how the item will be recorded.

Checks are signed electronically by authorized signatories (See Bank Accounts Policy) using the MFS check writing software. The checks and the appropriate back-up documents are then assembled and presented for final review by the Fiscal Officer. Any corrections needed are made immediately. Once the review is completed and any necessary corrections made, the check is then authorized for release and the supporting documents are uploaded to a secure cloud environment. No manual checks are authorized without consent of the Fiscal Officer.

Finally, all other disbursement transactions outside of the procedures described here require specific approval from the School Fiscal Officer (i.e., transfers, cashier's check, withdrawals) and without such approval are unauthorized.



**Massa**  
Financial Solutions, LLC

---

## **Purchasing Card (“PEX Card”) Policy**

The purpose of the School PEX card is to facilitate small purchases for the School when other means are not practical or efficient. The card is not a credit card nor a debit card. The card is a purchasing card intended to facilitate small dollar purchases via a pre-authorized funding of the card. This policy shall govern the appropriate use of the School’s card and accounting for any card activity.

### **GENERAL**

1. The Fiscal Officer will be responsible for the issuance, account monitoring, card retrieval or cancellation, and generally for overseeing compliance with the PEX Card Policy. The PEX card will be issued in the name of the Fiscal Officer and/or an employee designated by the Fiscal Officer.
2. The Fiscal Officer or an employee designated by the Fiscal Officer may use the PEX card, only for goods or services for the official business of the School.
3. Documentation detailing the goods and services purchased must be submitted through the standard requisition process and approved before payment with the card can occur.
4. The School will use disciplinary measures consistent with current law for any unauthorized use.
5. Any benefits derived from the use of the PEX card will be the property of the School.
6. The PEX card account will be funded prior to purchase being made. The School accepts full responsibility for funding the PEX card.

### **PEX CARD GUIDELINES**

A VISA PEX card will only be issued to the School Fiscal Officer and those designated by the Fiscal Officer to receive a card. It will be honored for School business by any vendor or merchant who accepts the card. The PEX card credit limit will be limited to the approved amount for the purchase(s) being made.

## **PEX Card Policy – Page Two**

Purchases made via the PEX card must comply with the School's financial policies and purchasing guidelines. This card in no way changes such policies. It simply provides another method for making certain payments.

Violations of this Policy and Guidelines may result in revocation of use privileges and termination of employment. Anyone who has inappropriately used the PEX card will be required to reimburse the School for all costs associated with such improper use.

### **CARD USAGE PROCEDURES**

All PEX card transactions can be performed over the internet, over the phone, or in person by authorized individuals. When the PEX card is used, the following guidelines shall be used.

1. Plan expenditures in advance and obtain appropriate approvals in accordance with School purchasing and requisition policies.
2. Once approved, proceed with the purchase. Tell the merchant that payment will be made with the School's PEX card and that it is a non-taxable purchase. If it is an internet, phone or mail order, give the merchant the card number and expiration date.
3. Ensure all receipts are itemized.
4. Retain all receipts and PEX card slips for audit purposes.

### **TAX EXEMPTION**

Individuals making the purchase must notify the vendor or merchant that the PEX card transaction should be tax exempt, as it is for goods or services to be used by the School. If requested, the standard Ohio Sales Tax Exemption Certificate should be presented to the vendor for audit purposes.

### **ALLOWABLE CHARGES**

In general, the PEX card may be used for the following expenses:

1. Travel expenses
2. Conference registration fees.
3. School Materials
4. Small Equipment purchases (less than \$500)
5. Supplies

The PEX card may not be used for personal use, items not covered by the categories listed above, or for non-School use.

**PEX CARD SECURITY**

Authorized users of the PEX card are responsible for its protection and custody, and must keep the card in a secure location at all times. The Fiscal Officer will maintain ultimate control of the PEX card through the PEX secure website. If a card is lost or stolen, the Fiscal Officer must be notified immediately so that the card can be disabled.

**ACCOUNTING PROCEDURES**

Credit card statements, along with receipts for all items to be paid by the School will be reconciled on a monthly basis by the Fiscal Officer. This will include reconciling original receipts to the statement transactions. Receipts must show the date, purpose, and name(s) for which the expense was incurred.

The Fiscal Officer or designee will then assign an account code to each charge and record all activity in the School's general ledger on at least a monthly basis.

The Fiscal Officer must retain the approved PEX card statements and accompanying receipts on file in accordance with the School's Record Retention Policy.



---

## Payroll and Related Liabilities

The School Leader or designated official is responsible for the monitoring the hiring or employees, authorizing salaries, initiating employment contracts and maintaining the staffing levels approved in the annual budget.

MFS strongly encourages each of its clients to use Automatic Data Processing (ADP), a national payroll provider, to execute its semi-monthly payroll. This will help ensure a timely execution of payroll, the filing of required returns, and overall compliance with current tax laws.

A designated School representative will work closely with MFS to collect all employee paperwork necessary to create an employment profile in the ADP payroll system. All contracts are paid equally over 24 pays unless otherwise designated by the Board of Directors. Additionally, all contracts are pro-rated for varying dates of hire.

Before each pay, any changes (new hire, termination, pay increase, etc) are forwarded to the School Leader for review and approval prior to entering the change into the ADP payroll system and employee records.

The School is responsible for reporting staff absences and the use of substitute employees. Absentee reports are submitted on Friday of each pay period. These reports are submitted to School Administration and are used to update employee leave balances. Leave taken without sufficient leave balances are docked from employee's pay.

Enrollments and notices for all insurances and other deductions are submitted to School Administration on the required forms and maintained in the employee personnel file. Such deductions are made from the employees' pay once approved by the School and MFS.

Upon the completion of preparing the semi-monthly payroll in the ADP system, a "Payroll Preview" is generated by the School and submitted to the Fiscal Officer for review. If no changes are necessary, the Fiscal Officer then authorizes the School to submit the payroll for processing and payment. At the same time, the Fiscal Officer transfers the funds necessary to cover payroll from the Operating account to the Payroll account.

Payroll accounts are reconciled by the Fiscal Officer on a monthly basis.



**Massa**  
Financial Solutions, LLC

---

## **Capital Assets, Federally Funded Equipment, and Inventory**

The School will follow a policy of capitalizing individual assets costing greater than \$5,000 or other thresholds as approved by the Board of Directors.

The School through the direction of the Fiscal Officer will maintain a record of all assets owned by the School and meeting the criteria for capitalization in a Schedule of Capital Assets.

The Schedule shall include than the following information:

- Asset tag number
- Description
- Serial number (if available)
- Check number
- Acquisition date
- Estimated life

All depreciation expenses related to the maintaining of these assets will be calculated using the estimated useful lives of the individual assets and recorded in the financial statements of the School through a posting to the SAGE 50 accounting system. Depreciation shall be adjusted in the system on at least a quarterly basis.

At least annually, a physical inventory of the School will be performed by School personnel and reviewed by the Fiscal Officer.

All requests for removal of surplus property, deletions and discards must be approved by the Board of Directors. All requests must be processed through the Fiscal Officer who will review the request and determine if it is reasonable. In no case should equipment be removed or discarded without prior authorization from the Board.

For Federally funded assets, items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

Items greater than \$5,000 must have the approval of the Federal awarding agency. If disposition instructions are not provided within 120 days of the initial request, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity

## Capital Assets, Federally Funded Equipment, and Inventory – Page Two

or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

### **Additional Federal Considerations (excerpt of 2 CFR 200.439)**

The following rules of allowability must apply to equipment and other capital expenditures made from Federal funds:

- (1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity (Ohio Department of Education).
- (2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity (Ohio Department of Education).
- (3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency, or pass-through entity. See § 200.436 Depreciation, for rules on the allowability of depreciation on buildings, capital improvements, and equipment. See also § 200.465 Rental costs of real property and equipment.
- (4) When approved as a direct charge pursuant to paragraphs (b)(1) through (3) of this section, capital expenditures will be charged in the period in which the expenditure is incurred, or as otherwise determined appropriate and negotiated with the Federal awarding agency.
- (5) The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the otherwise allowable depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the Federal cognizant agency for indirect cost.
- (6) Cost of equipment disposal. If the non-Federal entity is instructed by the Federal awarding agency to otherwise dispose of or transfer the equipment the costs of such disposal or transfer are allowable.
- (7) Equipment and other capital expenditures are unallowable as indirect costs. See § 200.436 Depreciation.



**Massa**  
Financial Solutions, LLC

---

## **Business Expense Reimbursement**

Employees and Board Members of the School are entitled to reimbursement of business related expenses associated with their performance of official school business. Where applicable, all reimbursements are processed in accordance with U.S. GSA (General Services Administration) guidelines with respect to per diem and mileage rates. Guidelines for reimbursement of business related expenses for School employees are covered more substantially in a separate "Business Expense Reimbursement Policy".

Reimbursement requests must be submitted on a standard form (provided by Fiscal Officer) and completed with all required information (dates, places, business purpose, amount). All requests, with the exception of mileage, shall be accompanied by an original receipt to evidence the expense incurred. Finally, all requests must be signed by the individual seeking reimbursement and their immediate supervisor.

All employees/ Board members are eligible for reimbursement of travel related expenses upon return from their trip. Prepayment for meals and/or lodging is not allowable.

Approved reports are submitted to the Fiscal Officer for processing under the Accounts Payable guidelines.

Expenditures for any items not specifically covered by the "Business Expense Reimbursement Policy" are strictly prohibited and are not reimbursable to the employee, unless pre-approved by the School Leader.



**Massa**  
Financial Solutions, LLC

---

## **Budgeting**

The Board of Directors will annually adopt an operating budget for the upcoming School year. The Operating Budget is prepared under the direction of the Board, its designees, and the Fiscal Officer. The final decision-making authority with regard to budget issues rests with the Board with input from the Fiscal Officer and School personnel.

Increases, decreases, or other adjustments to the final operating budget that become necessary throughout the year must be presented to the Board for approval. Once approved, the change is recorded in the budget and updated in the SAGE 50 accounting system by the Fiscal Officer. A revised budget is then issued and becomes the new operating budget for the School.

At each regular meeting of the Board AND upon close of each fiscal year, the Fiscal Officer shall present to the Board a Statement that compares YTD actual results to the YTD budget.



---

## **Grant Programs**

All applications for supplemental grant funding through State and/or Federal sources (such as Title I, Title IIA, and IDEA funds) require approval of the Board.

Upon receipt of an award notice, a budget document is prepared and then submitted to the Fiscal Officer for review and processing. Once approved by the Fiscal Officer, it is then approved by the Authorized Representative (typically the School Leader) and then forwarded to the Department of Education for review and approval.

Final approved budgets are returned to the Fiscal Officer and are made part of the School's operating budget. The Fiscal Officer is then responsible for monitoring grant award budgets. The School official or program coordinator acts a control agent and is responsible for monitoring any specific compliance issues related to the grant.

### **Project Cash Requests**

Project cash requests related to approved grant programs will be completed and submitted once a month. For the most part, requests for program cash will be supported by expenditures made by the school in the month prior (negative cash request). If there is cash on hand at the time a project cash request is made, this will be taken into consideration and adjusted on the request accordingly.

### **Final Expenditure Reports**

At the conclusion of each Program period and by the due date required (typically September 30<sup>th</sup>), the School shall submit Final Expenditure Reports for each program detailing and certifying the total amounts expended or obligated during the reporting period. All amounts reported on the Final Expenditure Report shall be supported by underlying financial records that reflect amounts paid to eligible employees and vendors.

Overall, the School shall follow all applicable provisions of the Education Department General Administrative Regs (EDGAR).



**Massa**  
Financial Solutions, LLC

---

## Month End Closing Procedures

On a monthly basis, MFS staff will conduct a series of closing procedures to ensure the monthly statements are reconciled and reflective of the true financial position of the School. Upon a final review by the Owner/ Partner, MFS will produce a standard set of financial statements that will consist of no less than the following components:

- Statement of Net Assets (Balance Sheet)
- Statement of Revenues, Expenses, and Changes in Net Assets (Income Statement)
- Statement of YTD Budget versus YTD Actual
- YTD Check Register
- Bank Reconciliation for all accounts
- Accounts Payable Aging

These documents will be presented to the Board of Directors at the regularly scheduled meetings for approval. On a monthly basis, the financial statements will be also submitted to the School's Sponsor according to their required schedule.



---

## Community School Funding Adjustments

In Ohio, ORC Section 3314.08 provides that funding for community schools is primarily driven by enrollment that is calculated on an annualized full-time equivalent basis or "FTE". These calculations are based on the monthly submission of specific student data into EMIS. At the end of the year, a final EMIS submission is done and funding is adjusted accordingly. In addition to changes in data, FTE adjustments may also occur through FTE reviews conducted by the ODE to verify the accuracy of data reported. Through either the data submission process and/or an FTE review, adjustments are determined on an annual basis by comparing these "final" results to what the revenues the School actually received during the fiscal year. These adjustments may result in either additional funds being owed to the School (receivable)...or additional funds being owed by the School (payable).

MFS staff will continuously monitor the monthly ODE Settlement Reports and the posting of Final FTE Adjustment Listings on the ODE website for information on necessary adjustments. MFS will also monitor the results of any FTE review for any additional adjustments that may be required. MFS will record all such adjustments (positive or negative) at the time that they are identified. Generally, because these adjustments are determined after the year end of a given fiscal year, MFS will record these adjustments in the appropriate fiscal year on an accrual basis (positive adjustment="receivable" and negative adjustment="payable") up until the 150-day unaudited financial statement deadline. After this deadline, such adjustments will be discussed with the auditor to evaluate materiality and discuss the proper treatment of such adjustments on the School's financial statements.

After properly accounting for the revenue adjustments, MFS staff will work with the community school to identify all contracts and agreements that may be based on a percentage of revenue or number of FTEs. (e.g., often management agreements or sponsor contracts), as well as, determine which components of the ODE Settlement Report should be considered in the calculation. Any such contracts or agreements identified as meeting this requirement will also have amounts paid (or owed) to the other party adjusted accordingly with the final FTE/ Revenues set by the State. If necessary, MFS will work with the School and legal counsel to determine the proper handling of these items. Otherwise, MFS will work to ensure that these parties are aware of the adjustments needed and will also monitor current year invoices received from (or payments made) to these parties to ensure the adjustments are properly and timely accounted for. Should the School end their relationship with one of these providers, any amounts remaining due to School will be payable in full prior to the transition date. Lastly, MFS will advise the School if collateralization of possible future repayments is necessary.



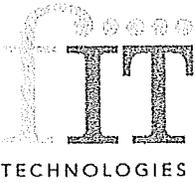
**Massa**  
Financial Solutions, LLC

---

## **Audit**

The School will undergo an annual independent financial audit by a State Agency or independent firm qualified to perform audits of charter schools. In cases where the auditor is an independent firm, the Board of Directors shall make the selection after review of proposals from interested firms. The auditor will perform their audit in accordance with Generally Accepted Accounting Principles (GAAP), Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards to determine whether the financial statements are fairly presented, financial reporting controls and policies have been properly designed and implemented, and whether the School has complied with all applicable laws and regulations. The auditor shall only render an opinion on the fair presentation of the financial statements. Additionally, if the School has expended over \$750,000 in federal monies, the auditor shall be required to perform a Single Audit of the School in accordance with OMB Circular A-133. Throughout the course of any audit, MFS will support the School and audit team by answering questions, being a liaison between the School and the audit staff, and providing all of the underlying records that support the amounts and disclosures contained in the School's financial statements.

Once the audit is completed, it will be released and made available to all stakeholders.



**Massa Financial Solutions, LLC**  
**Disaster Recovery**  
**May 17, 2019**

## Overview

In this document, FIT outlines the disaster recovery plans and options for Massa Financial Solutions, LLC as it pertains to the business-critical platform for the organization hosted within OVH's Private Hosted Cloud.

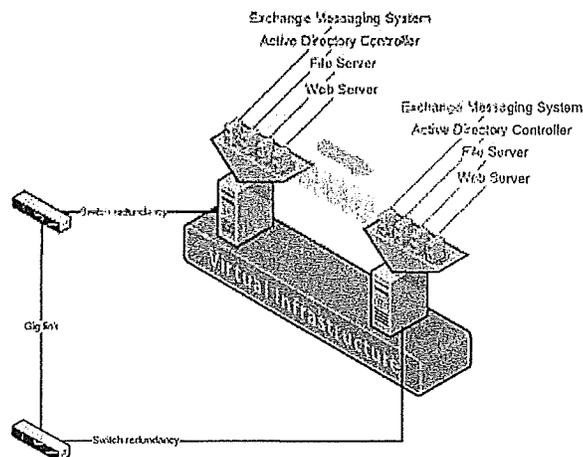
## OVH Hosted Private Cloud

All Massa Financial Solutions' servers are hosted in a fully redundant server cluster using the OVH Hosted Private Cloud offering. This cluster is hosted within a OVH datacenter with redundant uninterruptible power and generator backup.

OVH Private Hosted Cloud is an enterprise-level virtualization service offering powered by OVH. Virtualization hides the physical characteristics of a computing resource from its applications and/or end users. This makes a single physical resource (such as a server, an operating system, an application, or storage device) appear to function as multiple logical resources; or it can include making multiple physical resources (such as storage devices or servers) appear as a single logical resource. Hosting servers in this environment provides ease of storage, backup of stored data and redundant power systems.

By virtualizing the systems in place, an additional means of failover can be utilized. Normally, if a system fails all of its roles are unavailable until that system is replaced. In a virtual environment, it is possible to configure virtual machines to host those critical roles on a shared storage platform allowing the virtual machines to be re-attached to another system which will return the environment to an operational state.

The image below depicts virtual servers running on a physical server in a virtual infrastructure environment. The diagram demonstrates the virtual hosts' portability from one physical server to another across a redundant switched network. The diagram assumes a shared storage system is attached to each of the two systems.





---

### **Security**

To secure the Local Area Network (“LAN”) environment from outside intrusion, the hosted service solution uses a software-based edge gateway firewall in the OVH datacenter core environment. The edge gateway provides firewall protection for incoming and outgoing traffic which denies or permits passage based on the latest content security, encryption, identity authentication, authorization. The firewall is customized by FIT engineers for Massa Financial Solutions’ access needs and business policies and will provide flexibility for adding capabilities or upgrades.

### **Data Protection Service (“DPS”)**

With the OVH service offering, DPS is provided for all Massa Financial Solution servers. DPS is a policy-based data and recovery solution that provides image-based backups on a daily basis. The service ensures that all operating system, file system, and application data hosted on the Massa Financial Solution servers are captured as a snapshot image. All imaged based backups have a retention period of ninety (90) days.



FY2022 - May 2021 Submission  
 IRN No.: 017270  
 Type of School: Brick & Mortar  
 Contract Term: 06/30/23

County: Lorain

Lorain Bilingual Academy  
 Statement of Receipt, Disbursements, and Changes in Fund Cash Balances  
 For the Fiscal Years Ended 2018 through 2020, Actual and  
 the Fiscal Years Ending 2021 through 2025, Forecasted

	Actual			Forecasted				
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Staffing/Enrollment</b>								
Total Student FTE		103	182	254	294	319	343	368
Instructional Staff		14	17	22	23	24	25	26
Administrative Staff			2	2	2	2	2	2
<b>Other Staff</b>								
<b>Purchased Services</b>								
Rent	-	126,000	132,000	138,000	144,000	150,000	156,000	162,000
Utilities	-	33,828	32,751	30,505	31,420	32,362	33,333	34,333
Other Facility Costs	-	40,034	60,698	64,297	66,226	68,213	70,259	72,367
Insurance	-	256	6,165	7,420	7,643	7,872	8,108	8,351
Management Fee	-	112,926	217,869	343,888	382,378	396,356	401,053	427,971
Sponsor Fee	-	25,095	44,268	63,467	73,987	79,863	86,028	92,194
Audit Fees	-	20,256	29,303	29,738	30,630	31,549	32,496	33,471
Transportation	-	-	10,647	3,809	3,923	4,041	4,162	4,287
Legal	-	42,039	42,000	42,000	43,260	44,558	45,895	47,271
Marketing	-	53,349	25,344	37,456	38,579	39,737	40,929	42,157
Consulting	-	37,048	30,784	105,435	95,168	88,862	62,666	63,401
Special Education Services	-	21,687	38,710	42,989	44,279	45,607	46,975	48,384
Technology Services	-	41,188	40,050	31,212	32,148	33,113	34,106	35,129
Food Services	-	70,727	101,380	114,249	121,000	152,349	171,184	190,425
Other	-	5,129	4,375	5,191	5,347	5,507	5,672	5,842
<b>Total</b>	-	629,564	816,344	1,059,655	1,119,988	1,179,989	1,198,867	1,267,584
<b>Financial Metrics</b>								
Debt Service Payments	-	1,190	2,629	(373,185)	(81,005)	1,926	1,983	2,043
Debt Service Coverage	-	(324.49)	(10.14)	(1.01)	(6.13)	280.43	264.71	284.95
Growth in Enrollment	0.0%	0.0%	176.5%	139.5%	115.9%	108.3%	107.7%	107.1%
Growth in New Capital Outlay	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Growth in Operating Receipts	0.0%	0.0%	178.2%	139.2%	116.3%	107.9%	107.7%	107.1%
Growth in Non-Operating Receipts/Expenses	0.0%	0.0%	52.8%	80.7%	210.4%	103.9%	70.2%	105.6%
Days of Cash	\$0	\$13,039	\$9,886	\$9,286	\$8,638	\$8,249	\$7,878	\$7,809
<b>Total Expenditures / FTE</b>								

**FY2021 - FY2025 Budget Assumptions:**  
 Funded FTEs will grow to 294, 319, 343, and 368 in FY2022, FY2023, FY2024, and FY2025. It is assumed that for every additional 25 students enrolled each year, one teacher will be added to the staff at a starting annual salary of \$40,000. Returning teachers are expected to receive an average annual salary increase of 4%. Rent is assumed to increase \$500/month to \$12,000 or \$144,000 annually per the current lease agreement. Management fees for Accel Schools is included in this forecast at 13.5% of state aid and federal revenue per the terms of the management agreement. Food service expenses are expected to be at or near pre-COVID levels plus a pricing inflation of 1% per year. Sponsor fees grow as revenue increases assuming a rate of 3% of state revenue. Other operating expenses are assumed to grow 3% year over year after FY2021.

Fiscal Year FY2021 - FY2025 Projected Debt					
Description	Beginning Year Balance	Principal Retirement	Interest Expense	Ending Year Balance	Debtor Creditor
Loan A					
Loan B					
Loan C					
Payables (Past Due 180+ days)	\$ 457,875	\$ (457,875)	\$ -	\$ -	Accel Schools
<b>Total</b>	\$ 457,875	\$ (457,875)	\$ -	\$ -	

FY2022 - May 2021 Submission  
 IRN No.: 017270  
 Type of School: Brick & Mortar  
 Contract Term: 06/30/23

County: Lorain

**Lorain Bilingual Academy**  
 Statement of Receipt, Disbursements, and Changes in Fund Cash Balances  
 For the Fiscal Years Ended 2018 through 2020, Actual and  
 the Fiscal Years Ending 2021 through 2025, Forecasted

	Actual				Forecasted				
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
<b>Operating Receipts</b>									
State Foundation Payments (3110, 3211)	-	858,942	1,526,298	2,115,562	2,466,219	2,662,089	2,867,608	3,073,126	
Charges for Services (1500)	-	-	-	-	-	-	-	-	
Fees (1600, 1700)	-	49	4,807	15,196	12,778	12,778	12,778	12,778	
Other (1830, 1840, 1850, 1860, 1870, 1890, 3190)	-	858,991	1,531,105	2,130,758	2,478,997	2,674,868	2,880,386	3,085,904	
<b>Total Operating Receipts</b>									
<b>Operating Disbursements</b>									
100 Salaries and Wages	-	499,885	696,837	894,182	961,080	1,017,757	1,089,274	1,164,823	
200 Employee Retirement and Insurance Benefits	-	151,758	208,463	291,243	301,853	320,054	342,582	366,293	
400 Purchased Services	-	629,564	816,344	1,059,655	1,119,988	1,179,989	1,198,867	1,267,584	
500 Supplies and Materials	-	60,626	73,273	107,711	154,801	107,707	69,514	69,202	
600 Capital Outlay - New	-	-	-	-	-	-	-	-	
700 Capital Outlay - Replacement	-	-	-	-	-	-	-	-	
800 Other	-	-	-	-	-	-	-	-	
819 Other Debt	-	-	-	-	-	-	-	-	
<b>Total Operating Disbursements</b>									
Excess of Operating Receipts Over (Under)	-	1,341,833	1,794,918	2,352,792	2,537,722	2,625,507	2,700,237	2,867,903	
Operating Disbursements	-	(482,842)	(263,813)	(222,033)	(58,724)	49,360	180,149	218,002	
<b>Nonoperating Receipts/(Disbursements)</b>									
Federal Grants (all 4000 except fund 532)	-	96,555	211,846	537,645	492,403	427,903	344,891	364,132	
State Grants (3200, except 3211)	-	-	25,303	62,758	62,758	62,758	-	-	
Restricted Grants (3219, Community School Facilities Grant)	-	-	-	-	-	-	-	-	
Donations (1820)	-	-	-	-	-	-	-	-	
Interest Income (1400)	-	429,876	42,642	(375,000)	(82,875)	(1,926)	(1,983)	(2,043)	
Debt Proceeds (1900)	-	-	-	(1,815)	(1,870)	-	-	-	
Debt Principal Retirement	-	-	-	-	-	-	-	-	
Interest and Fiscal Charges	-	(1,190)	(2,629)	-	-	-	-	-	
Transfers - In	-	-	-	-	-	-	-	-	
Transfers - Out	-	-	-	-	-	-	-	-	
<b>Total Nonoperating Revenues/(Expenses)</b>									
Excess of Operating and Nonoperating Receipts Over/(Under) Operating and Nonoperating Disbursements	-	42,398	13,350	1,555	411,693	538,096	523,057	580,091	
Fund Cash Balance Beginning of Fiscal Year	-	-	42,398	55,748	57,303	468,995	1,007,092	1,530,149	
Fund Cash Balance End of Fiscal Year	-	42,398	55,748	57,303	468,995	1,007,092	1,530,149	2,110,239	

Appendix E

- Dismissal of employees upon closure procedures; and
- Summary of employee benefits.





**PANSOPHIC**  
LEARNING

**ACCEL CapEd™**  
SCHOOLS

# 2020 - 2021 BENEFITS GUIDE



# WELCOME

Pansophic Learning and ACCEL Schools are pleased to offer an excellent benefit program. These health and welfare benefits are designed to protect you and your family while you are an active employee. We encourage you to carefully review this information and share it with your covered dependents.

## Eligibility

Health and welfare plans are available to all benefit eligible employees who work a minimum of 30 hours per week. Benefits are effective on your date of hire.

## New Hire Coverage

You will have 30 days from your eligibility date to make your benefit selections. If you do not enroll within the first 30 days of your eligibility date, you will not be eligible for coverage until the next open enrollment period or if you have a qualifying change in status.

## Dependent Eligibility

If you wish, your dependents may also be covered under the Medical, Dental, Vision and Optional Life/AD&D plans. Eligible dependents include:

- Your legal spouse
- For Medical, Dental, Vision, Optional Life/AD&D coverage, your children up to the end of the month they turn 26 regardless of their marital, student, or financial status

## Terminating Coverage

If you leave the Company for any reason your medical, dental and vision will terminate at the end of the month. Short term disability, long term disability, basic life and voluntary life benefits will terminate at the end of the day employment ends.

## COBRA Continuation Coverage

When you or any of your dependents no longer meet the eligibility requirements for your employer's health and welfare plans, you may be eligible for continued coverage as required by the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986. In the event of divorce, legal separation or change in dependent status, it is your responsibility to notify Human Resources within 60 days for complete COBRA detail requirements.

## Medicare Part D Prescription Drug Information

If you are enrolled in or will be eligible for Medicare in the next 12 months, Federal law gives you more choices for prescription drug coverage. See pages 26-27 for more information.

# CONTENTS

Eligibility .....	2
Your Elections.....	3
Key Words to Know / Health Plan Assist .....	4
Benefits-at-a Glance.....	5
Medical Benefits.....	6-10
Health Savings Account (HSA) .....	11
Live Health Online.....	12
Dental.....	13
Vision.....	14
Flexible Spending Accounts (FSA) .....	15
Basic Life and AD&D.....	16
Voluntary Life and AD&D.....	17
Disability Income Protection .....	18
Employee Assistance Program (EAP) .....	19
Travel Assistance .....	20
Accident.....	21
Critical Illness.....	22
Whole Life Insurance .....	23
Hospital Indemnity.....	24
Your Right to Know.....	25
Medicare Part D Notices .....	26-27
CHIP Notice.....	28-31
Resources .....	32

# ELECTIONS

## Making Changes During the Year

In most cases, the benefits you elect or waive when you enroll will remain in effect until the end of the plan year. However, if you experience a qualifying change in status, you can change your coverage to meet your changing needs. Keep in mind that appropriate documentation is required for any change in status. You must notify HR within 30 days of the event to make an election change.

Examples include, but are not limited to, the following:

- Change in legal marital status
- Change in number of dependents
- The issuance of a Qualified Medical Child Support Order
- Dependent satisfies or ceases to satisfy eligibility requirements
- Change in employment status of employee affecting eligibility
- Gain or loss in spousal or dependent benefit coverage

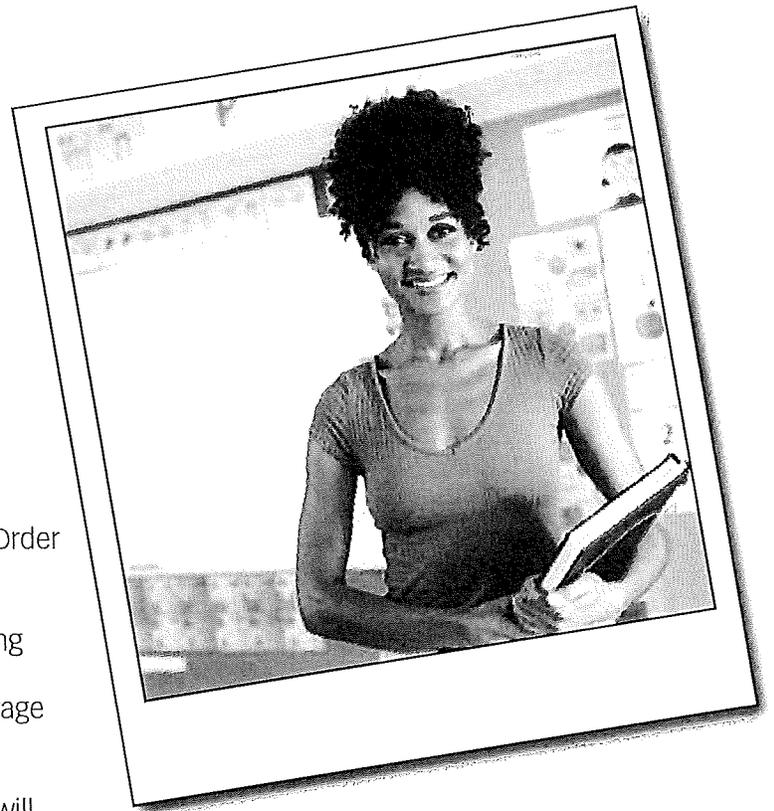
## What happens if I don't enroll?

If you do not enroll within the required time period, you will not be eligible to receive voluntary or contributory coverage until the next annual open enrollment period, or qualifying event. You may be subject to waiting periods or reduced benefits if you decide to enroll at a later date.

## During Open Enrollment, you may:

- Add or drop a health or insurance benefit plan
- Add or remove dependents
- Review your beneficiary designation for your life insurance and make any changes necessary.

All changes made during Open Enrollment are effective August 1, 2020 and will remain in effect until July 31, 2021, unless you have a change in status.



## DON'T FORGET TO HAVE THE FOLLOWING AVAILABLE WHEN SPEAKING WITH A BENEFITS COUNSELOR:

- Dependent information (date of birth, Social Security Number, Birth certificates, Marriage certificates, etc.)
- Beneficiary information
- Be prepared to make decisions
- Any questions you may have

# KEY WORDS TO KNOW

It is important to be familiar with benefit terms to better understand your options. Take a moment to review these definitions, which may be referenced throughout this guide.

- **High Deductible Health Plan (HDHP)** – can be combined with a health savings account (HSA), allowing you to pay for certain medical expenses with money free from federal taxes. The IRS defines a high deductible health plan as any plan with a deductible of at least \$1,350 for an individual or \$2,700 for a family.
- **Coinsurance** – Your share of the costs for health care services, calculated as a percentage of the allowed amount. You pay coinsurance after your deductible has been met. You pay that percentage for each charge until you meet your out-of-pocket maximum.
- **Copayment/Copay** – Fixed dollar amounts you pay for a covered health care service, usually at the time of service. The amount can vary by type of service. You pay the copay before, during, and after the deductible is met. PPO plans have copays, but the HDHP plans do not.
- **Covered services or expenses** – Services or expenses that your plan covers.
- **Deductible** – The total dollar amount you are required to pay for health care services at 100% before your health insurance plan begins to pay.
- **Embedded Deductible** – Under family coverage, the deductible is the individual deductible for each covered person.
- **Aggregate Deductible** – The total family deductible must be paid out-of-pocket before the insurance begins paying for services.
- **Exclusions** – Services or expenses that your plan does not cover.
- **Out-of-pocket maximum** – The most you should have to pay for health care benefits during a plan year. Once met, you should not have to pay cost shares until the plan year renews. While this maximum does include your deductible, copays, and coinsurance, it never includes your premium, balance-billed charges, or services your plan does not cover.
- **Premiums** – The amount you pay to receive coverage.
- **Preventive Care** – All medical plans cover routine preventive care at 100%. Preventive visits to your doctor can help catch health risks early, potentially saving money, time, and even your livelihood. Take advantage of this care, including well-child visits, annual physicals, immunizations, and more!



# BENEFITS-AT-A-GLANCE

You are an important member of a committed team and contribute to our ongoing mission. One of the most important and valuable resources we offer to you is your health and welfare benefits program. The Company takes pride in offering a benefits program which provides flexibility for the diverse and changing needs of our employees. The following is an overview of the benefits provided to eligible employees and their dependents.

BENEFIT PLAN	OPTIONS
<b>Medical</b> Anthem BCBS	<ul style="list-style-type: none"> <li>• Employer/Employee Paid</li> <li>• 3-PPO and 1-PPO HDHP Plans</li> </ul>
<b>Dental</b> Anthem BCBS	<ul style="list-style-type: none"> <li>• Employer/Employee Paid</li> <li>• \$50/\$150 Deductible; \$1,500 Annual Maximum</li> </ul>
<b>Vision</b> National Vision Administrator (NVA)	<ul style="list-style-type: none"> <li>• Employer/Employee Paid</li> <li>• Exams, Lenses, Frames, and/or Contacts</li> </ul>
<b>Basic Term Life / AD&amp;D</b> Unum	<ul style="list-style-type: none"> <li>• Employer Paid</li> <li>• Employee: 1X base annual earnings to a maximum of \$50,000</li> </ul>
<b>Short Term Disability</b> Unum	<ul style="list-style-type: none"> <li>• Employer Paid</li> <li>• 60% to \$2,308 maximum per week</li> </ul>
<b>Long Term Disability</b> Unum	<ul style="list-style-type: none"> <li>• Employer Paid</li> <li>• 60% to \$10,000 maximum per month</li> </ul>
<b>Voluntary Life / AD&amp;D</b> Unum	<ul style="list-style-type: none"> <li>• Employee Paid</li> <li>• Employee Benefit Options: \$10,000 increments to a maximum of 5x base earnings or \$500,000; Guarantee Issue \$200,000</li> <li>• Spouse Benefit: \$5,000 increments up to \$250,000 or the lesser of 100% of employee amount; Guarantee Issue \$50,000</li> <li>• Child Benefit: \$2,000 increments up to \$10,000 to the lesser of 100% of employee amount; Guarantee Issue \$10,000</li> </ul>
<b>Health Savings Account (HSA)</b> Anthem BCBS	<ul style="list-style-type: none"> <li>• HSA available for HDHP plans only</li> <li>• \$500 annual contribution (paid quarterly) when enrolled in the HDHP</li> </ul>
<b>Flexible Spending Account (FSA)</b> <b>Health Care FSA &amp; Limited Purpose FSA</b> Infinisource	<ul style="list-style-type: none"> <li>• Employee Contributions</li> <li>• Up to \$2,750 tax-free for eligible health care expenses</li> <li>• Up to \$5,000 per household tax-free for eligible day care expenses</li> </ul>
<b>Employee Assistance Program (EAP)</b> Unum	<ul style="list-style-type: none"> <li>• Resources and support for Life's challenges</li> <li>• Available 24/7 by phone or online. Support for you and your family</li> </ul>
<b>Voluntary Worksite Benefits</b> Unum	<ul style="list-style-type: none"> <li>• Employee Paid</li> <li>• Accident with hospital sickness rider option - Pays a set benefit amount based on the type of injury; includes wellness benefit</li> <li>• Whole Life with Long Term Care (LTC) rider - earns cash value</li> <li>• Critical Illness with cancer rider - Pays a lump-sum benefit directly to you</li> <li>• Hospital Indemnity - helps covered employees and their families cope with the financial impacts of a hospitalization.</li> </ul>

# MEDICAL BENEFITS

Nothing is more important than the health of you and your family. That is why our medical plan choices through Anthem BCBS are designed to help you get the care you need at a price you can afford. The options available to you are five health plans that give you the flexibility to choose an in-network or out-of-network provider each time you need care. Two of these options are High Deductible Health Plans (HDHP) compatible with a Health Savings Account (HSA) and the other three are standard Preferred Provider Organization (PPO) plans. Under all of these medical options, you will always save money when you visit in-network providers.

## Finding a Doctor

Use our online Find a Doctor tool to look for doctors, hospitals, labs and other health care providers in your Anthem Blue Cross and Blue Shield plan. Check if your favorite doctor is part of your plan, or look for one near you. Avoid getting care from doctors outside of your plan if you can — it will cost you more or your plan may not cover it all.

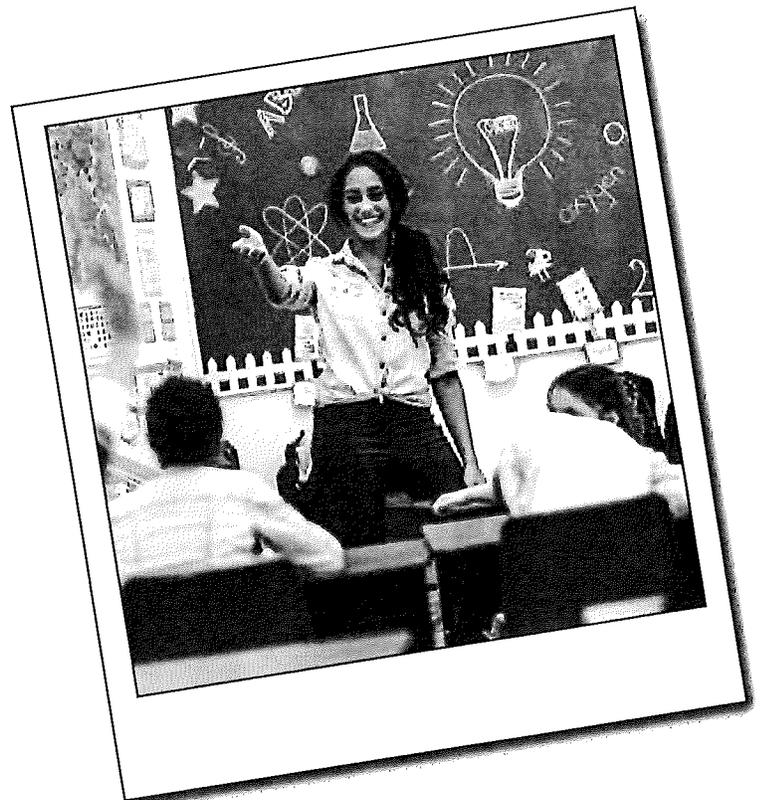
1. Go to [anthem.com/find-doctor/](http://anthem.com/find-doctor/)
2. You can look for a doctor by using either:
  - Search as a Member: Use your member ID card number or log in with a user name and password.
  - Search as a Guest: Select a plan or network,\* or search by all plans and networks, to get started.
    - o Scroll down to "Search as a Guest"
    - o Click on continue
    - o Under the "How do you get insurance?" drop down **Enter Through my employer**
    - o Under the "What state do you want to search in?" drop down **Enter where you are seeking care**
    - o Under the "What type of care are you searching for?" drop down **Enter Medical**
    - o Under the "plan/network" drop down **Enter National PPO (BlueCard PPO) and hit continue**
    - o Enter the specific information and click search
3. Next, select a type of doctor and location. You can also search for a doctor within a certain distance of your location. It's optional to provide a doctor's name. Hit Search.

Choose a doctor to see more information, such as:

- Training
- Specialties
- Languages spoken
- Address (including a map)
- Phone number

## Going mobile

Use your mobile device to search for doctors, hospitals and more with our free app from the App Store® or Google Play™. Just search for Anthem Anywhere and download the app.

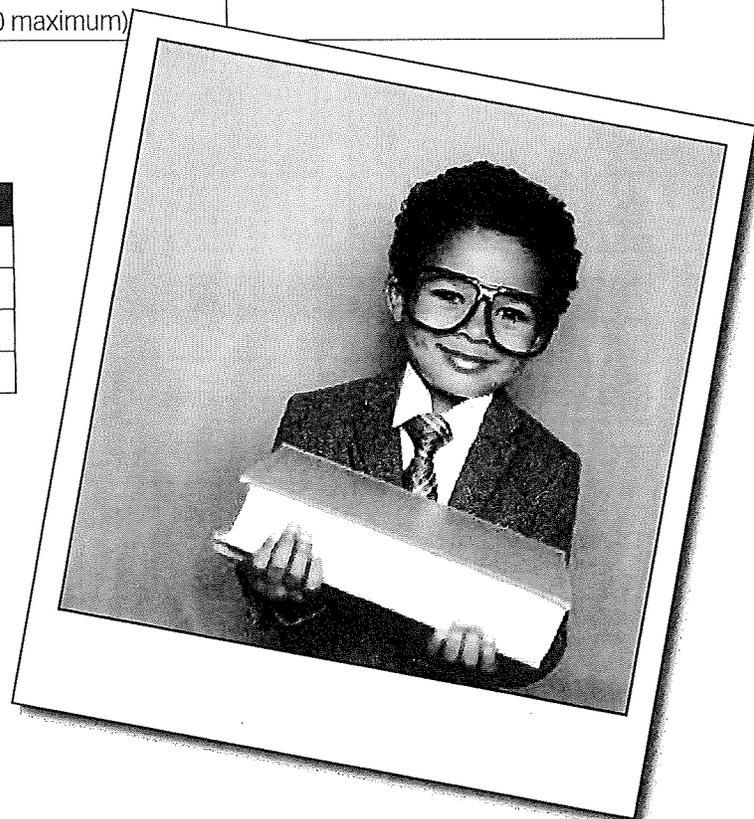


# MEDICAL PLANS

<b>\$750 PPO PLAN</b>	<b>IN-NETWORK</b>	<b>OUT-OF-NETWORK</b>
<b>Deductibles</b> - per calendar year Embedded Deductible	\$750 per member \$1,500 per family	\$4,000 per member \$8,000 per family
<b>Coinsurance</b> The percentage the plan pays for specific services after deductible is met	80%	60%
<b>Annual Out-of-Pocket Maximum</b> Applies to deductibles, copays & coinsurance amounts for all covered services - including cost sharing amounts for prescription drugs, if applicable	\$5,500 per member \$11,000 per family	\$11,000 per member \$22,000 per family
<b>SERVICES</b>		
<b>Office Visit</b>	\$35 copay	60% after deductible
<b>Specialist Office Visit</b>	\$65 copay	60% after deductible
<b>Annual Preventive Care</b>	100%	60% after deductible
<b>Surgery and related expenses</b>	80% after deductible	60% after deductible
<b>Inpatient Hospital</b>	80% after deductible	60% after deductible
<b>Urgent Care</b>	\$65 copay	60% after deductible
<b>Emergency Room</b> Copay waived if admitted	\$250 copay	\$250 copay
<b>Lab/Xray, Major Diagnostic</b>	80% after deductible	60% after deductible
<b>High Tech Imaging</b>	\$100 copay after deductible	60% after deductible
<b>Chiropractic</b>	\$65 copay; limits apply	60% after deductible
<b>Therapy/Rehab</b>	\$65 copay; limits apply	60% after deductible
<b>PRESCRIPTION DRUGS</b>		
<b>Prescription Copays</b> Mail order available up to 90 day supply at 2x copay	Generic: \$15 Preferred Brand: \$35 Non-Preferred: \$85 Specialty: 20% (\$250 maximum)	60% after deductible

## RATES

<b>COVERAGE TIER</b>	<b>BI-WEEKLY RATE</b>
Employee Only	\$66.18
Employee + Spouse	\$287.93
Employee + Child(ren)	\$233.60
Family	\$487.54

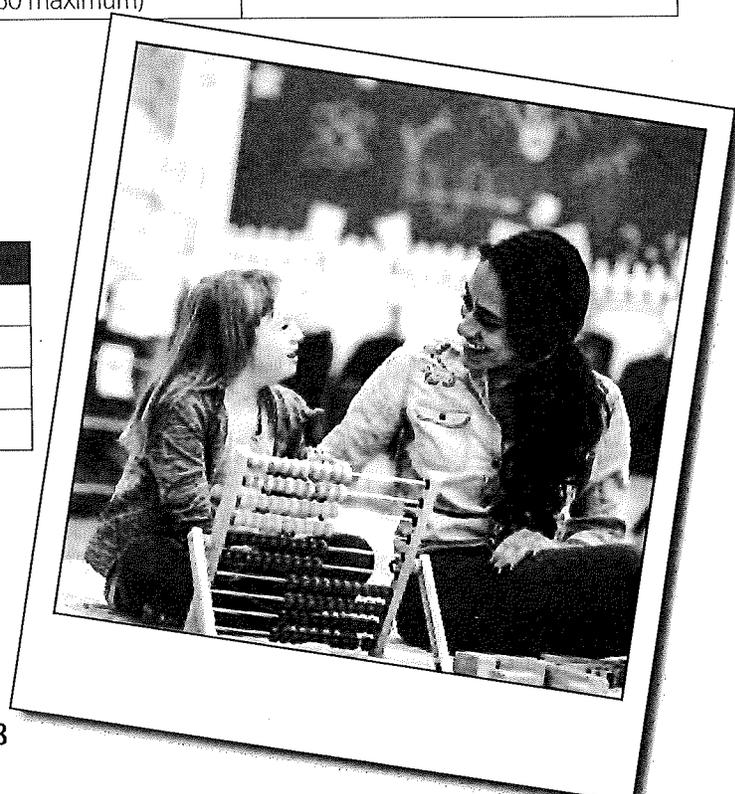


# MEDICAL PLANS

<b>\$1,500 PPO PLAN</b>	<b>IN-NETWORK</b>	<b>OUT-OF-NETWORK</b>
<b>Deductibles</b> - per calendar year Embedded Deductible	\$1,500 per member \$3,000 per family	\$4,500 per member \$9,000 per family
<b>Coinsurance</b> The percentage the plan pays for specific services after deductible is met	80%	60%
<b>Annual Out-of-Pocket Maximum</b> Applies to deductibles, copays & coinsurance amounts for all covered services - including cost sharing amounts for prescription drugs, if applicable	\$6,850 per member \$13,700 per family	\$13,700 per member \$27,400 per family
<b>SERVICES</b>		
<b>Office Visit</b>	\$35 copay	60% after deductible
<b>Specialist Office Visit</b>	\$65 copay	60% after deductible
<b>Annual Preventive Care</b>	100%	60% after deductible
<b>Surgery and related expenses</b>	80% after deductible	60% after deductible
<b>Inpatient Hospital</b>	80% after deductible	60% after deductible
<b>Urgent Care</b>	\$65 copay	60% after deductible
<b>Emergency Room</b> Copay waived if admitted	\$300 copay	\$300 copay
<b>Lab/Xray, Major Diagnostic</b>	80% after deductible	60% after deductible
<b>High Tech Imaging</b>	\$100 copay after deductible	60% after deductible
<b>Chiropractic</b>	\$65 copay; limits apply	60% after deductible
<b>Therapy/Rehab</b>	\$65 copay; limits apply	60% after deductible
<b>PRESCRIPTION DRUGS</b>		
<b>Prescription Copays</b> Mail order available up to 90 day supply at 2x copay	Generic: \$15 Preferred Brand: \$35 Non-Preferred: \$85 Specialty: 20% (\$250 maximum)	60% after deductible

## RATES

<b>COVERAGE TIER</b>	<b>BI-WEEKLY RATE</b>
Employee Only	\$32.70
Employee + Spouse	\$245.58
Employee + Child(ren)	\$194.35
Family	\$440.02

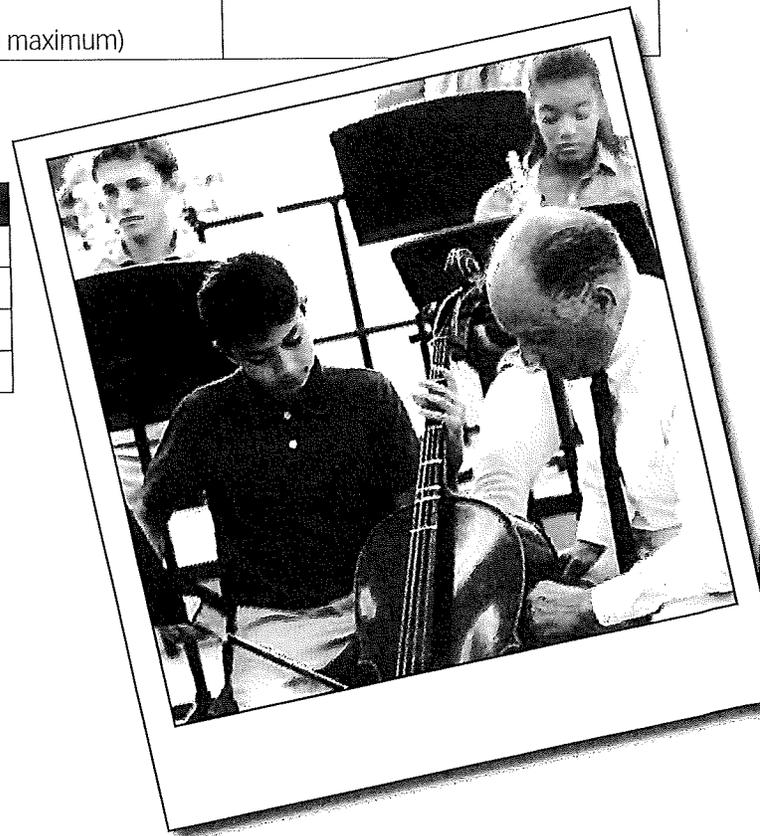


# MEDICAL PLANS

<b>\$3,000 PPO PLAN</b>	<b>IN-NETWORK</b>	<b>OUT-OF-NETWORK</b>
<b>Deductibles</b> - per calendar year Embedded Deductible	\$3,000 per member \$6,000 per family	\$9,000 per member \$18,000 per family
<b>Coinsurance</b> The percentage the plan pays for specific services after deductible is met	70%	50%
<b>Annual Out-of-Pocket Maximum</b> Applies to deductibles, copays & coinsurance amounts for all covered services - including cost sharing amounts for prescription drugs, if applicable	\$8,150 per member \$16,300 per family	\$16,300 per member \$32,600 per family
<b>SERVICES</b>		
<b>Office Visit</b>	\$40 copay	50% after deductible
<b>Specialist Office Visit</b>	\$75 copay	50% after deductible
<b>Annual Preventive Care</b>	100%	50% after deductible
<b>Surgery and related expenses</b>	70% after deductible	50% after deductible
<b>Inpatient Hospital</b>	70% after deductible	50% after deductible
<b>Urgent Care</b>	\$75 copay	50% after deductible
<b>Emergency Room</b> Copay waived if admitted	\$300 copay	\$300 copay
<b>Lab/Xray, Major Diagnostic</b>	70% after deductible	50% after deductible
<b>High Tech Imaging</b>	\$100 copay after deductible	50% after deductible
<b>Chiropractic</b>	\$75 copay; limits apply	50% after deductible
<b>Therapy/Rehab</b>	\$75 copay; limits apply	50% after deductible
<b>PRESCRIPTION DRUGS</b>		
<b>Prescription Copays</b> Mail order available up to 90 day supply at 2x copay	Generic: \$15 Preferred Brand: \$40 Non-Preferred: \$100 Specialty: 20% (\$300 maximum)	50% after deductible

## RATES

<b>COVERAGE TIER</b>	<b>BI-WEEKLY RATE</b>
Employee Only	\$8.06
Employee + Spouse	\$167.05
Employee + Child(ren)	\$124.35
Family	\$309.13



# MEDICAL PLANS

<b>\$3,500 HDHP PLAN</b>	<b>IN-NETWORK</b>	<b>OUT-OF-NETWORK</b>
<b>Deductibles</b> - per calendar year Embedded Deductible	\$3,500 per member \$7,000 per family	\$7,000 per member \$14,000 per family
<b>HSA Employer Contribution - Annual</b>	\$500	
<b>Coinsurance</b> The percentage the plan pays for specific services after deductible is met	80%	60%
<b>Annual Out-of-Pocket Maximum</b> Applies to deductibles, copays & coinsurance amounts for all covered services - including cost sharing amounts for prescription drugs, if applicable	\$6,000 per member \$12,000 per family	\$12,000 per member \$24,000 per family
<b>SERVICES</b>		
<b>Office Visit</b>	80% after deductible	60% after deductible
<b>Specialist Office Visit</b>	80% after deductible	60% after deductible
<b>Annual Preventive Care</b>	100%	60% after deductible
<b>Surgery and related expenses</b>	80% after deductible	60% after deductible
<b>Inpatient Hospital</b>	80% after deductible	60% after deductible
<b>Urgent Care</b>	80% after deductible	60% after deductible
<b>Emergency Room</b> Copay waived if admitted	80% after deductible	80% after deductible
<b>PRESCRIPTION DRUGS</b>		
<b>Prescription</b> Mail order available up to 90 day supply at 2x copay	<b>Copays after deductible</b> Generic: \$15 Preferred Brand: \$40 Non-Preferred: \$100 (after applicable deductible is met) Specialty: 20% (\$300 maximum)	60% after deductible

# RATES

<b>COVERAGE TIER</b>	<b>BI-WEEKLY RATE</b>
Employee Only	\$4.62
Employee + Spouse	\$130.92
Employee + Child(ren)	\$93.55
Family	\$246.66



# HEALTH SAVINGS ACCOUNT (HSA)

Health Savings Account (HSA) is a bank account that HDHP members can use to pay out-of-pocket health care expenses with pre-tax dollars. As long as you use the funds to pay for qualified medical expenses, the money is spent tax free. Money that you deposit into your HSA is yours to keep regardless of whether you change jobs or health plans. You own your account and there are no "use it or lose it" restrictions. Funds roll over from one year to the next. Your funds are not forfeited.

HDHP-HSA PLAN COVERAGE TIER	MAXIMUM 2020 CONTRIBUTION
Single	\$3,550
Family	\$7,100

Contributions to your HSA can be invested, potentially growing tax-deferred funds. If you are age 55 or older, an additional \$1,000 catch-up contribution can be made each year.

Tax penalties are enforced if used for non-qualified medical expenses.

## Our HSA can help you manage your health care costs

Your health plan with an HSA gives you access to a large network of doctors and hospitals, and helps pay for your costs when you need care. It's designed to give you health care options and help you stretch your hard-earned dollars. Here's how:

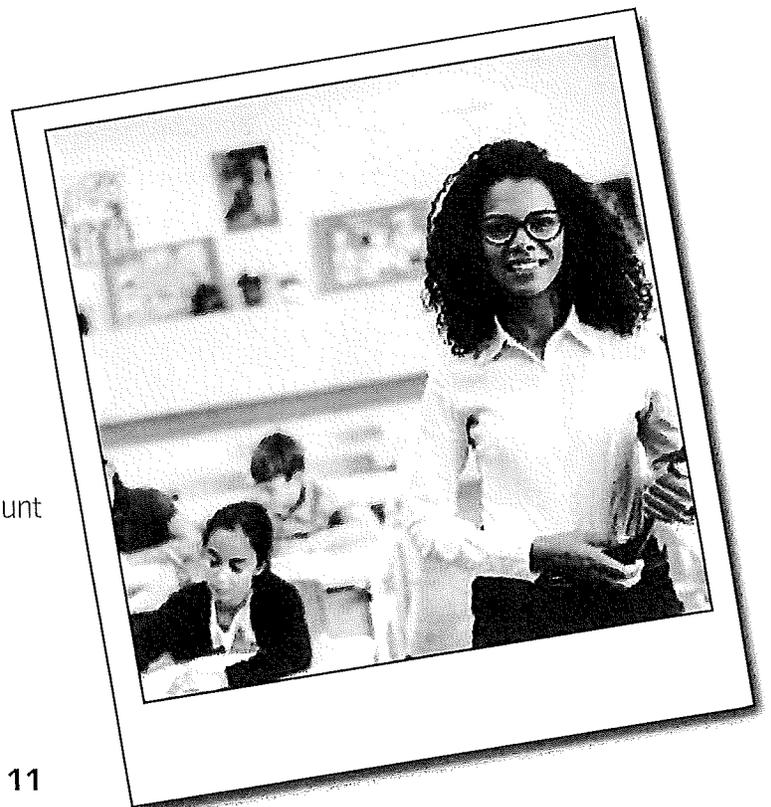
- With an HSA, you can set aside pretax dollars to pay for qualified medical expenses.
- Because the funds you put into your HSA and use to pay for qualified expenses are tax free, you save money.
- You and/or your employer can contribute to your HSA.
- You can add funds to your HSA at any time or through automatic deductions each paycheck.
- For 2020, you can add up to \$3,550 for yourself or \$7,100 for your family each year.
- The money in the HSA is yours, and any funds left over at the end of the year can be rolled over to the next plan year.
- You'll get an HSA debit card you can use to pay for qualified medical expenses like:
  - Costs that count toward your deductible
  - Coinsurance
  - Copays
  - Emergency room or urgent care visits
  - Hospital stays
  - Prescription drugs

## HSA Plan Administrator- Anthem

Following open enrollment, you will receive information from Anthem in order to register for your account

You will have the ability to transfer funds to your new account. You can access your account online at [www.anthem.com](http://www.anthem.com)

**It's Easy to Use** – You can access money in your account with an HSA debit card



# LIVEHEALTH ONLINE

Life moves pretty fast. When you're not feeling well, you want to feel better fast. With LiveHealth Online, you don't need to make an appointment. Just sign up at [livehealthonline.com](http://livehealthonline.com) or use the app, and see a board-certified doctor in a few minutes.

When your own doctor isn't available, use LiveHealth Online if you have:

- Pinkeye
- A cold
- The flu
- A fever
- Allergies
- A sinus infection
- And more

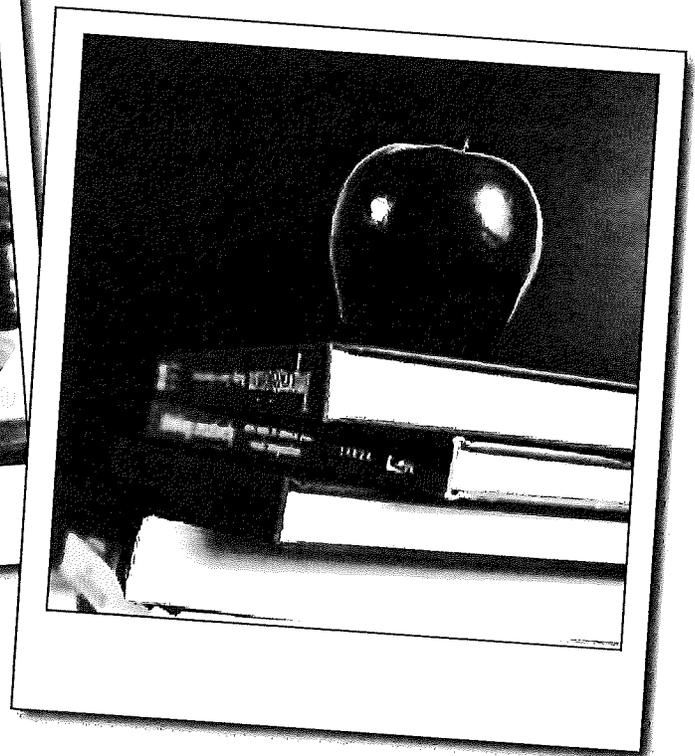
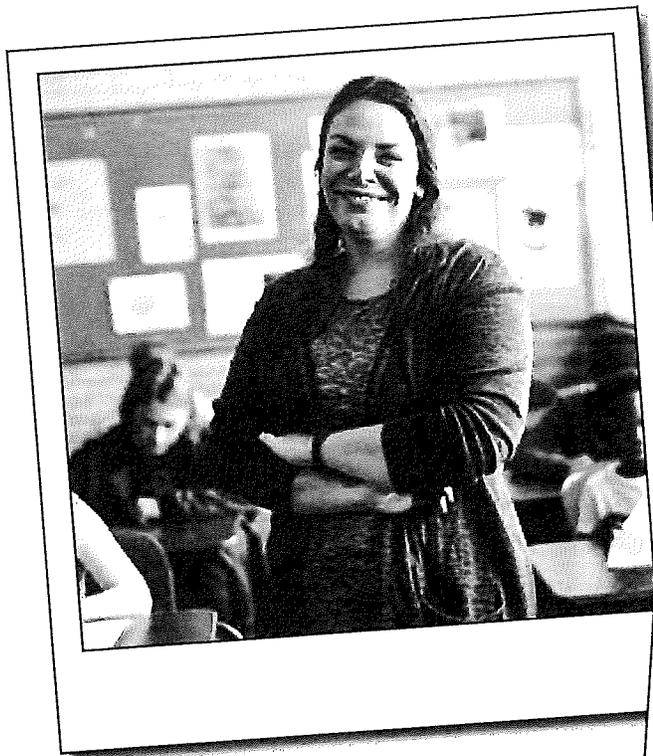
A doctor can assess your condition, provide a treatment plan and even send a prescription to your pharmacy, if it's needed.

## **What will a visit cost?**

Your Anthem plan includes benefits for video visits using LiveHealth Online, so you'll just pay your share of the costs — usually \$49 or less.

## **Sign up for LiveHealth Online today -- it's quick and easy**

Go to [livehealthonline.com](http://livehealthonline.com) or download the app and register on your phone or tablet.



# DENTAL PLAN

The Company provides you with the option to enroll in a Preferred Provider Organization (PPO) dental plan through Anthem BCBS dental. Anthem BCBS dental plan is designed to help you maintain a healthy smile through regular preventive dental care and to fix any problems as soon as they occur. You may utilize dentists who belong to the PPO network, as well as dentists who are not part of the PPO network. However, you save money when you visit in-network dentists. When visiting an out-of-network provider, you may be responsible for additional out-of-pocket costs. Locate a dentist at [www.anthem.com](http://www.anthem.com).

## Finding a Dentist

- Scroll down to "Search as a Guest"
- Click on continue
- Under the "How do you get insurance?" drop down enter **Through my employer**
- Under the "What state do you want to search in?" drop down **Enter where you are seeking care**
- Under the "What type of care are you searching for?" drop down **Enter Dental**
- Under the "plan/network" drop down **Enter Dental Complete**
- Enter the specific information and click search

ANTHEM BCBS	PPO DENTIST IN-NETWORK	NON-PARTICIPATING DENTIST OUT-OF-NETWORK
Single Deductible	\$50	\$50
Family Deductible	\$150	\$150
Preventive	100%	100%
Basic	80%	80%
Major	50%	50%
Maximum	\$1,500	\$1,500
Orthodontia Age Limit 19	50%	50%
Orthodontia Lifetime Maximum	\$1,500	\$1,500

## RATES

	BI-WEEKLY RATE
Employee Only	\$4.12
Employee + Spouse	\$15.24
Employee + Child(ren)	\$16.06
Family	\$31.30



# VISION PLAN

The Company offers you vision benefits administered by NVA. You may choose to visit a provider within the NVA network and take advantage of higher benefits coverage, or visit an out-of-network provider of your choice for a reduced benefit if desired. Keep in mind, when you stay within the network, you will pay less. To find a provider go to [www.e-nva.com](http://www.e-nva.com).

NVA	IN-NETWORK	OUT-OF-NETWORK
<b>Exam</b> Once every 12 months	Covered 100% After \$15 Copay	Reimbursed up to \$45
<b>Lenses</b> Once every 12 months	Covered 100% After \$25 Copay	Reimbursement amounts Single \$30 Bifocal \$50 Trifocal \$65 Lenticular \$100
<b>Frame</b> Once every 24 months	Covered up to \$130 20% discount off remaining balance over \$130 allowance	Reimbursed up to \$70
<b>Contact Lenses</b> Once every 12 months	Covered up to \$125 (In lieu of Lenses/Frames)	Reimbursed up to \$125
<b>Medically Necessary Contact Lenses</b>	Covered 100%	Reimbursed up to \$210

## RATES

	BI-WEEKLY RATE
Employee Only	\$0.50
Employee + Spouse	\$1.84
Employee + Child(ren)	\$1.94
Family	\$3.78



# FLEXIBLE SPENDING ACCOUNTS (FSA)

Flexible Spending Accounts (FSAs) are a pre-tax way to pay for health care and dependent care expenses incurred throughout the year. Infinisource is the plan administrator for the FSA plan. To enroll, you must elect the amount you want to contribute on an annual basis. Your contributions will be deducted from your paychecks in equal installments throughout the year that will automatically deposit into your health care or dependent care FSA account. Pansophic offers three FSA plan options. The health care and dependent care accounts exist independently – you don't have to elect both types to enroll in the FSA.

## **Health Care FSA**

Allows you to pay for medical, dental, vision and other health care expenses that are not covered under any other plan with pre-tax dollars. The maximum amount you may contribute to your health care FSA is **\$2,750**. Funds are available on first day of plan year. Plan carefully—Claims must be incurred in the plan year in order to be eligible for reimbursement. Any funds left in your FSA will be forfeited.

## **Limited Purpose FSA**

Same rules as the Health Care FSA but if you are enrolled in the HDHP, you are eligible for a limited-purpose FSA which allows you to pay for dental and vision expenses. Use it or lose it—Any funds left in your FSA will be forfeited.

## **Dependent Care FSA**

Utilize pre-tax dollars to cover the cost of day care expenses incurred so that both parents can work. The maximum amount you may contribute to your dependent care FSA is **\$5,000 per household**. Funds are available as deposited. Use it or lose it—any amounts left in the account are forfeited at the end of the year.

## **FSA Debit Card**

When you enroll in the health care FSA, Infinisource sends you a debit card. The FSA debit card is accepted at medical offices and qualified merchants (e.g. pharmacies, drug stores) to pay directly for health care expenses. When you use your FSA debit card to pay, funds are instantly deducted from your FSA account. You can obtain additional cards for your spouse or dependents.

## **A Few Things to Consider....**

FSAs offer a pre-tax opportunity. As such, they are also subject to strict IRS rules, including the following:

- The IRS has a strict "use it or lose it rule": If you do not use the full amount in your FSAs by the end of the plan year, you will lose any remaining health and dependent care funds.
- Once you enroll in the FSA, you cannot change your contribution amount during the year unless you experience a change in status (see section "Making Changes During the Year").
- **If you are enrolled in the 2020 HDHP HSA with Pansophic (or any other HDHP HSA plan), you are not eligible to participate in the health care FSA. However, you are able to participate in the Limited Purpose FSA.**
- If during open enrollment, you transfer from the HDHP (with HSA) to the PPO, you are now eligible to enroll in the FSA and use your FSA for medical, dental and vision expenses. If you have money left in your HSA (from prior contributions), you are also eligible to utilize the HSA money towards your new health care expenses (or you can save the HSA money for retirement).

## **Remember to keep your receipts!**

Your debit card may be suspended for failure to provide receipts upon request from Infinisource.

If you are unable to estimate your health care and dependent care costs accurately, it is better to be conservative and underestimate rather than overestimate your expenses. For a detailed list of eligible expenses, visit [www.irs.gov/publications](http://www.irs.gov/publications) and search for Publications 502 (Medical and Dental Expenses) and 503 (Child and Dependent Care Expenses).

# BASIC LIFE AND AD&D

Basic Life and Accidental Death & Dismemberment (AD&D) insurance benefits is available to all eligible employees through Unum.

## **Basic Life/Accidental Death and Dismemberment**

The basic life benefit is payable to your designated beneficiary in the event of your death.

The amount of coverage is: **1x annual earnings to \$50,000**

Age reductions 65% at age 65 and 50% at 70.



# VOLUNTARY LIFE AND AD&D

You may also purchase additional Life/AD&D insurance coverage for yourself, your spouse and your child(ren) through Unum.

UNUM	OPTIONAL LIFE/AD&D COVERAGE AMOUNTS
<b>Employee</b>	\$10,000 increments up to a max of 5x times earnings or \$500,000, whichever is less Guarantee Issue \$200,000 Age reductions 65% at age 65 and 50% at age 70
<b>Spouse</b>	\$5,000 increments up \$250,000 (not to exceed 100% of employee coverage amount) Guarantee Issue \$50,000
<b>Child(ren)</b>	0-14 days, \$1,000 14 days-26 years \$2,000 increments to \$10,000 AD&D automatically included with life election (package deal) Guarantee Issue \$10,000

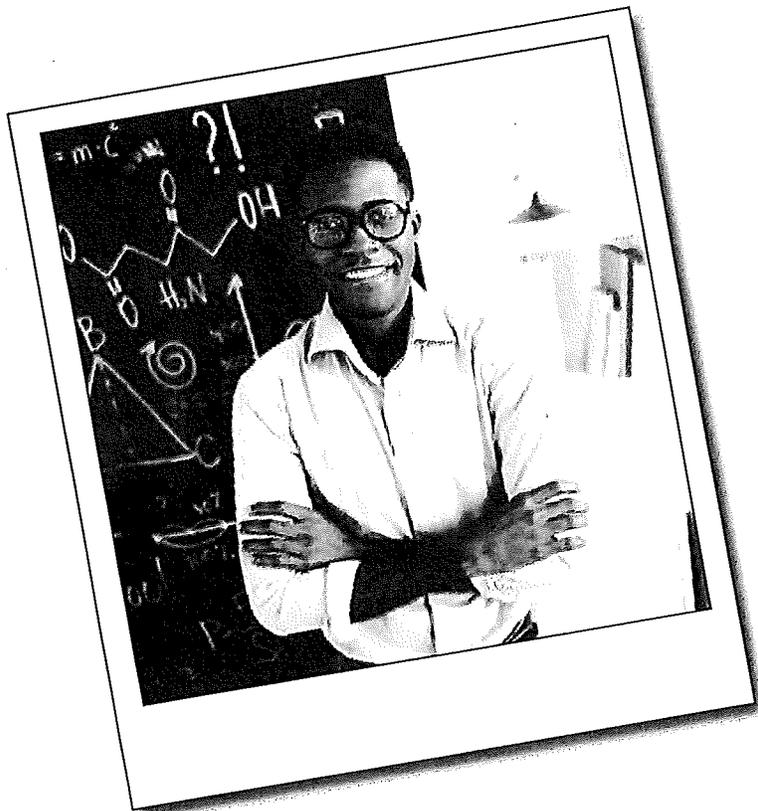
Evidence of Insurability (EOI) is required for all late entrants and increased coverage amounts above \$10,000 for employees and over \$5,000 for spouse and over the Guarantee Issue amount. It is important to note that coverage will not become effective until approved by Unum.

### What is my cost for this coverage?

Employee premiums for this benefit will be available when you enroll in your benefits.

### Beneficiary designation reminder

Please update/confirm your beneficiary elections! If you intend to name a minor as beneficiary, carriers recommend that you establish a trust.



# DISABILITY INCOME PROTECTION

We recognize the importance of your financial well-being, particularly in the event of a disability. Most of us insure our homes, automobiles, and other assets, yet often overlook our most valuable asset – our ability to independently provide for ourselves and our families. For this reason, the company provides Short Term Disability and Long Term Disability at no cost to you.

UNUM	ELIMINATION PERIOD	COVERAGE DURATION	BENEFIT AMOUNT
<b>Short Term Disability</b>	7 days for accident 7 days for illness	25 weeks	60% to max \$2,308 per week
<b>Long Term Disability</b>	180 days	Social Security Normal Retirement Age	60% to max \$10,000 per month

## Short Term Disability (STD)

The company provides Short Term Disability coverage to all full time employees at no cost. The STD plan provides a benefit amount of 60% of your base salary to a maximum of \$2,308 per week, after the elimination period, for a duration of 25 weeks (as shown in the table above).

## Long Term Disability (LTD)

The company provides Long Term Disability coverage to all full time employees at no cost. The LTD plan provides a benefit amount of 60% of your base salary to a maximum of \$10,000 per month, after elimination period has been satisfied (as shown in the table above).



# EMPLOYEE ASSISTANCE PROGRAM (EAP)

With your Employee Assistance Program and Work/Life Balance services, confidential assistance is as close as your phone or computer.

## **Employee Assistance Program (EAP)**

Your EAP is designed to help you lead a happier and more productive life at home and at work. Call for confidential access to a Licensed Professional Counselor\* who can help you.

### **A Licensed Professional Counselor can help you with:**

- Stress, depression, anxiety
- Relationship issues, divorce
- Job stress, work conflicts
- Family and parenting problems
- Anger, grief and loss
- And more

### **Work/Life Balance**

You can also reach out to a specialist for help with balancing work and life issues. Just call and one of our Work/Life Specialists can answer your questions and help you find resources in your community.

### **Ask our Work/Life Specialists about:**

- Child care
- Elder care
- Legal questions
- Identity theft
- Financial services, debt management, credit report issues
- Even reducing your medical/dental bills!
- And more

### **Help is easy to access:**

- Online/phone support: Unlimited, confidential, 24/7.
- In-person: You can get up to 3 visits available at no additional cost to you with a Licensed Professional Counselor. Your counselor may refer you to resources in your community for ongoing support.

### **Always by your side**

- Expert support 24/7
- Convenient website
- Short-term help
- Referrals for additional care
- Monthly webinars
- Medical Bill Saver™ — helps you save on medical bills

### **Who is covered?**

Unum's EAP services are available to all eligible employees, their spouses or domestic partners, dependent children, parents and parents-in-law.

### **Employee Assistance Program — Work/Life Balance**

Toll-free 24/7 access:

- 1-800-854-1446 (multi-lingual)
- [www.unum.com/lifebalance](http://www.unum.com/lifebalance)

\* The counselors must abide by federal regulations regarding duty to warn of harm to self or others. In these instances, the consultant may be mandated to report a situation to the appropriate authority.

# TRAVEL ASSISTANCE

## **If you experienced a medical emergency while traveling, would you know who to call?**

Whenever you travel 100 miles or more from home — to another country or just another city — be sure to pack your worldwide emergency travel assistance phone number! Travel assistance speaks your language, helping you locate hospitals, embassies and other “unexpected” travel destinations. Add the number to your cell phone contacts, so it’s always close at hand! Just one phone call connects you and your family to medical and other important services 24 hours a day.

## **Use your travel assistance phone number to access:**

- Hospital admission assistance\*
- Emergency medical evacuation
- Prescription replacement assistance
- Transportation for a friend or family member to join a hospitalized patient
- Care and transport of unattended minor children
- Assistance with the return of a vehicle
- Emergency message services
- Critical care monitoring
- Emergency trauma counseling
- Referrals to Western-trained, English-speaking medical providers
- Legal and interpreter referrals
- Passport replacement assistance

## **24/7 services anywhere in the world**

Unum’s travel assistance services are provided by Assist America, Inc., a leading provider of global emergency assistance services through employee benefit plans. Assist America’s medically certified personnel are ready to help 24 hours a day, 365 days a year, and can connect you with pre-qualified, English-speaking and Western-trained medical providers anywhere in the world.

## **Whether traveling for business or pleasure, one phone call connects you to:**

- Multi-lingual, medically certified crisis management professionals
- A state-of-the-art global response operations center
- Qualified medical providers around the world

## **With the Assist America Mobile App, you can:**

- Call Assist America’s Operation Center from anywhere in the world with the touch of a button
- Access pre-trip information and country guides
- Search for local pharmacies (U.S. only)
- Download a membership card
- View a list of services
- Search for the nearest U.S. embassy
- Read Assist Alerts

Download and activate the app today from the Apple App Store or Google Play.

Reference Number: 01-AA-UN-762490



# ACCIDENT INSURANCE

Unum's Group Accident Insurance can pay lump-sum benefits based on the injury you receive and the treatment you need, including emergency-room care and related surgery. The benefit can help offset the out-of-pocket expenses that medical insurance does not pay, including deductibles and co-pays. A wellness option can pay an annual benefit for preventive care.

Employees must be legally authorized to work in the U.S. and actively working at a U.S. location. Spouses and dependents must live in the U.S. to receive coverage.

This information is not intended to be a complete description of the insurance coverage available. The policy or its provisions may vary or be unavailable in some states. The policy has exclusions and limitations that may affect any benefits payable. For complete details of coverage and availability, please refer to Policy GA-1, or contact your Unum representative.

THIS IS A LIMITED POLICY

Underwritten by: Unum Life Insurance Company of America, Portland, Maine

Unum complies with state civil union and domestic partner laws when applicable.

[unum.com](http://unum.com)

©2019 Unum Group. All rights reserved. Unum is a registered trademark and marketing brand of Unum Group and its insuring subsidiaries.

CU-4373 (8-19)



# CRITICAL ILLNESS INSURANCE

Unum's Group Critical Illness Insurance can help protect your finances from the expense of a serious health problem, such as a stroke or heart attack. Cancer coverage is also available. You choose a lump-sum benefit that's paid directly to you at the first diagnosis of a covered condition. You can use the benefit any way you choose.

Employees must be legally authorized to work in the U.S. and actively working at a U.S. location. Spouses and dependents must live in the U.S. to receive coverage.

This information is not intended to be a complete description of the insurance coverage available. The policy or its provisions may vary or be unavailable in some states. The policy has exclusions and limitations that may affect any benefits payable. For complete details of coverage and availability, please refer to policy form CI-1, or contact your Unum representative.

## THIS IS A LIMITED POLICY

Underwritten by: Unum Life Insurance Company of America, Portland, Maine

Unum complies with state civil union and domestic partner laws when applicable.

[unum.com](http://unum.com)

©2019 Unum Group. All rights reserved. Unum is a registered trademark and marketing brand of Unum Group and its insuring subsidiaries.

CU-4373 (8-19)



# WHOLE LIFE INSURANCE

Unum's Whole Life Insurance is designed to pay a death benefit to your beneficiaries, but it can also build cash value you can use while you are living. The policy accumulates cash value at a guaranteed rate of 4.5%.\* Once your cash value builds to a certain level, you can borrow from the cash value or use it to buy a smaller "paid-up" policy with no more premiums due. If you are diagnosed with a medical condition that limits life expectancy to 12 months or less, you can request up to 100% of the benefit amount, to a maximum of \$150,000. Your spouse and dependents have this option as well.

\*The policy accumulates cash value based on a non-forfeiture interest rate of 4.5% and the 2001 CSO mortality table. The cash value is guaranteed and will be equal to the values shown in the policy. Cash value will be reduced by any outstanding loans against the policy.

Employees must be U.S. or Canadian citizens, or have a green card, and working in the U.S. to receive coverage. Spouses and dependents must live in the U.S. to receive coverage.

When you buy life insurance, you name the people who will receive the money from the policy when you die. These people are called beneficiaries. Unum will pay benefits to the beneficiaries in one lump sum; however, if a beneficiary is a minor (typically younger than 18, but this may vary by state) and no financial guardian has been appointed, the benefits will be paid to that minor through a Unum Retained Asset Account.

A Unum Retained Asset Account is a fund held in Unum's general account for the named minor beneficiary. The account accrues interest regardless of Unum's actual investment performance, and, while not FDIC insured, the account funds are fully guaranteed by Unum.

For more information about the retained asset account, please contact Unum.

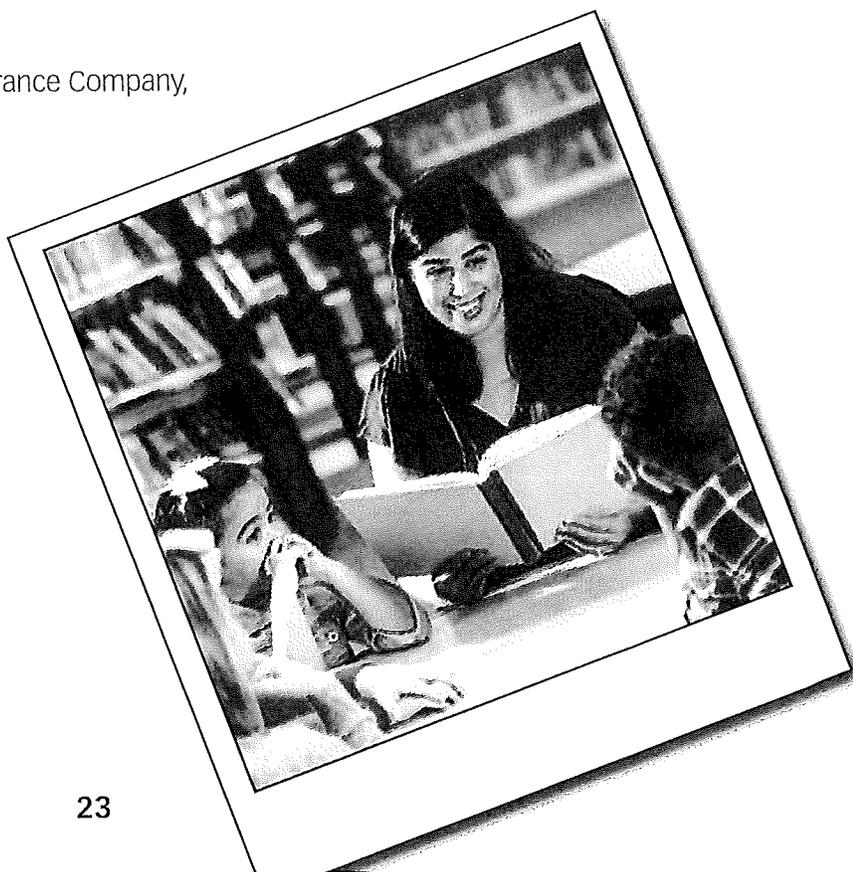
This information is not intended to be a complete description of the insurance coverage available. The policy or its provisions may vary or be unavailable in some states. The policy has exclusions and limitations that may affect any benefits payable. For complete details of coverage and availability, please refer to policy form L-21848, contact your Unum representative.

Underwritten by: Provident Life and Accident Insurance Company,  
Chattanooga, Tennessee

[unum.com](http://unum.com)

©2019 Unum Group. All rights reserved. Unum is a registered trademark and marketing brand of Unum Group and its insuring subsidiaries.

CU-4373 (8-19)



# HOSPITAL INDEMNITY INSURANCE

Unum's Group Hospital Indemnity Insurance can complement your health insurance to help you pay for the costs associated with a hospital stay. It can also provide funds for the out-of-pocket expenses your medical plan may not cover, such as co-insurance, co-pays and deductibles. A wellness option can pay an annual benefit for preventive care. You may also purchase coverage for your spouse and dependent children.

Employees must be a U.S. citizen or legally authorized to work in the U.S. to receive coverage. Spouses and dependents must live in the U.S. to receive coverage.

This information is not intended to be a complete description of the insurance coverage available. The policy or its provisions may vary or be unavailable in some states. The policy has exclusions and limitations which may affect any benefits payable. For complete details of coverage and availability, please refer to Policy form GHI-1, or contact your Unum representative.

## THIS IS A LIMITED POLICY

This coverage is a supplement to health insurance. It is not a substitute for comprehensive health insurance and does not qualify as minimum essential health coverage.

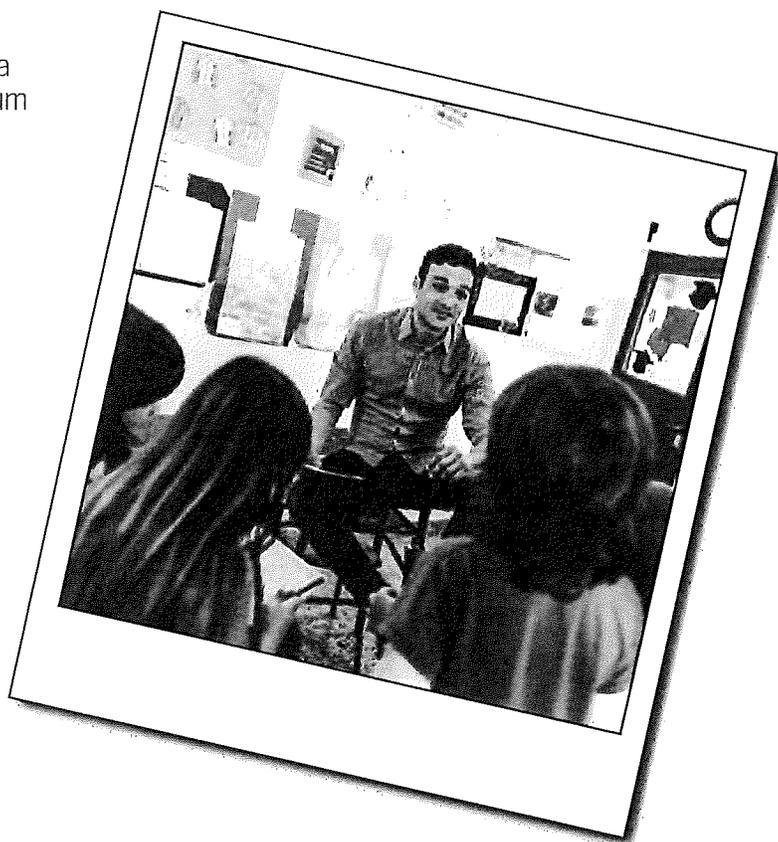
Underwritten by: Unum Life Insurance Company of America, Portland, Maine

Unum complies with state civil union and domestic partner laws when applicable.

[unum.com](http://unum.com)

©2020 Unum Group. All rights reserved. Unum is a registered trademark and marketing brand of Unum Group and its insuring subsidiaries.

CU-4373 (8-19)



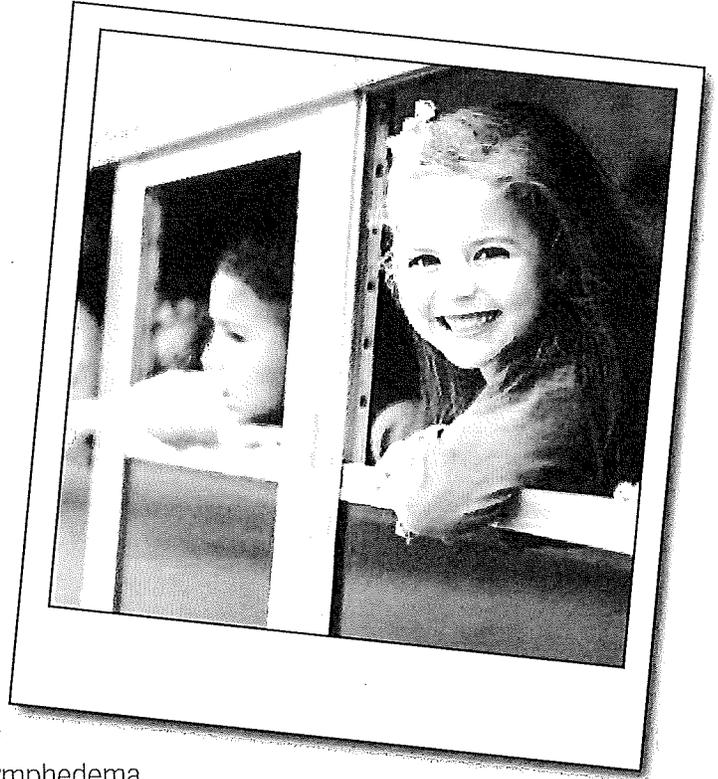
# YOUR RIGHT TO KNOW

## **Newborns' & Mothers' Protections Health Act (Newborns' Act)**

The Newborns' and Mothers' Health Protection Act (Newborns' Act) includes important protections for mothers and their newborn children with regard to the length of the hospital stay following childbirth. The Newborns' Act requires that group health plans that offer maternity coverage pay for at least a 48-hour hospital stay following childbirth (96-hour stay in the case of cesarean section).

## **Women's Health and Cancer Rights Act of 1998 (WHCRA)**

The Women's Health and Cancer Rights Act of 1998 is a federal law that provides protection to patients who choose to have breast reconstruction in connection with a mastectomy. This required coverage includes all stages of reconstruction of the breast on which the mastectomy was performed, surgery and reconstruction of the other breast to produce a symmetrical appearance, prostheses and treatment of physical complications of the mastectomy, including lymphedema.



## **Special Enrollment Rights**

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance coverage, you may in the future be able to enroll yourself or your dependents in this plan, provided that you request enrollment within 30 days after your other coverage ends. In addition, if you have a new dependent as a result of marriage, birth, adoption or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within 30 days after the marriage, birth, adoption or placement for adoption.

Special enrollment rights are also available if you or your dependent becomes eligible for assistance under either a Medicaid plan or a state children's health insurance program. You have 60 days to request coverage under the plan after such eligibility is determined.

## **ACA Nondiscrimination**

This group health plan does not discriminate on the basis of race, color, national origin, sex, age, or disability.

# MEDICARE PART D NOTICES

## **Important Notice from Pansophic Learning US LLC About Your Prescription Drug Coverage and Medicare**

Please read this Notice carefully and keep it where you can find it. This Notice has information about your current prescription drug coverage with Pansophic Learning US LLC's Group Health Plan (the "Plan") and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Pansophic Learning US LLC has determined that the prescription drug coverage offered by the Plan is, on average for all Plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

### **When Can You Join A Medicare Drug Plan?**

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

### **What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?**

If you decide to join a Medicare drug plan, your current Plan coverage will not be affected. Your current coverage pays for other health expenses in addition to prescription drug. If you enroll in a Medicare prescription drug plan, you and your eligible dependents will still be eligible to receive all of your current health and prescription drug benefits.

See pages 7- 9 of the CMS Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance (available at <http://www.cms.hhs.gov/CreditableCoverage/>), which outlines the prescription drug plan provisions/options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D. If you do decide to join a Medicare drug plan and drop your current Plan coverage, be aware that you and your dependents will be able to get this coverage back.

### **When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?**

You should also know that if you drop or lose your current Plan coverage with Pansophic Learning US LLC and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

# MEDICARE PART D NOTICES

## **For More Information About This Notice Or Your Current Prescription Drug Coverage...**

Contact the below Medicare number for further questions, or Pansophic Learning US LLC Human Resources.

NOTE: You'll get this Notice each year. You will also get it before the next period you can join a Medicare drug plan, and if the Plan coverage changes. You also may request a copy of this Notice at any time.

## **For More Information About Your Options Under Medicare Prescription Drug Coverage...**

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

## **For more information about Medicare prescription drug coverage:**

- Visit [www.medicare.gov](http://www.medicare.gov).
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this Notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).**

Date: May 27, 2020

Name of Entity/Sender: Pansophic Learning US LLC

Contact: Emily Schmidt, VP, Operations

Address: 1650 Tysons Boulevard, Suite 630, McLean, VA 22102

Phone Number: 703.206.6225



# CHIP NOTICE

## Premium Assistance Under Medicaid and the Children’s Health Insurance Program (CHIP)

If you or your children are eligible for Medicaid or CHIP and you’re eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren’t eligible for Medicaid or CHIP, you won’t be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit [www.healthcare.gov](http://www.healthcare.gov).

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, contact your State Medicaid or CHIP office or dial 877 KIDS NOW or [www.insurekidsnow.gov](http://www.insurekidsnow.gov) to find out how to apply. If you qualify, ask your state if it has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your dependents are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must allow you to enroll in your employer plan if you aren’t already enrolled. This is called a “special enrollment” opportunity, and you must request coverage within 60 days of being determined eligible for premium assistance. If you have questions about enrolling in your employer plan, contact the Department of Labor at [www.askebsa.dol.gov](http://www.askebsa.dol.gov) or call 866 444 EBSA (3272).

If you live in one of the following states, you may be eligible for assistance paying your employer health plan premiums. The following list of states is current as of January 31, 2020. Contact your State for more information on eligibility –

<p><b>ALABAMA – Medicaid</b></p> <p>Website: <a href="http://myalhipp.com/">http://myalhipp.com/</a>            Phone: -855-692-5447</p>	<p><b>CALIFORNIA – Medicaid</b></p> <p>Website: <a href="https://www.dhcs.ca.gov/services/Pages/TPLRD_CAU_cont.aspx">https://www.dhcs.ca.gov/services/Pages/TPLRD_CAU_cont.aspx</a>            Phone: 800-541-5555</p>
<p><b>ALASKA – Medicaid</b></p> <p>The AK Health Insurance Premium Payment Program            Website: <a href="http://myakhipp.com/">http://myakhipp.com/</a>            Phone: 866-251-4861            Email: <a href="mailto:CustomerService@MyAKHIPP.com">CustomerService@MyAKHIPP.com</a>            Medicaid Eligibility: <a href="http://dhss.alaska.gov/dpa/Pages/medicaid/default.aspx">http://dhss.alaska.gov/dpa/Pages/medicaid/default.aspx</a></p>	<p><b>COLORADO – Health First Colorado (Colorado’s Medicaid Program) &amp; Child Health Plan Plus (CHP+)</b></p> <p>Health First Colorado Website:  <a href="https://www.healthfirstcolorado.com/">https://www.healthfirstcolorado.com/</a>            Health First Colorado Member Contact Center:            800-221-3943/ State Relay 711            CHP+: <a href="https://www.colorado.gov/pacific/hcpf/child-health-plan-plus">https://www.colorado.gov/pacific/hcpf/child-health-plan-plus</a>            CHP+ Customer Service: 1-800-359-1991/ State Relay 711</p>
<p><b>ARKANSAS – Medicaid</b></p> <p>Website: <a href="http://myarhipp.com/">http://myarhipp.com/</a>            Phone: 855-MyARHIPP (855-692-7447)</p>	<p><b>FLORIDA – Medicaid</b></p> <p>Website: <a href="http://flmedicaidtprecovery.com/hipp/">http://flmedicaidtprecovery.com/hipp/</a>            Phone: 877-357-3268</p>

# CHIP NOTICE

<b>GEORGIA – Medicaid</b>	<b>MASSACHUSETTS – Medicaid and CHIP</b>
Website: <a href="https://medicaid.georgia.gov/health-insurance-premium-payment-program-hipp">https://medicaid.georgia.gov/health-insurance-premium-payment-program-hipp</a> Phone: 678-564-1162 ext 2131	Website: <a href="http://www.mass.gov/eohhs/gov/departments/masshealth/">http://www.mass.gov/eohhs/gov/departments/masshealth/</a> Phone: 800-862-4840
<b>INDIANA – Medicaid</b>	<b>MINNESOTA – Medicaid</b>
Healthy Indiana Plan for low-income adults 19-64 Website: <a href="http://www.in.gov/fssa/hip/">http://www.in.gov/fssa/hip/</a> Phone: 877-438-4479 All other Medicaid Website: <a href="http://www.indianamedicaid.com">http://www.indianamedicaid.com</a> Phone 800-403-0864	Website: <a href="https://mn.gov/dhs/people-we-serve/children-and-families/health-care/health-care-programs/programs-and-services/medical-assistance.jsp">https://mn.gov/dhs/people-we-serve/children-and-families/health-care/health-care-programs/programs-and-services/medical-assistance.jsp</a> [Under ELIGIBILITY tab, see “what if I have other health insurance?”] Phone: 800-657-3739
<b>IOWA – Medicaid</b>	<b>MISSOURI – Medicaid</b>
Medicaid Website: <a href="https://dhs.iowa.gov/ime/members">https://dhs.iowa.gov/ime/members</a> Medicaid Phone: 800-338-8366 Hawki Website: <a href="http://dhs.iowa.gov/Hawki">http://dhs.iowa.gov/Hawki</a> Hawki Phone: 800-257-8563	Website: <a href="http://www.dss.mo.gov/mhd/participants/pages/hipp.htm">http://www.dss.mo.gov/mhd/participants/pages/hipp.htm</a> Phone: 573-751-2005
<b>KANSAS – Medicaid</b>	<b>MONTANA – Medicaid</b>
Website: <a href="http://www.kdheks.gov/hcf/default.htm">http://www.kdheks.gov/hcf/default.htm</a> Phone: 800-792-4884	Website: <a href="http://dphhs.mt.gov/MontanaHealthcarePrograms/HIPP">http://dphhs.mt.gov/MontanaHealthcarePrograms/HIPP</a> Phone: 800-694-3084
<b>KENTUCKY – Medicaid</b>	<b>NEBRASKA – Medicaid</b>
Kentucky Integrated Health Insurance Premium Payment Program (KI-HIPP) Website: <a href="https://chfs.ky.gov/agencies/dms/member/Pages/kihipp.aspx">https://chfs.ky.gov/agencies/dms/member/Pages/kihipp.aspx</a> Phone: 855-459-6328 Email: <a href="mailto:KIHIPPROGRAM@ky.gov">KIHIPPROGRAM@ky.gov</a> KCHIP Website: <a href="https://kidshealth.ky.gov/Pages/index.aspx">https://kidshealth.ky.gov/Pages/index.aspx</a> Phone: 877-524-4718 Kentucky Medicaid Website: <a href="https://chfs.ky.gov">https://chfs.ky.gov</a>	Website: <a href="http://www.ACCESSNebraska.ne.gov">http://www.ACCESSNebraska.ne.gov</a> Phone: 855-632-7633 Lincoln: 402-473-7000 Omaha: 402-595-1178
<b>LOUISIANA – Medicaid</b>	<b>NEVADA – Medicaid</b>
Website: <a href="http://www.medicaid.la.gov">www.medicaid.la.gov</a> or <a href="http://www.ldh.la.gov/lahipp">www.ldh.la.gov/lahipp</a> Phone: 888-342-6207 (Medicaid hotline) or 855-618-5488 (LaHIPP)	Medicaid Website: <a href="http://dhcfnv.gov">http://dhcfnv.gov</a> Medicaid Phone: 800-992-0900
<b>MAINE – Medicaid</b>	<b>NEW HAMPSHIRE – Medicaid</b>
Website: <a href="http://www.maine.gov/dhhs/ofipublic-assistance/index.html">http://www.maine.gov/dhhs/ofipublic-assistance/index.html</a> Phone: 800-442-6003 TTY: Maine relay 711	Website: <a href="https://www.dhhs.nh.gov/oii/hipp.htm">https://www.dhhs.nh.gov/oii/hipp.htm</a> Phone: 603-271-5218 Toll free number for the HIPP program: 800-852-3345, ext 5218

# CHIP NOTICE

<b>NEW JERSEY – Medicaid and CHIP</b>	<b>SOUTH DAKOTA - Medicaid</b>
Medicaid Website: <a href="http://www.state.nj.us/humanservices/dmahs/clients/medicaid/">http://www.state.nj.us/humanservices/dmahs/clients/medicaid/</a> Medicaid Phone: 609-631-2392 CHIP Website: <a href="http://www.njfamilycare.org/index.html">http://www.njfamilycare.org/index.html</a> CHIP Phone: 800-701-0710	Website: <a href="http://dss.sd.gov">http://dss.sd.gov</a> Phone: 888-828-0059
<b>NEW YORK – Medicaid</b>	<b>TEXAS – Medicaid</b>
Website: <a href="https://www.health.ny.gov/health_care/medicaid/">https://www.health.ny.gov/health_care/medicaid/</a> Phone: 800-541-2831	Website: <a href="http://gethipptexas.com/">http://gethipptexas.com/</a> Phone: 800-440-0493
<b>NORTH CAROLINA – Medicaid</b>	<b>UTAH – Medicaid and CHIP</b>
Website: <a href="https://medicaid.ncdhhs.gov/">https://medicaid.ncdhhs.gov/</a> Phone: 919-855-4100	Medicaid Website: <a href="https://medicaid.utah.gov/">https://medicaid.utah.gov/</a> CHIP Website: <a href="http://health.utah.gov/chip">http://health.utah.gov/chip</a> Phone: 877-543-7669
<b>NORTH DAKOTA – Medicaid</b>	<b>VERMONT– Medicaid</b>
Website: <a href="http://www.nd.gov/dhs/services/medicalserv/medicaid/">http://www.nd.gov/dhs/services/medicalserv/medicaid/</a> Phone: 844-854-4825	Website: <a href="http://www.greenmountaincare.org/">http://www.greenmountaincare.org/</a> Phone: 800-250-8427
<b>OKLAHOMA – Medicaid and CHIP</b>	<b>VIRGINIA – Medicaid and CHIP</b>
Website: <a href="http://www.insureoklahoma.org">http://www.insureoklahoma.org</a> Phone: 888-365-3742	Website: <a href="https://www.coverva.org/hipp/">https://www.coverva.org/hipp/</a> Medicaid Phone: 800-432-5924 CHIP Phone: 855-242-8282
<b>OREGON – Medicaid</b>	<b>WASHINGTON – Medicaid</b>
Website: <a href="http://healthcare.oregon.gov/Pages/index.aspx">http://healthcare.oregon.gov/Pages/index.aspx</a> <a href="http://www.oregonhealthcare.gov/index-es.html">http://www.oregonhealthcare.gov/index-es.html</a> Phone: 800-699-9075	Website: <a href="https://www.hca.wa.gov/">https://www.hca.wa.gov/</a> Phone: 800-562-3022
<b>PENNSYLVANIA – Medicaid</b>	<b>WEST VIRGINIA – Medicaid</b>
Website: <a href="https://www.dhs.pa.gov/providers/Providers/Pages/Medical/HIPP-Program.aspx">https://www.dhs.pa.gov/providers/Providers/Pages/Medical/HIPP-Program.aspx</a> Phone: 800-692-7462	Website: <a href="http://mywvhipp.com/">http://mywvhipp.com/</a> Toll-free phone: 855-MyWVHIPP (1-855-699-8447)
<b>RHODE ISLAND – Medicaid</b>	<b>WISCONSIN – Medicaid and CHIP</b>
Website: <a href="http://www.eohhs.ri.gov/">http://www.eohhs.ri.gov/</a> Phone: 855-697-4347, or 401-462-0311 (Direct Rite Share Line)	Website: <a href="https://www.dhs.wisconsin.gov/publications/p1/p10095.pdf">https://www.dhs.wisconsin.gov/publications/p1/p10095.pdf</a> Phone: 800-362-3002
<b>SOUTH CAROLINA – Medicaid</b>	<b>WYOMING – Medicaid</b>
Website: <a href="https://www.scdhhs.gov">https://www.scdhhs.gov</a> Phone: 888-549-0820	Website: <a href="https://wyequalitycare.acs-inc.com/">https://wyequalitycare.acs-inc.com/</a> Phone: 307-777-7531

# CHIP NOTICE

To see if any other states have added a premium assistance program since January 31, 2020, or for more information on special enrollment rights, contact either:

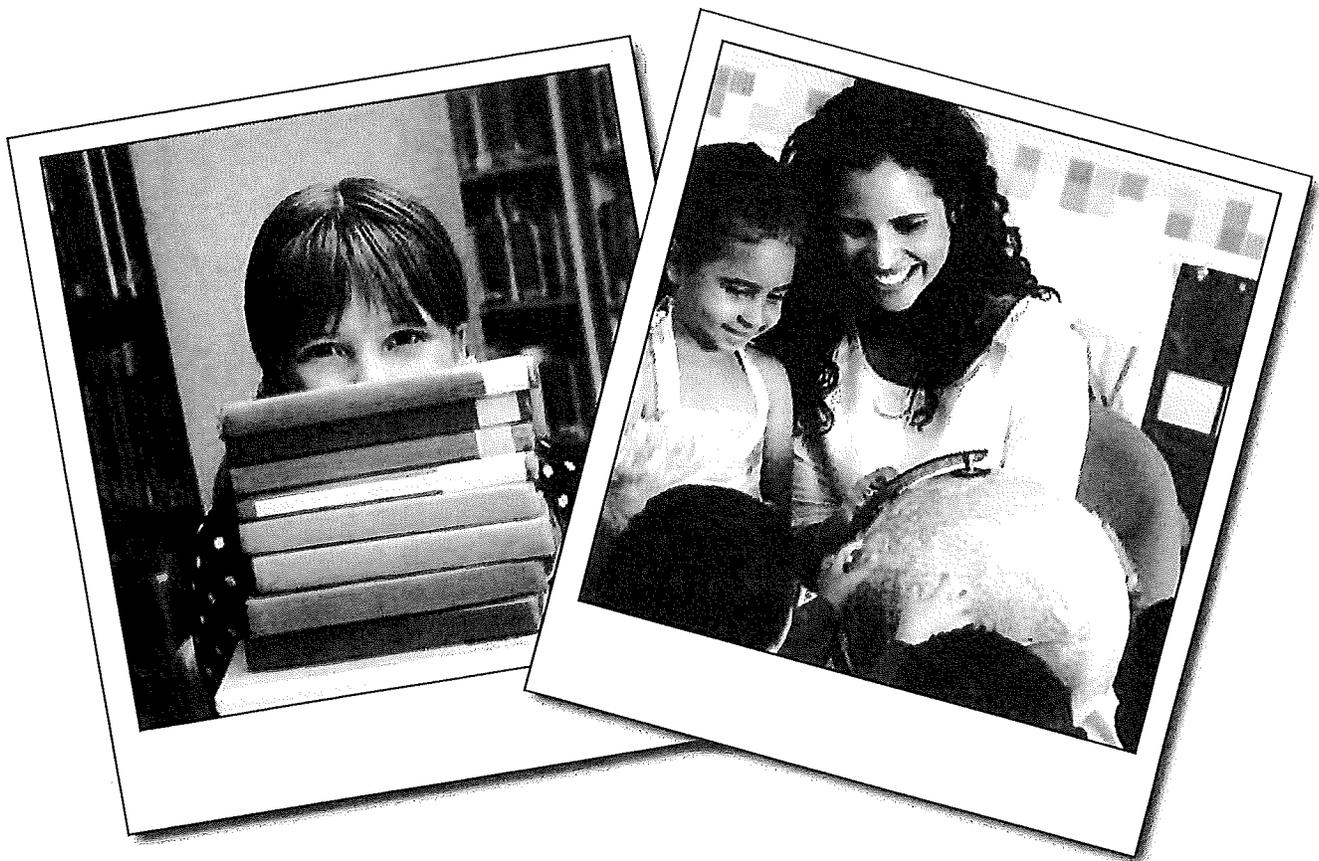
U.S. Department of Labor  
Employee Benefits Security Administration  
[www.dol.gov/agencies/ebsa](http://www.dol.gov/agencies/ebsa)  
866-444-EBSA (3272)

U.S. Department of Health and Human Services  
Centers for Medicare & Medicaid Services  
[www.cms.hhs.gov](http://www.cms.hhs.gov)  
877-267-2323, Menu Option 4, Ext. 61565

## Paperwork Reduction Act Statement

According to the Paperwork Reduction Act of 1995 (Pub. L. 104-13) (PRA), no persons are required to respond to a collection of information unless such collection displays a valid Office of Management and Budget (OMB) control number. The Department notes that a Federal agency cannot conduct or sponsor a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB control number, and the public is not required to respond to a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. 3512.

The public reporting burden for this collection of information is estimated to average approximately seven minutes per respondent. Interested parties are encouraged to send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Employee Benefits Security Administration, Office of Policy and Research, Attention: PRA Clearance Officer, 200 Constitution Avenue, N.W., Room N-5718, Washington, DC 20210 or email [ebsa.opr@dol.gov](mailto:ebsa.opr@dol.gov) and reference the OMB Control Number 1210-0137 (expires 1/31/2023).



# RESOURCES

Benefit	Carrier	Phone Number	Website
Medical	Anthem BCBS	833-592-9956	www.anthem.com
Dental	Anthem BCBS	833-592-9956	www.anthem.com
Vision	NVA	800-672-7723	www.e-nva.com
Basic Life and AD&D	Unum	800-421-0344	www.unum.com
Voluntary Life and AD&D	Unum	800-421-0344	www.unum.com
Short Term Disability	Unum	800-421-0344	www.unum.com
Long Term Disability	Unum	800-421-0344	www.unum.com
Health Savings Account (HSA)	Anthem	833-592-9956	www.anthem.com
Flexible Spending Account (FSA)	Infinisource	800-300-3838	www.infinisource.com
Employee Assistance Program (EAP)	Unum	800-854-1446	www.unum.com/lifebalance
Travel Assistance	Unum	800-872-1414	www.unum.com
Whole Life Insurance Accident Insurance Critical Illness Insurance Hospital Indemnity Insurance	Unum	800-421-0344	www.unum.com
Gallagher Sarah Bening		888-839-3100 248-758-1317	openenrollment@lsgip.com sarah_bening@ajg.com



## Disposition of Employees if School Closes

Employment agreements, letters or contracts, salary and benefits information, attendance and leave information, employee licenses, LPDC status, and records of continuing education are maintained in an employee file by the employer.

The School shall notify the teachers and staff that the school is closing, clarify COBRA benefits and when medical benefits end, provide all employees a contact person at the management company (if any) who will assist them through the transition and provide the sponsor contact information to each staff member.

The School or the employer of the staff shall remind the faculty of their obligation to teach up to the date of closing or otherwise determined that the school is properly staffed up to the day of closing to the fullest extent possible, and provide each faculty member's current LPDC information to the teachers.

The Treasurer school notify Ohio State Teacher Retirement System and the School Employees Retirement System, and make sure that all STRS and SERS contributions are current.



Appendix F

- Operator contract

Note: Under R.C. 3314.032(A), an operator contract entered into on or after \_\_\_\_\_, 2016 must include the following:

1. Criteria to be used for early termination of the operator contract;
2. Required notification procedures and timeline for early termination or non-renewal of the operator contract; and
3. A stipulation of which entity owns all community school facilities and property including, but not limited to, equipment, furniture, fixtures, instructional materials and supplies, computers, printers, and other digital devices purchased by the Governing Authority or operator. Any stipulation regarding property ownership must comply with the requirements of R.C. 3314.0210.



## MANAGEMENT AGREEMENT

This Management Agreement (the "*Agreement*") is entered into as of May 6, 2018 ("Effective Date") by and between Accel Schools Cleveland FB LLC, a Delaware limited liability company ("*Manager*"), and Lorian Bilingual Academy (the "*School*"), a non-profit Ohio corporation and public community school.

### RECITALS

Whereas, the School is organized as an Ohio nonprofit corporation under Chapter 1702 of the Ohio Revised Code (as such provision may be amended from time to time) and the School has entered into a School Sponsorship Agreement (the "*Sponsorship Agreement*") with Ohio Council of Community Schools (the "*Sponsor*") pursuant to which the School is authorized to operate a public community school under Chapter 3314 of the Ohio Revised Code. The Ohio Revised Code and amendments thereto are hereinafter referred to as the "*Code*";

Whereas, the Manager was established, among other reasons, to manage public schools, and is expected to provide invaluable assistance and expertise, including regulatory, financial, facilities, and other advice, in connection with the operation of the School; and

Whereas, the School and the Manager (individually, a "*Party*" and collectively, the "*Parties*") desire to create an enduring educational relationship whereby they will pursue and provide educational excellence at the School based on an agreed upon school design, comprehensive educational program and management principles.

**NOW THEREFORE**, in consideration of their mutual promises and covenants, and intending to be legally bound hereby the Parties agree to the following terms:

### ARTICLE I. EDUCATIONAL SERVICES AND ADMINISTRATIVE SERVICES

#### 1.1 Educational Services.

- (a) During the Term (as defined in ARTICLE II below), Manager will provide to the School the following educational services (the "*Educational Services*"):
  - (i) Curriculum. Implementation of the educational goals and programs set forth in the Sponsorship Agreement (the "*Educational Program*"). In the event that Manager determines it is necessary to modify the Educational Program, Manager shall inform the School of the proposed changes and obtain School approval, and if required under the Sponsorship Agreement, approval of the Sponsor.
  - (ii) Instruction. Oversight and coordination of the services to be provided by instructional personnel, including the Head of School ("*HOS*") and the rest of the School's leadership team and its teachers and support staff, all in accordance with ARTICLE VI below.
  - (iii) Instructional Tools. Selection of instructional tools, equipment and supplies, including text books, computers, curriculum, software and multi-media teaching tools.

- (iv) Extra-Curricular and Co-Curricular Programs. Oversight of appropriate extra-curricular and co-curricular activities and programs (but not Supplemental Programs as defined in ARTICLE V below).
- (b) Additional Educational Services. Any other services required by the Sponsor and/or the State of Ohio (the "*State*") Department of Education (the "*ODOE*") and such other services as are necessary or expedient for the provision of teaching and learning at the School as agreed to from time to time between Manager and the School. The Educational Services will be provided in accordance with the educational goals, curriculum, methods of pupil assessment, admissions policy, student recruitment policy, school calendar, school day schedule, and age and grade range of pupils to be enrolled at the School as adopted by the School and as provided for in the Sponsorship Agreement, as the same may be amended.
- (c) Manager will be responsible and accountable to the School for the provision of the Educational Services, provided, however, that such obligations, duties and responsibilities are limited by the School Budget established pursuant to Section 1.2(a)(vi) below, and Manager will not be required to expend funds on such services in excess of the amounts set forth in such School Budget.

1.2 Administrative Services.

- (a) During the Term, Manager will provide to the School the following administrative services (the "*Administrative Services*"):
  - (i) Personnel Management. Management and professional development of all personnel providing Educational Services and Administrative Services in accordance with ARTICLE VI below.
  - (ii) Business Administration. Administration of all business operations of the School subject to the direction of the School.
  - (iii) Payroll. Management of the School's payroll. Manager will be responsible for all data input.
  - (iv) Transportation and Food Services. Coordination with entities with which the School contracts for the provision of transportation and food services for the students enrolled at the School, management and assessment of the services provided under such contracts, and supervision of employees involved with providing such services, all as required by the School.
  - (v) Public Relations. Coordination and assistance with any and all advertising, media and public relations efforts, including community outreach programs. All public relations will be subject to the mutual approval of both Parties, which approval may not be unreasonably withheld.
  - (vi) Budgeting and Financial Reporting.
    - (A) A proposed annual budget will be prepared by Manager (in cooperation with the School's fiscal officer) in a mutually agreeable format by June 1<sup>st</sup> of the immediately preceding fiscal year and will be subject to the approval of the School which shall not to be unreasonably withheld or delayed and in all cases shall be provided no later than June 30 of the immediately preceding fiscal year. The approved budget is the "*Budget*". The fiscal officer shall be responsible for the preparation of other financial statements as required by and in compliance with the Sponsorship Agreement, the Code and other applicable laws and regulations, including such documentation as may be required by the

independent certified public accountants retained by the School to perform annual audits of the School's financial statements. The cost for preparation of the financial statements will be the responsibility of the School. The cost of the fiscal officer and the audit will be the responsibility of the School, and will be provided for in the Budget.

- (B) The Manager will provide the School with monthly financial forecast and analysis reports (Forecasted P&L / Cash Balances) and all other support as needed. The Manager will provide the following accounting information and services: accounts payable coding; payroll journal entries; expense accrual journal entries; and support for grant writing / reporting / draw down; assist the fiscal officer with the preparation of monthly financial reporting to the Board; and support for all State reporting requirements. The Manager will prepare a five-year financial plan in conjunction with the fiscal officer.
  - (C) On behalf of the School, the fiscal officer is responsible for preparation of (i) such other reports on the finances and operation of the School as requested or required by the ODOE, the School or the Sponsor to ensure compliance with the terms of the Sponsorship Agreement; (ii) monthly unaudited financial statements; and (iii) year-end unaudited financial statements which will be provided within forty-five (45) days after the end of the fiscal year.
  - (D) The Manager will provide other information on a periodic basis or requested with reasonable notice as may be reasonably necessary to enable the School to monitor Manager's performance under this and related agreements including the effectiveness and efficiency of its operations at the School.
  - (E) On behalf of the School, the fiscal officer will maintain accurate financial records pertaining to its operation of the School, together with all School financial records prepared by the fiscal officer, and retain all such records for a period of five (5) years (or longer if required by the Code or other applicable laws and regulations) from the close of the fiscal year to which such books, accounts and records relate. All the School financial records retained by the fiscal officer pertaining to the School will be available to the School, the Sponsor, the Auditor of State, the ODE or the United States Department of Education (the "*USDOE*") and to all other appropriate regulatory authorities for inspection and copying upon reasonable request, it being understood that in most cases such copies will be made available within thirty (30) business days of request.
- (vii) School's Right to Audit. The School reserves the right to conduct or to appoint others to conduct examinations, at the School's expense, of the books and records maintained for the School.
  - (viii) Maintenance of Student Records.
    - (A) Manager will maintain accurate student records pertaining to the students enrolled at the School as is required and in the manner provided by the Sponsorship Agreement, the Code and applicable laws and regulations, together with all additional School student records prepared by or in the possession of Manager, and retain such records on behalf of the School, until this Agreement expires or is terminated, at which time such records will be delivered to the School which shall thereafter be solely responsible for the retention and

maintenance of such records (it being understood that such student records are and shall be at all times the property of the School). Manager and the School will maintain the proper confidentiality of such records as required by law and the Sponsorship Agreement.

(B) Manager will maintain accurate employment, business and other records pertaining to the operation of the School as is required and in the manner provided by the Sponsorship Agreement, the Code and applicable laws and regulations, together with all additional School employment, business and other records prepared by or in the possession of Manager, and retain such records on behalf of the School until this Agreement expires or is terminated, at which time such records will be delivered to the School which shall thereafter be solely responsible for the retention and maintenance of such records (it being understood that such employment, business, and other records are and shall be at all times the property of the School). Manager and the School will maintain the proper confidentiality of such records as required by law and the Sponsorship Agreement.

(C) The financial, educational and student records pertaining to the School are the property of the School, and such records are subject to the applicable provisions of State and federal law. Manager shall help ensure that to the extent requested by the School, all School records shall be physically or electronically available, upon request, at the School.

(D) Manager shall provide such other information, including a written report, as reasonably requested by the School.

- (ix) Admissions. Implementation of the School's admission policy in accordance with the Sponsorship Agreement, the Code and applicable laws and regulations.
- (x) Student Hearings. Administration and enforcement of student disciplinary and special education hearings in conformity with the requirements of the Code, the procedures established by the School, and other applicable laws and regulations (including, but not limited to, requirements involving due process and confidentiality) to the extent consistent with the School's duties and obligations under the Code and other applicable laws and regulations.
- (xi) Academic Progress Reports. Provide to the School on a periodic basis as necessary or appropriate for the School to satisfy its obligations under the Sponsorship Agreement, the Code and other applicable laws and regulations, a report detailing (A) the School's students' academic performance, (B) Manager's performance against mutually acceptable criteria of the Educational Services and Administrative Services, and (C) such other reports reasonably requested by the School.
- (xii) Rules and Procedures. Recommend rules, regulations and procedures applicable to the School and its students and will enforce such rules, regulations and procedures adopted by the School that are not in direct conflict with this Agreement, the Sponsorship Agreement, the Code and other applicable laws and regulations.
- (xiii) Student Recruitment. Recruitment of students subject to agreement on general recruitment and admission policies to the extent as budgeted for in the Budget or as otherwise approved by the School. Students shall be selected in compliance with the procedures set forth in the Sponsorship Agreement and State and federal laws.

(xiv) Additional Administrative Services. Any other services reasonably necessary or expedient for the effective administration of the School as agreed to from time to time by Manager and the School.

(A) The Administrative Services will be provided in a manner consistent with the Educational Program, the Code, the Sponsorship Agreement, and local, State and federal laws and applicable regulations and policies.

(B) Subject to this Agreement, the Sponsorship Agreement, the Code, and other applicable laws and regulations, Manager may modify the methods, means and manner by which such Administrative Services are provided at any time, provided that Manager supplies the School with written notice of such modifications.

(C) Manager will be responsible and accountable to the School for the provision of the Administrative Services, provided that such obligations, duties, and responsibilities are limited by the Budget established in Section 1.2(a)(vi) above, and Manager will not be required to expend funds on such services in excess of the amounts set forth in such Budget.

1.3 Place of Performance; Provision of Offices. The School will provide Manager with necessary and reasonable classroom and office space at [Address to be determined], Lorain, OH (the "Facility") to perform all services described in this Agreement. Manager will provide instructional, extra-curricular and co-curricular programs at the Facility. Manager may provide other services elsewhere, unless prohibited by the Sponsorship Agreement, the Code and other applicable laws and regulations.

1.4 Authority. By this Agreement, the School provides Manager such authority and power as is necessary and proper for Manager to undertake its responsibilities, duties and obligations provided for in this Agreement, except in cases wherein such authority may not be delegated by the Code, and any other applicable laws and regulations.

## ARTICLE II. TERM

2.1 Term. The term of this Agreement will commence on July 1, 2018 (the "**Start Date**") and shall continue thereafter through June 30, 2023 (the "**Initial Term**") unless sooner terminated pursuant to ARTICLE VII or mandated by regulation or statute. In the event the Sponsor and/or the Sponsorship Agreement changes, this Agreement shall automatically survive and be performed in accordance with the new Sponsorship Agreement, these terms and conditions and applicable law, unless this Agreement is otherwise terminated in accordance with ARTICLE VII herein.

2.2 Renewal. On the fifth anniversary of the Start Date, and thereafter each five (5) years (the "**Renewal Date**"), this Agreement will automatically extend for successive additional periods of five (5) years or consistent with the length of the renewal term from the Sponsor) (each such period a "**Renewal Term**"), unless (a) either Party provides the other with written notice of non-renewal at least eighteen (18) months before the applicable Renewal Date; or (b) the Agreement is sooner terminated under ARTICLE

VII. The Initial Term and any Renewal Terms will be referred to collectively as the “*Term*”.

**ARTICLE III.  
RELATIONSHIP OF THE PARTIES**

- 3.1 Status of the Parties. Manager is not a division or any part of the School. The School is a separate and distinct corporation authorized under the Code and is not a division or a part of Manager. The relationship between the Parties was developed and entered into through arms-length negotiations and is based solely on the terms of this Agreement and those of any other agreements that may exist from time to time between the Parties. Nothing herein will be construed to create a partnership or joint venture by or between the School and Manager or to make one the agent or fiduciary of the other. Neither the School nor Manager will hold itself out as a partner or agent of the other or otherwise state or imply by advertising or otherwise any relationship between it and the other in any manner contrary to the terms of this Agreement. Neither the School nor Manager has, and neither will represent that it has, the power to bind or legally obligate the other. No employee of Manager will be considered an employee of the School by either Party for any purpose whatsoever.
- 3.2 Manager Attendance at Board Meetings. Manager shall attend the School’s board of directors’ (the “Board”) meetings as appropriate or necessary. The Board shall not schedule any regular, special or emergency Board meeting without first confirming in writing that Manager has the opportunity to attend a proposed meeting at a specific time, date and location. The Board shall provide Manager with notice of any regular, special or emergency meeting of the Board when it provides members of the Board with notice of the meetings.
- 3.3 No Related Parties or Common Control. Manager will not have any role or relationship with the School that, in effect, substantially limits the School's ability to exercise its rights, including cancellation rights, under this Agreement. Any director, officer or employee of Manager shall be prohibited from serving on the Board. None of the voting power of the Board will be vested in Manager or its directors, members, managers, officers, shareholders and employees, and none of the voting power of the Board or shareholders of Manager will be vested in the School or its directors, members, managers, officers, shareholders (if any) and employees. Furthermore, the School and Manager will not be members of the same control group, as defined in Section 1.150-(f) of the regulations under the Internal Revenue Code of 1986, as amended (or its successor) (the “*Internal Revenue Code*”), or related persons, as defined in Section 144(a)(3) of the Internal Revenue Code.
- 3.4 Other Schools. The Parties acknowledge that this arrangement is not exclusive and that Manager will have the right to render similar services to other persons or entities including other public or private schools or institutions.

**ARTICLE IV.  
CONSIDERATION**

4.1 Compensation for Services.

- (a) Management Fee. The School will pay Manager an annual fee of (i) thirteen and a half percent (13.5%) of the state and local school funds (the "*State Aid*") that the School receives, directly or indirectly, pursuant to the Code, for the particular students enrolled in the School (the "*State Allocation*"), plus (ii) subject to federal law and regulations, an amount equal to thirteen and a half percent (13.5%), multiplied by the funds (the "*Federal Funds*") that the School receives, directly or indirectly, from the federal government, exclusive of Free and Reduced Lunch Revenues (the "*Federal Allocation*") (the Federal Allocation together with the State Allocation are the "*Management Fee*"). Neither the State Allocation nor Federal Allocation shall include charitable contributions, transportation funding, facility funding, or proceeds from fundraisers ("*Non-Qualified Gross Revenue*"), which shall be retained entirely by the School. Such consideration will not preclude the payment of additional consideration if additional consideration is permitted or specified elsewhere in this Agreement or in other agreements between the Parties. If the School has no debt to the Manager and is able to timely pay the Management Fee, the School may, at its sole discretion, agree to pay to the Manager an incentive as a result of the School meeting the Incentive Goals identified in Appendix A attached hereto and in the Sponsorship Agreement.
- (b) Reasonable Compensation. The Management Fee under this Agreement is reasonable compensation for services rendered. Manager's compensation for services under this Agreement will not be based, in whole or in part, on a share of net profits from the operation of the School.
- (c) Annual Reconciliation. The Management Fee shall be subject to annual reconciliation based upon actual enrollment and actual revenue received (including the final month of the Term, even though the payment may be made beyond expiration or termination of the Term).

- 4.2 Payment of Costs. In addition to the Management Fee described in Section 4.1 above, the School will reimburse Manager for all costs incurred and paid by Manager in providing the Educational Services and Administrative Services, provided such costs are within the limits of the Budget. Such costs may include, but are not limited to, mortgage, rent and/or lease payments (including costs pursuant to any equipment lease or Facility lease that the Parties may enter into), Facility maintenance and utility costs, salaries of Manager's employees or subcontractors assigned to the staff of the School, costs related to curriculum, instructional materials, textbooks, library books, computers, software, supplies, food service, transportation, special education, psychological services and medical services. Except as may be provided in any equipment lease or Facility lease, in charging for such costs to the School and paying for such costs, Manager will not charge an added fee unless such fee is approved in advance by the School.

4.3 Time and Priority of Payments.

- (a) Manager will receive its Management Fee in the same number of installments and in the same proportion that the School receives its revenues. Each installment of the Management Fee will be due and payable by the School upon receipt of invoice.
- (b) Manager will notify the School of any payments due and owing to Manager pursuant to Section 4.2 above as soon as possible after the end of each month and the School will make such payments to Manager upon receipt of invoice.
- (c) The School will satisfy its payment obligations under this Article to Manager in the following order of priority: (i) payments due and owing under Section 4.2 above for salaries and benefits of Manager employees or subcontractors assigned to the staff of the School; (ii) all other payments due and owing under Section 4.2 above, with the oldest amounts due first; and (iii) payments due and owing pursuant to Section 4.1 above with the oldest amounts due first.

4.4 Interest Rate and Fee Carryovers.

- (a) Unless otherwise agreed by the Parties, unpaid Management Fees and loans to the School, if any, to pay expenses will accrue interest at the one-month London Interbank Offer Rate ("**LIBOR**"), plus four percent (4%) for the time overdue.
- (b) There will be no limits to what indebtedness or fees owed to Manager may be carried over from year to year unless expressly provided otherwise in this Agreement.

**ARTICLE V.  
SUPPLEMENTAL PROGRAMS**

5.1 Supplemental Programs. In addition to the Educational Services and Administrative Services provided by Manager to the School, Manager may, subject to School approval (which approval shall not be unreasonably withheld), provide additional services, which may benefit the School by increasing its exposure in the community, including, but not limited to, pre-kindergarten, summer school, academic camps, before and after school programs, vocational training, and latch-key programs to students and non-students of the School (the "**Supplemental Programs**"), provided that nothing herein shall require Manager to provide any such Supplemental Programs. Manager may retain the full amount of any and all revenues collected from or for such Supplemental Programs, and Manager will be responsible for the full cost of providing such Supplemental Programs. The School will permit Manager to operate such Supplemental Programs at the Facility without charge to Manager; provided, however, that Manager shall provide to the School a fee equal to thirteen and a half percent (13.5%) of the profits (if any) derived by Manager from such Supplemental Programs.

5.2 Manager shall prepare detailed statements on a monthly basis of all revenues received, from whatever source, with respect to the Supplemental Programs, and detailed statements of all expenses, including an accounting of all expenditures for services rendered, whether incurred on-site or off-site.

5.3 Subject to and in accordance with provisions in Article IX below, Manager will indemnify, defend and save and hold the School and all of its Representatives (as defined below)

harmless against any and all claims, demands, suits or other forms of liability (including reasonable attorney's fees and costs) that directly arise out of any Supplemental Program. In addition, Manager will reimburse the School for any and all reasonable legal expenses and costs associated with the defense of any such claim, demand or suit. This indemnification provision shall survive the termination or expiration of the Agreement.

## **ARTICLE VI. PERSONNEL AND TRAINING**

- 6.1 Personnel Responsibility.
- (a) Subject to Sections 1.1 and 1.2 above, the Sponsorship Agreement, the Code and other applicable laws and regulations, Manager will have the sole responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline, supervise, manage and terminate personnel necessary to carry out the Educational Services, the Administrative Services, the Supplemental Programs (if any) and all other services provided under this Agreement.
  - (b) Except as specified in this Agreement or as required by the Code or the Sponsorship Agreement, the HOS, teachers and support staff recommended by Manager pursuant to this Agreement will be employees or subcontractors of Manager. Manager will be responsible for conducting reference checks, employment checks, criminal background checks and unprofessional conduct checks on its employees and subcontractors to the extent required under the Code and other applicable laws and regulations as if the employees and subcontractors were employed by an School. Upon request, Manager will provide the School with documentary evidence of such background checks. Manager will share on a confidential basis with the School its performance reviews and assessment of the HOS.
- 6.2 Head of School. The HOS will be an employee of Manager and Manager will determine the employment terms of the HOS. Manager will have the authority, consistent with the Code and other applicable laws and regulations, to select, supervise and terminate the HOS and to hold him or her accountable for the success of the School.
- 6.3 Teachers. Manager will provide to the School such teachers as are required to provide the Educational Services, Administrative Services and Supplementary Programs (if any). Manager, in consultation with the HOS, will determine the number and assignments of such teachers. Such teachers may work at the School on a full or part time basis. Each teacher assigned to the School will be qualified in his or her grade levels and subjects, and, to the extent required under the Code and other applicable laws and regulations, hold a valid teaching certificate issued by the ODOE. Further, to the extent required under the Code and other applicable laws and regulations, such teachers shall have undergone a criminal background check and unprofessional conduct check as if such teachers were employees of the School. Upon request, Manager shall provide the School with documentary evidence of its compliance with this Section 6.3. Manager shall keep the School informed of all teaching staff related actions and decisions on a regular basis.
- 6.4 Support Staff. Manager will provide the School with such support staff as are required to provide the Educational Services, Administrative Services and Supplementary Programs

(if any). Such support staff may include, among others, teachers' aides, clerical staff, and administrative assistants to the HOS, bookkeepers and maintenance personnel. Such support staff may work at the School on a full or part time basis.

- 6.5 Training. Manager will provide training in its instructional methods, curriculum, educational program and support technology to its instructional personnel on a regular and continuous basis. Such training will enable the School's instructional staff to provide in-service training to each other. Non-instructional personnel will receive such training as Manager determines to be reasonable and necessary under the circumstances.
- 6.6 Non-Solicitation/Non-Hiring.
- (a) During the Term and one (1) year thereafter, each Party may not directly or indirectly solicit, recruit for employment, offer employment to, offer subcontracting opportunities to, or otherwise employ or use the services of any current or former consultant or employee of the other Party or its Affiliates if that consultant or employee or former consultant or employee had been assigned to or worked under this Agreement. "Affiliate" means any entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Manager whether through ownership of voting securities, by contract interest or otherwise.
  - (b) Unpermitted Solicitation/Hiring Remedies. In the event of such unpermitted use or engagement by a Party of such consultant or employee whether directly or indirectly, in contravention of the clause immediately above, the other Party, at its option, may seek receipt of a sum equivalent to one hundred percent (100%) of that employee's compensation during their first year with the new employer, or seek any legal or equitable relief against such actions including, but not be limited to, immediate injunctive relief in any court of competent jurisdiction. The one (1) year period of time in this Section will be extended by the amount of time that a Party engages in any activity in violation of this Agreement and while the aggrieved Party seeks enforcement of this Agreement. The School acknowledges and agrees that no advances or past uncollected fees shall be issued by Manager to cover any penalty, damages or other relief owed by the School upon a violation of this provision.
  - (c) Solicitation Exceptions. For the avoidance of doubt, newspaper, periodical or Internet-based listings of employment opportunities by a Party shall not be considered direct or indirect solicitation of an employee of the other Party or Affiliate. However, such Party shall continue to be precluded from engaging or otherwise using a Party's and Affiliates' employee, former employee or consultant provided for in this Section 6.6.

## **ARTICLE VII. TERMINATION OF AGREEMENT**

### **7.1 Termination By Manager.**

- (a) Manager may terminate this Agreement effective at the end of the then-current school year if the School fails to make any payment of money due to the Manager within thirty (30) days of written notice from Manager to School that such payment is

overdue, excluding overdue payments resulting from a payment dispute or delay between the School and any funding entity.

- (b) Manager may terminate this Agreement in the event that the School is in material default under any other condition, term or provisions of this Agreement (except late payment which is addressed above) or the Sponsorship Agreement, and the default remains uncured for thirty (30) days after the School receives written notice from the Manager or Sponsor, as applicable, of the default. However, if the default cannot be reasonably cured within thirty (30) days, and the School promptly undertakes or continues efforts to cure the material default within a reasonable time, the failure shall not be grounds for termination. Notwithstanding the foregoing, if the School's default creates an imminent danger to the life of students, parents or others, the default must be cured immediately upon notice from the Manager, and Manager may terminate the Agreement effective immediately if not so cured.
- (c) Manager may terminate this Agreement if there is any adverse and material change in local, State or federal funding for the School's students; provided that any notice of termination delivered to the School based upon an adverse and material change in funding shall be effective when the funding change goes into effect or such later date as designated by the Manager.
- (d) Manager may terminate this Agreement effective immediately upon written notice to the School in the event that the School adopts or amends a policy, and the effect of such amendment or policy would reasonably be determined by Manager to increase materially the financial risk to Manager arising from its performance of its obligations hereunder, thus rendering Manager's performance economically unviable. In the event the School adopts such an adverse policy in the middle of the school year, Manager agrees to use its best efforts to complete its obligations for the then-current school year without waiving any rights and remedies hereunder.
- (e) Manager may terminate this Agreement effective immediately upon written notice to the School in the event that the School undergoes adverse change that makes the School financially unviable.

7.2 Termination By the School. The School may terminate this Agreement in the event that Manager fails to remedy a material breach of this Agreement within ninety (90) days after written notice from the School. Termination by the School will not relieve the School of any obligations for payments outstanding to Manager as of the date of the termination, nor will it relieve Manager for liability for financial damages suffered by the School as a consequence of Manager's breach (or of the School's termination as a result thereof) of this Agreement.

7.3 Termination of the Sponsorship Agreement. This Agreement will terminate upon the School's ceasing to be a party to a valid and binding sponsorship agreement, provided, however, that this Agreement will continue to remain in effect until the date of termination or expiration of a Term (as applicable) if (i) the School has entered into a subsequent sponsorship agreement, and (ii) this Agreement has not been terminated pursuant to this ARTICLE VII. Termination pursuant to this paragraph will not relieve the School of any obligations for payments outstanding to Manager as of the date of termination.

- 7.4 Change in Law. If any federal, State or local law or regulation, court or administrative decision or Attorney General's opinion could reasonably be expected to have an adverse effect on the ability of either Party to carry out its obligations under this Agreement, such Party, upon written notice to the other Party, may request renegotiation of this Agreement. That notice may be given at any time following enactment of such change in applicable law, whether or not such change is effective on the date of such enactment or is effective at a later date. Renegotiation will be undertaken in good faith. If the Parties are unable to renegotiate and agree upon revised terms within one hundred twenty (120) days after such notice of renegotiation, then this Agreement will be terminated effective at the end of the academic year in which such notice was given unless earlier termination is necessary to protect the health, welfare, or safety of students. Manager may terminate this Agreement effective immediately upon written notice to School in the event Manager undergoes or is required to undergo a change that makes Manager, as determined in its sole judgment, financially unviable.
- 7.5 Real and Personal Property. Upon termination or expiration of this Agreement by either Party for any reason, all real and personal property leased by Manager to the School will remain the real and personal property and leases of Manager, and all other personal property purchased by Manager with the funds provided to Manager by the School pursuant to Section 4.2 above will be the personal property of the School. Notwithstanding the above, if any lease shall contain a buy-out or purchase option, the School shall have the right to exercise such option and purchase such equipment.
- 7.6 Return of Materials and Records. On the later of (a) five (5) business days after any termination or expiration of this Agreement by either Party for any reason, and (b) the effective date of termination as established in this Article VII, the School shall (i) assemble in a safe place all operational, systems and other administrative manuals and material, and copies thereof, and (ii) the President of the School shall certify to Manager in writing that the School has ceased use of any proprietary materials relating to the Educational Program and has deleted the materials from all databases and storage media maintained by the School. At Manager's direction, the School will promptly permit representatives of Manager or its Affiliate to pick up all such materials at the School. Manager shall return to the School all student educational records and all School-titled equipment and material (if any). Notwithstanding the foregoing, in the event that the School closes for any reason, the Manager shall comply with Section 3314.44 of the Ohio Revised Code and instead transmit the educational records of each student to said student's school district of residence.

## **ARTICLE VIII. PROPRIETARY INFORMATION, OWNERSHIP AND LICENSE**

- 8.1 Proprietary Information and Ownership. The School acknowledges that Manager owns the intellectual property rights and interests in the curriculum, learning systems, assessment

systems and pedantic methods licensed to or utilized by the School during the Term of this Agreement ("**Protected Materials**") and to the name "ACCEL™" (such name being a trademark of Manager). The School acknowledges and agrees that it has no intellectual or property interest or claims in the Protected Materials, or such name and has no right to use the Protected Materials or such name, unless expressly agreed to in writing by Manager. In accordance with all laws and regulations, Manager shall have the right to install signs on the School facilities, including under the name of the School, describing the services provided by Manager or its assignees, including "Managed by ACCEL Schools" or "Educational Services Provided by ACCEL Schools." Upon any expiration or termination of this Agreement, those signs shall be promptly removed.

- 8.2 License. The Manager developed and owns proprietary rights to the Protected Materials and the Lorain Bilingual Academy name (the "Name"). The Manager hereby grants the School a limited revocable license to use the Protected Materials and the Name in connection with the School during the Term. When this Agreement is terminated or expires, the license granted herein shall automatically terminate and the School shall: (a) immediately cease using the Protected Materials and Name; (b) if the School chooses to continue doing business and/or will not dissolve within six (6) months of the termination or expiration of this Agreement, change its corporate name to some name other than the Name, which new name shall not consist in any variation or manner of the word or words Lorain Bilingual Academy, used alone or in any combination; and (c) notify the Sponsor, the ODOE and any other oversight entity including, but not limited to, the Ohio Secretary of State, of the name change. The School may not use the Protected Materials for any purpose other than strictly within the scope of the license granted in this Agreement without the prior written consent of the Manager.

## ARTICLE IX. INDEMNIFICATION AND LIMITATIONS OF LIABILITIES

- 9.1 Indemnification of Manager. To the extent permitted by Ohio law, the School will indemnify, defend and save and hold Manager and its Affiliates and all of their respective employees, officers, directors, subcontractors and agents (collectively, "**Representatives**") harmless against any and all penalties, claims, demands, suits or other forms of liability (including reasonable attorney's fees and costs) that may arise out of, or by reason of, any wrongdoing, misconduct or negligence by the School or its Representatives; noncompliance by any of them with any agreements, covenants, or undertakings of the School contained in or made pursuant to this Agreement; any misrepresentations of the School contained in or made pursuant to this Agreement; any action or omission by the School or its Representatives that results in injury, death or loss to person or property; and any violation by them of violation of State or federal law. In addition, the School will reimburse Manager, its Affiliates and their Representatives for any and all reasonable legal expenses and costs associated with the defense of any such penalty, claim, demand or suit. Further, the Parties acknowledge and agree that Manager and its Affiliates shall have no liability or responsibility for activities of the School that occurred prior to the Start Date, including, but not limited to, management of the School by any third parties. The indemnification requirements of this Section 9.1 may be met by the purchase of insurance

pursuant to ARTICLE X below. This indemnification obligation shall survive the termination or expiration of this Agreement.

- 9.2 Indemnification of the School. Manager will indemnify, defend and save and hold the School and its Representatives harmless against any and all penalties, claims, demands, suits or other forms of liability (including reasonable attorney's fees and costs) that may arise out of, or by reason of, any wrongdoing, misconduct, or negligence of Manager, its agents, employees or assigns or noncompliance by Manager with any agreements, covenants, or undertakings of Manager contained in or made pursuant to this Agreement, and any misrepresentation of the Manager contained in or made pursuant to this Agreement. In addition, Manager will reimburse the School for any and all reasonable legal expenses and costs associated with the defense of any such claim, demand or suit. The indemnification requirements of this Section 9.2 may be met by the purchase of insurance pursuant to ARTICLE X below. This indemnification obligation shall survive the termination or expiration of this Agreement.
- 9.3 Defense. A Party seeking indemnification under this ARTICLE IX (the "*Indemnitee*") shall give notice to the indemnifying Party (the "*Indemnitor*") of a claim or other circumstances likely to give rise to a request for indemnification, promptly after the Indemnitee becomes aware of the same. The Indemnitor, with Indemnitee consent, which shall not be unreasonably withheld, conditioned or delayed, shall be afforded the opportunity to undertake the defense of and to settle by compromise or otherwise any claim for which indemnification is available under this ARTICLE IX. The Indemnitor's selection of legal counsel is subject to the Indemnitee's approval (which approval shall not be unreasonably withheld). If an Indemnitor so assumes the defense of any claim, the Indemnitee may participate in such defense with legal counsel of the Indemnitee's selection and at the expense of the Indemnitee. Indemnitor may not settle any claim against Indemnitee or otherwise consent to any final order or judgement regarding same if such settlement, final order or judgement includes an admission of wrongdoing in Indemnitee's or Affiliate's name unless Indemnitee or Affiliate, as applicable, consents in writing. If the Indemnitor, upon the expiration of the fifteen (15) days after receipt of notice of a claim by the Indemnitee under this ARTICLE IX, has not assumed the expense of the defense thereof, the Indemnitee may thereupon undertake the defense thereof on behalf of, and at the risk and expense of, the Indemnitor, with all reasonable costs and expenses of such defense to be paid by the Indemnitor.
- 9.4 Limitations of Liabilities.
- (a) Immunities and Statutory Limitations. The School will assert all immunities and statutory limitations of liability in connection with any third party claims arising from its operations, and will not waive any immunities or limitations without the prior written consent of Manager. Notwithstanding this ARTICLE IX, to the fullest extent permitted by law, the School will waive the defense of governmental immunity in any dispute between the Parties.
- (b) MAXIMUM OBLIGATIONS. EXCEPT AS TO THE PARTIES' INDEMNIFICATION OBLIGATIONS, TO THE EXTENT PERMITTED BY LAW

EACH PARTY'S MAXIMUM LIABILITY AND OBLIGATION TO THE OTHER PARTY AND THE EXCLUSIVE REMEDY FOR ANY CAUSE WHATSOEVER, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING NEGLIGENCE, RELATING TO THIS AGREEMENT SHALL BE LIMITED TO THE RECOVERY OF ACTUAL DIRECT DAMAGES UP TO THE AMOUNT OF FEES PAID UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE DATE A CLAIM IS MADE.

- (c) ECONOMIC DAMAGES. EXCEPT IN CONNECTION WITH ITS INDEMNITY OBLIGATIONS EXPRESSLY SET FORTH HEREIN, NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, EXEMPLARY, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY LOST SAVINGS, LOST PROFITS, LOST SALES, BUSINESS INTERRUPTIONS, DELAY DAMAGES, OR LOST OR DESTROYED DATA, EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- (d) REASONABLENESS. NEITHER OCCASIONAL SHORT-TERM INTERRUPTIONS OF SERVICE OR PRODUCTS, WHICH ARE NOT UNREASONABLE UNDER COMPARABLE INDUSTRY STANDARDS NOR INTERRUPTIONS OF SERVICE OR PRODUCTS RESULTING FROM EVENTS OR CIRCUMSTANCES BEYOND MANAGER'S OR ITS AFFILIATES' REASONABLE CONTROL SHALL BE CAUSE FOR ANY LIABILITY OR CLAIM AGAINST MANAGER HEREUNDER, NOR SHALL ANY SUCH OCCASION RENDER MANAGER IN BREACH OF THIS AGREEMENT.

- 9.5 Right of Set-Off. Either Party may, but shall not be obligated to, set off against any and all payments due the other Party under this Agreement, any amount to which the Party is entitled to be indemnified hereunder provided that there has been a final judicial determination thereof.

## **ARTICLE X. INSURANCE**

- 10.1 Insurance Coverage. The School will maintain the types of and limits on insurance policies as follows unless different types and/or higher requirements are set forth in the Sponsorship Agreement: commercial general liability in amounts no less than \$1 million per occurrence and \$2 million in the aggregate; excess or umbrella extending coverage as broad as primary commercial general liability coverage in an amount no less than \$3 million; automobile in the amount of \$1 million; directors and officers/school leaders, employment practices liability and errors and omission, in amounts no less than \$1 million per occurrence and \$1 million in the aggregate; and employers liability in an amount no less than \$1 million. The insurance coverage shall be not only for the School, its directors, officers and employees, but also such policies shall name Manager, its Affiliates and their respective Representatives as additional insureds under such policies. School shall provide Manager with a certificate of insurance evidencing such coverage upon reasonable request. All insurance policies shall (a) be issued by companies in good standing and authorized to do business in the

State and having an AM Best rating of A or better, (b) written in standard form, and (c) provide that the policies may not be canceled except after thirty (30) days' written notice to the Manager and Sponsor. Upon Manager's request, the School shall deliver to the Manager a copy of such policies. The School will comply with any information requests from its insurer(s) and all reporting requirements applicable to such insurance.

- 10.2 Workers' Compensation Insurance. Each Party will maintain workers' compensation insurance as required by law, covering its respective employees.
- 10.3 Cooperation. Each Party will, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this ARTICLE X. Each Party will comply with any information or reporting requirements required by the other Party's insurer(s), to the extent reasonably practicable.

## **ARTICLE XI. REPRESENTATIONS AND WARRANTIES**

- 11.1 Representations and Warranties of Manager. Manager hereby represents and warrants to the School:
- (a) Manager is a duly formed limited liability company in good standing and is authorized to conduct business in the State.
  - (b) To the best of its knowledge, Manager has the authority under the Code and other applicable laws and regulations to execute, deliver, and perform this Agreement, and to incur the obligations provided for under this Agreement.
  - (c) Manager's actions under this Agreement have been and will be duly and validly authorized, and it will adopt any and all further resolutions or expenditure approvals required for execution of this Agreement.
  - (d) The services to be performed under this Agreement will be performed in a professional and workmanlike manner in accordance with commercially reasonable industry standards. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. MANAGER AND ITS AFFILIATES MAKE NO GUARANTEES AS TO THE GRADES OR TEST RESULTS TO BE OBTAINED BY THE STUDENTS. WITHOUT LIMITING THE FOREGOING, MANAGER AND ITS AFFILIATES MAKE NO GUARANTEES AND SHALL NOT BE LIABLE FOR NON-ACCESIBILITY OF ANY WEBSITE, SYSTEM OR PROGRAM, END-USER CONNECTION SPEED OR CONNECTIVITY PROBLEMS, REGARDLESS OF THE REASON.
- 11.2 Representations and Warranties of the School. The School hereby represents and warrants to Manager:
- (a) The Sponsorship Agreement (i) authorizes the School to operate and receive the State, federal and local education funds, as well as other revenues; (ii) approves the Education Program and other activities contemplated by this Agreement; and (iii) vests the School

with all powers necessary and desirable for carrying out the Education Program and other activities contemplated in this Agreement.

- (b) The School has the authority under the Code and other applicable laws and regulations to contract with a private entity to perform the Educational Services, Administrative Services, Supplemental Programs, and all other services under this Agreement and execute, deliver and perform this Agreement, and to incur the obligations provided for under this Agreement.
- (c) The School's actions have been duly and validly authorized, and the School will adopt any and all further resolutions or expenditure approvals required for execution of this Agreement; provided, however, that with regard to expenditures, such resolutions and approvals shall be required only if the relevant information is available to the School and the School has sufficient funds in the approved Budget to pay for such expenditures.
- (d) The School is not in breach of the terms of the Sponsorship Agreement.
- (e) The School has no intellectual or property rights or claims in the curriculum or other educational materials provided by Manager or in the name "ACCEL™" and will make no such claims in the future.
- (f) The School shall not after the Effective Date incur any indebtedness outside the ordinary course of business or enter into any factoring or other debt arrangements without the prior written consent of the Manager, which consent shall not be unreasonably withheld, conditioned or delayed.

11.3 Mutual Warranties. Each Party to the Agreement warrants to the other that there are no pending actions, claims, suits or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

## **ARTICLE XII. CONFIDENTIALITY AND NON-DISCLOSURE**

12.1 Confidential Information. Without the prior written consent of the other Party, neither Party will at any time: (a) use for its own benefit or purposes or for the benefit or purposes of any other person, corporation or business organization, entity or enterprise; or (b) disclose in any manner to any person, corporation or business organization, entity or enterprise any trade secret, proprietary information, data, know-how or knowledge (including but not limited to curricula information, financial information, marketing information, cost information, vendor information, research, marketing plans, educational concepts and employee information), whether transferred in written or other tangible information, or transferred orally, visually, electronically or by any other means, belonging to, or relating to the affairs of a Party or any of its Affiliates (the "Disclosing Party") or received through association with the Disclosing Party (collectively, "Confidential Information"), whether the Confidential Information was received by the Receiving Party before or after the commencement of this Agreement. Confidential Information does not include information a Party receives (the "Receiving Party") and can show that it: (i) was known to the Receiving Party prior to its association with the Disclosing Party; (ii) had become available to the public other

than by a breach of this Agreement by the Receiving Party; or (iii) was disclosed to the Receiving Party by a third person or entity that was not prohibited by a contractual, fiduciary or other legal obligation to the Disclosing Party from disclosing the Confidential Information.

- 12.2 Care and Authorized Use. Receiving Party will use at least the same degree of care to prevent unauthorized use and disclosure of Confidential Information as that Party uses with respect to its own confidential information (but in no event less than a reasonable degree of care); use Confidential Information only in performance of its obligations under this Agreement; and not disclose or grant access to such Confidential Information to any third party except on a need-to-know basis and based on a confidentiality agreement with terms at least as strict as those contained in this Agreement. This Agreement does not prohibit the Receiving Party from disclosing Confidential Information it is legally compelled to disclose by oral questions, interrogatories, requests for information or documents, subpoenas, investigative demands, judicial orders or similar process. However, if the Receiving Party is legally compelled to disclose any Confidential Information, the Receiving Party covenants to use its best efforts to provide the Disclosing Party with prompt written notice (not more than forty-eight (48) hours after learning it will be compelled to disclose) so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that a protective order or other remedy is not obtained, or that the Disclosing Party waives compliance with the provisions of this Agreement, the Receiving Party covenants to furnish only that portion of the Confidential Information that the Receiving Party is legally required to disclose, and to exercise its best efforts to obtain reliable assurance that the Confidential Information will be treated confidentially.
- 12.3 Disclosure to Departments of Education. Notwithstanding the forgoing, either Party may disclose this Agreement to the United States Department of Education (“USDOE”) or ODOE provided, however, that as a condition to such disclosure, the Party shall provide reasonable advance notice to the other Party, and use its commercially reasonable best efforts to obtain a written non-disclosure agreement with the USDOE and ODE to treat the Agreement in accordance with the terms of this Article 12.
- 12.4 Survival. This Article 12 shall survive any expiration or termination of this Agreement.

### **ARTICLE XIII MISCELLANEOUS**

- 13.1 Integration, Sole Agreement, and Third Party Beneficiaries. This Agreement (together with any exhibits, schedules or documents referred to herein) is the entire agreement between the Parties, sets forth all of the promises, covenants, agreements, conditions and undertakings of the Parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, negotiations, inducements or conditions, express or implied, oral or written, if any, between the Parties with respect to the subject matter hereof. Except as limited by Section 13.7 below, this Agreement shall

be binding upon and is for the exclusive benefit of the Parties, and their respective affiliates, successors and permitted assigns, and not for the benefit of any third party, nor shall it be deemed to confer or have conferred any rights, express or implied, upon any other third party including a relationship in the nature of a third party beneficiary or fiduciary.

- 13.2 **Force Majeure.** In the event that either Party is delayed, hindered, or prevented from performing any act required under this Agreement by reason of fire or other casualty, acts of God, strike, lockout, labor dispute, inability to procure services or materials, failure of power, riots, terrorism, insurrection, war or other reason of like nature not the fault of the delayed Party, its performance shall be excused for the period of the delay and the time for performance shall be extended for a period equivalent to the period of the delay. This Section shall not excuse School from prompt payment of any amounts required by the terms of this Agreement. As soon as practicable, the Party experiencing a force majeure event shall: (a) notify the other Party about the event, and (b) resume performance of its obligations under this Agreement upon conclusion of the event.
- 13.3 **Governing Law, Jurisdiction and Waiver of Jury Trial.** The laws of the state of Ohio will govern this Agreement, its construction, and the determination of any rights, duties and remedies of the Parties arising out of or relating to this Agreement. Jurisdiction and venue are proper in the county in which the School is located. The Parties each waive any right to trial by jury in any litigation involving this Agreement, including breach, interpretation or performance thereof.
- 13.4 **Construction.** The Parties acknowledge and agree that this Agreement is the result of extensive negotiations between the Parties and their respective counsel, and that this Agreement shall not be construed against either Party by virtue of its role or its counsel's role in the drafting hereof. Paragraph captions or headings of various articles, sections and other subdivisions are used herein for convenience of reference only and are not intended to be used, nor shall they be used, in interpreting this instrument or modifying, defining or limiting any of the terms or provisions hereof.
- 13.5 **Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed an original, but both of which will constitute one and the same instrument. Each Party may rely on facsimile signature pages as if such facsimile pages were originals.
- 13.6 **Notices.** Either Party may change the address to which notice to it, or copies thereof, shall be addressed by giving notice thereof to the other Party hereto in conformity with the following. All notices and other communications permitted or required by the terms of this Agreement shall be in writing and sent to the Parties hereto at the addresses set forth below. Notice shall be deemed given: (a) upon receipt if sent by certified or registered mails, postage prepaid, return receipt requested, (b) on the day it is sent if by facsimile (with confirmation of transmission by sender's facsimile machine) and a copy simultaneously sent by nationally recognized overnight courier on a business day during normal business hours, or the next business day thereafter if sent on a non-business day or after normal business hours, (c) upon delivery if sent by personal delivery (with written confirmation of delivery), or (d) upon delivery if by sent by nationally recognized overnight carrier (with written confirmation of delivery). The addresses of the Parties are:

**To:**  
Lorain Bilingual Academy  
Attn: Board President  
[address]  
Facsimile:

**With a copy to:**  
Jamie Callender  
Callender Law Group  
100 E. Broad St, Suite 690  
Columbus, Ohio 43215

**To:**  
Accel Schools Ohio LLC  
Attn: Chief Operating Officer  
1650 Tysons Boulevard, Suite 600  
McLean, VA 22102  
Facsimile: 703-991-8930

**With a copy to:**  
Pansophic Learning US LLC  
Attn: General Counsel  
1650 Tysons Boulevard, Suite 600  
McLean, VA 22102  
Facsimile: 703-991-8930

- 13.7 Assignment. Neither Party may assign this Agreement without the prior written consent of the other Party (which consent shall not be unreasonably withheld). Notwithstanding the foregoing, Manager may, without prior written consent from or notice to the School, assign this Agreement to its Affiliates or in connection with a merger, acquisition, asset sale or corporate reorganization and may without the consent of the School, delegate the performance of but not responsibility for any duties and obligations of Manager hereunder to any affiliate, independent contractors, experts or professional advisors.
- 13.8 Amendment and Cummulative Effect. This Agreement will not be altered, amended, modified or supplemented except in a written document approved by the School and signed by both the Board President or other authorized officer of the School and an authorized officer of Manager. The rights and remedies of the Parties hereto are cumulative and not exclusive of the rights and remedies that they otherwise might have now or hereafter, at law, in equity, by statute or otherwise.
- 13.9 Waiver and Delay. Except to the extent that a Party hereto may have otherwise agreed in writing, no waiver by that Party of any condition of this Agreement or breach by the other Party of any condition of this Agreement or breach by the other Party of any of its obligations or representations hereunder or thereunder shall be deemed to be a waiver of any other condition or subsequent or prior breach of the same or any other

obligation or representation by the other Party, nor shall any forbearance by a Party to seek a remedy for any noncompliance or breach by the other Party be deemed to be a waiver by the first Party of its rights and remedies with respect to such noncompliance or breach.

- 13.10 Severability. If any term, condition or provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to either Party. Upon such determination that any term, condition or provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the extent that the transactions contemplated hereby are fulfilled to the extent possible.
- 13.11 Assertion of Claims. No Party shall bring any claim relating to this Agreement beyond one year after the date on which the Party became aware, or should reasonably have become aware, of the facts giving rise to any alleged liability of the other Party and, in any event, no later than two (2) years after (a) the last day of the Term, or (b) the earlier termination of this Agreement for any reason. The provisions of the preceding sentence shall not apply to claims for payment of amounts due under the "Fees" Section of this Agreement or loans.
- 13.12 Injunctive Relief and Dispute Resolution.
- (a) Injunctive Relief. The School acknowledges that the covenants set forth in Sections "Non-Solicitation/Non-Hiring", "Proprietary Information and Ownership", "License", and "Confidentiality and Non-Disclosure" above are reasonable in scope and content and necessary to protect the Manager and its business interests. The School understands and agrees that the breach or threatened breach of Sections "Non-Solicitation/Non-Hiring", "Proprietary Information and Ownership", "License", and "Confidentiality and Non-Disclosure" of this Agreement would give rise to the aggrieved Party suffering irreparable harm which harm would be inadequately compensable in money damages. Accordingly, in addition to any other remedies available to it, the aggrieved Party shall be entitled to a restraining order and/or an injunction prohibiting the breach or threatened breach of any provision, requirement or covenant of this Agreement, without the requirement of posting a bond, in addition to and not in limitation of any other legal remedies which may be available.
- (b) Dispute Resolution Procedure. The Parties agree that they will attempt in good faith to settle any and all disputes arising in connection with this Agreement amicably in the ordinary course of business. If a dispute is not resolved in the ordinary course of business, the aggrieved Party will submit its dispute in writing to the Board's president and Manager's Chief Operating Officer or equivalent who shall have ten (10) business days to seek resolution of the matter. The dispute resolution procedures described herein will be deemed complete upon the earlier to occur of the following:
- (i) the Parties mutually agree in writing to discontinue the dispute resolution procedures herein; and
  - (ii) the relevant dispute is not resolved within the time periods provided herein.

- (c) Arbitration. Subject to the provisions of Sections 13.12(a) and 13.12(d), any dispute arising out of or relating to this Agreement, including the breach, termination or validity hereof, shall be settled by binding arbitration in accordance with the rules of the JAMS with an arbitration panel consisting of a single arbitrator. The need for and scope of formal discovery will be determined by agreement of the Parties or, if the Parties are unable to agree, the arbitrator. The arbitrator will render an opinion/award within thirty (30) days from the date of the hearing, and the opinion/award shall be written and include findings of fact and conclusions of law. The Parties agree that an arbitration award ("Underlying Award") may be appealed pursuant to JAMS's Optional Arbitration Appeal Procedure ("Appeal Procedure") which the Parties adopt as it exists on the effective date of this Agreement; the Underlying Award shall, at a minimum, be a reasoned award; and the Underlying Award shall not be considered final until after the time for filing a notice of appeal pursuant to the Appeal Procedure has expired. Appeals must be initiated within thirty (30) days of receipt of an Underlying Award, as defined by JAMS, by filing a Notice of Appeal with JAMS. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16, and judgment upon the award rendered by the arbitration panel or, if applicable, a decision rendered under the Appeal Procedure, may be entered by any court having jurisdiction thereof. The arbitrator is not empowered to award any damages or losses described in the "Limitations of Liability" Section and each Party expressly waives and foregoes any right to the damages or losses.
- (d) Exceptions. Notwithstanding anything else in this Agreement, claims for monies due and claims for injunctive relief as provided for in Section 13.12(a) above, and/or claims for grant or financial assistance reimbursement due may at either Party's option be brought separately and immediately in a court of competent jurisdiction or pursued through arbitration as set forth above.
- (e) Shared Fees and Expenses. The fees and expenses of JAMS and the arbitration panel should be shared equally by the Parties before the arbitration award is made. The arbitration award shall require the Party which does not prevail in the arbitration to reimburse the prevailing Party for the one half of the fees and expenses of JAMS and arbitration panel paid by the prevailing Party.
- 12.13 Survival on Termination or Expiration. The following Articles and/or Sections shall survive termination or expiration of this Agreement: Consideration and Supplemental Programs (to the extent they relate to amounts owing for periods through the expiration or termination of this Agreement); Non-Solicitation/Non-Hiring; Termination of Agreement (to the extent they relate to obligations after expiration and termination); Proprietary Information, Ownership and License; Indemnification and Limitations of Liabilities; Confidentiality and Non-Disclosure; Interpretation, Sole Agreement and Third Party Beneficiaries; Governing Law, Jurisdiction and Waiver of Jury Trial; Construction; Counterparts; Notices; Assignment; Amendment and Cumulative Effect; Waiver and Delay; Severability; Assertion of Claims; Injunctive Relief and Dispute Resolution; Survival on Termination or Expiration; and any provision that, based on its nature, should survive.

*[signature page follows]*

**IN WITNESS WHEREOF**, the undersigned have executed this Agreement as of the date and year first above written.

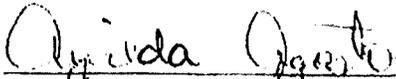
**Accel Schools Cleveland FB LLC**

**Lorain Bilingual Academy**

By: 

Name: Ronald J. Packard

Title: CEO

By: 

Name: Laila Agosto

Title: President

## **APPENDIX A**

### **INCENTIVE GOALS**

An additional one and one-half percent (1.5%) Management Fee annual bonus for a Performance Index score of ten (10) points above similar schools and/or a grade of "A" or "B" on value added score issued by the state of Ohio.

# Appendix G

## The School Performance Framework



1. Richland Academy of the Arts' (RAA) School Performance Framework aligns with the National Association of Charter School Authorizers (NACSA) and the Academic and Quality Performance components of Ohio's Sponsor Evaluation.

**Performance Measures** include annual, specific targets for all applicable state report card measures of student performance, mission-specific performance measures and targets, and additional measures and targets beyond the Gap Closing measure if the school serves specific subgroups of students. Academic Performance targets compare the school's student performance to the state, and to nearby schools serving similar student populations. Targets for financial and organizational/operational measures are also included.

All schools should understand how applicable Local Report Card (LRC) components are graded, numerical values assigned, and associated weights combined to create an Overall Academic Performance Score for their school under the Sponsor Evaluation.<sup>1</sup>

Example of how a school's Overall Academic Performance Score is calculated:

LRC Component	Value	Weight (adds up to 1.0)	Report Card Component Weighted Points (value x weight)
Achievement	1.5	.275	0.4125
Value-Added	3	.275	0.825
Graduation	na	na	na
Gap Closing	2.115	.225	0.476
K-3 Literacy	2.225	.225	0.500
Prepared for Success	na	na	na
Total Weighted Points			2.21

Overall Academic Performance Score	
Total Weighted Points	Report Card Grade Equivalent
4.125-5.000	4
3.125-4.124	3
2.125-3.124	2
1.125-2.124	1
0-1.124	0

**All RAA sponsored schools are expected to achieve an Overall Academic Performance Score of at least 2.125 total weighted points to attain a Report Card Grade Equivalent of at least 2 (C) by the third year of operation.**

<sup>1</sup> 2020-2021 Community School Sponsor Evaluation: Academic Component

Academic outcomes include a comparison of applicable LRC measures and a mission-specific measure as primary measures. Secondary measures can be included to provide additional information. On measures with an “or” option, schools will be awarded the higher designation.

## Performance Framework: Academic outcomes

Measure	2021-2022 target	2022-2023 target	2023-2024 target
Performance Index <sup>2</sup> (primary) (quintiles based on similar nearby schools)	Exceeds: ≥70 or top 2 quintiles Meets: 60-69 or 3rd quintile Does not meet: 55-59 or 4th quintile Falls far below: ≤54 or bottom quintile	Exceeds: ≥70 or top 2 quintiles Meets: 65-69 or 3rd quintile Does not meet: 58-64 or 4th quintile Falls far below: ≤57 or bottom quintile	Exceeds: ≥75 or top 2 quintiles Meets: 70-74 or 3rd quintile Does not meet: 60-69 or 4th quintile Falls far below: ≤59 or bottom quintile
Indicators Met <sup>3</sup> (primary) (quintiles based on similar nearby schools)	Exceeds: A, B, C or percent in top 2 quintiles Meets: D or percent in middle quintile Does not meet: F or percent in 4th quintile Falls far below: F or percent in bottom quintile	Exceeds: A, B, C or percent in top 2 quintiles Meets: D or percent in middle quintile Does not meet: F or percent in 4th quintile Falls far below: F or percent in bottom quintile	Exceeds: A, B, C or percent in top 2 quintiles Meets: D or percent in middle quintile Does not meet: F or percent in 4th quintile Falls far below: F or percent in bottom quintile
Overall Value Added (primary) (quintiles based on similar nearby schools)	Exceeds: A or B or composite score in top 2 quintiles Meets: C or composite score in middle quintile Does not meet: D or composite score in 4th quintile Falls far below: F or composite score in bottom quintile	Exceeds: A or B or composite score in top 2 quintiles Meets: C or composite score in middle quintile Does not meet: D or composite score in 4th quintile Falls far below: F or composite score in bottom quintile	Exceeds: A or B or composite score in top 2 quintiles Meets: C or composite score in middle quintile Does not meet: D or composite score in 4th quintile Falls far below: F or composite score in bottom quintile
Value-Added – Lowest 20% (secondary) (quintiles based on similar nearby schools)	Exceeds: A or B or composite score in top 2 quintiles Meets: C or composite score in middle quintile Does not meet: D or composite score in 4th quintile Falls far below: F or composite score i	Exceeds: A or B or composite score in top 2 quintiles Meets: C or composite score in middle quintile Does not meet: D or composite score in 4th quintile Falls far below: F or composite score i	Exceeds: A or B or composite score in top 2 quintiles Meets: C or composite score in middle quintile Does not meet: D or composite score in 4th quintile Falls far below: F or composite score i

<sup>2</sup> 501/552 or 91% of urban schools score D or lower on the Performance Index percentage

<sup>3</sup> 537/542 or 99% of urban schools score D or lower on Indicators Met

Value-Added – Students with Disabilities (secondary)  (quintiles based on similar nearby schools)	Exceeds: A or B or composite score in top 2 quintiles Meets: C or composite score in middle quintile Does not meet: D or composite score in 4th quintile Falls far below: F or composite score in bottom quintile	Exceeds: A or B or composite score in top 2 quintiles Meets: C or composite score in middle quintile Does not meet: D or composite score in 4th quintile Falls far below: F or composite score in bottom quintile	Exceeds: A or B or composite score in top 2 quintiles Meets: C or composite score in middle quintile Does not meet: D or composite score in 4th quintile Falls far below: F or composite score in bottom quintile
K-3 Literacy (primary)  (quintiles based on similar nearby schools)	Exceeds: A or B or percent in top 2 quintiles Meets: C or percent in middle quintile Does not meet: D or percent in 4th quintile Falls far below: F or percent in bottom quintile	Exceeds: A or B or percent in top 2 quintiles Meets: C or percent in middle quintile Does not meet: D or percent in 4th quintile Falls far below: F or percent in bottom quintile	Exceeds: A or B or percent in top 2 quintiles Meets: C or percent in middle quintile Does not meet: D or percent in 4th quintile Falls far below: F or percent in bottom quintile
Gap Closing (primary)  (quintiles based on similar nearby schools)	Exceeds: A or B or AMO points in top 2 quintiles Meets: C or AMO points in middle quintile Does not meet: D or AMO points in 4th quintile Falls far below: F or AMO points in bottom quintile	Exceeds: A or B or AMO points in top 2 quintiles Meets: C or AMO points in middle quintile Does not meet: D or AMO points in 4th quintile Falls far below: F or AMO points in bottom quintile	Exceeds: A or B or AMO points in top 2 quintiles Meets: C or AMO points in middle quintile Does not meet: D or AMO points in 4th quintile Falls far below: F or AMO points in bottom quintile
Mission specific (see template for instructions) (primary)	Meets: Does not meet:	Meets: Does not meet:	Meets: Does not meet:
Student subgroup (EL/OELPA) (primary)	Exceeds: 55% or better OR closes gap more than ten percentage points Meets: 51-54% or closes gap 8-10 percentage points Does not meet: 25 -50% OR closes gap 5-7 percentage points Falls far below: below 25% or closes gap less	Exceeds: 57% or better OR closes gap more than ten percentage points Meets: 52-56% or closes gap 8-10 percentage points Does not meet: 33-51% OR closes gap 5-7 percentage points Falls far below: below 33% or closes gap less	Exceeds: 61% or better OR closes gap more than ten percentage points Meets: 55-60% OR closes gap 8-10 percentage points Does not meet: 35-59% OR closes gap 5-7 percentage points Falls far below: below 35% or closes gap less

	than 5 percentage points	than 5 percentage points	than 5 percentage points.
Chronic absenteeism (secondary)  (quintiles based on similar nearby schools)	Exceeds: top 2 quintiles Meets: middle quintile Does not meet: fourth quintile Falls far below: bottom quintile	Exceeds: top 2 quintiles Meets: middle quintile Does not meet: fourth quintile Falls far below: bottom quintile	Exceeds: top 2 quintiles Meets: middle quintile Does not meet: fourth quintile Falls far below: bottom quintile

**Performance Framework: Financial expectations**

Measures	2021-2022 target	2022-2023 target	2023-2024 target
Current ratio of assets to liabilities	Exceeds: $\geq 1.1$ Meets: ratio between 1.0-1.1 and positive trend Does not meet: ratio between 0.9-1.0 or 1.0 or trend is negative Falls far below: ratio is $\leq 0.9$	Exceeds: $\geq 1.1$ Meets: ratio between 1.0-1.1 and positive trend Does not meet: ratio between 0.9-1.0 or 1.0 or trend is negative Falls far below: ratio is $\leq 0.9$	Exceeds: $\geq 1.1$ Meets: ratio between 1.0-1.1 and positive trend Does not meet: ratio between 0.9-1.0 or 1.0 or trend is negative Falls far below: ratio is $\leq 0.9$
Days Cash	Exceeds: 60 or more Meets: 30-60 Does not meet: 15-30 or trend is negative Falls far below: fewer than 15	Exceeds: 60 or more Meets: 30-60 Does not meet: 15-30 or trend is negative Falls far below: fewer than 15	Exceeds: 60 or more Meets: 30-60 Does not meet: 15-30 or trend is negative Falls far below: fewer than 15
Current year enrollment variance	Exceeds: actual enrollment $\geq 95\%$ of budgeted enrollment Meets: actual enrollment is within 90-94% budgeted enrollment Does not meet: actual enrollment is between 80-89% budgeted enrollment Falls far below: actual enrollment is less than 80% budgeted enrollment	Exceeds: actual enrollment $\geq 95\%$ of budgeted enrollment Meets: actual enrollment is within 90-94% budgeted enrollment Does not meet: actual enrollment is between 80-89% budgeted enrollment Falls far below: actual enrollment is less than 80% budgeted enrollment	Exceeds: actual enrollment $\geq 95\%$ of budgeted enrollment Meets: actual enrollment is within 90-94% budgeted enrollment Does not meet: actual enrollment is between 80-89% budgeted enrollment Falls far below: actual enrollment is less than 80% budgeted enrollment
Multi-year Ratio of Assets	Exceeds: Ratio is greater	Exceeds: Ratio is greater	Exceeds: Ratio is greater

to Liabilities <sup>4</sup> (prior year)	<p>than or equal to 1.1 for at least the 2 most recent years</p> <p><b>Meets:</b> Ratio is between 1.0 and 1.1 for at least the most recent year</p> <p>Does not meet: Ratio is below 1.0 for the most recent year; OR below 1.0 in the 2 most previous years out of 3 years</p> <p>Falls far below: Ratio is 0.9 or less for the most recent year; OR is 0.9 or less in the 2 most previous years out of 3 years</p>	<p>than or equal to 1.1 for at least the 2 most recent years</p> <p><b>Meets:</b> Ratio is between 1.0 and 1.1 for at least the most recent year</p> <p>Does not meet: Ratio is below 1.0 for the most recent year; OR below 1.0 in the 2 most previous years out of 3 years</p> <p>Falls far below: Ratio is 0.9 or less for the most recent year; OR is 0.9 or less in the 2 most previous years out of 3 years</p>	<p>than or equal to 1.1 for at least the 2 most recent years</p> <p><b>Meets:</b> Ratio is between 1.0 and 1.1 for at least the most recent year</p> <p>Does not meet: Ratio is below 1.0 for the most recent year; OR below 1.0 in the 2 most previous years out of 3 years</p> <p>Falls far below: Ratio is 0.9 or less for the most recent year; OR is 0.9 or less in the 2 most previous years out of 3 years</p>
Cash flow (prior year)	<p>Exceeds: Cash flow is positive for at least the 2 most recent years</p> <p><b>Meets:</b> Cash flow is positive for at least 1 of the most recent 2 years</p> <p>Does Not Meet: Cash flow is not positive for at least 1 of the most recent 2 years</p> <p>Falls Far Below: Cash flow is negative for any 2 consecutive years</p>	<p>Exceeds: Cash flow is positive for at least the 2 most recent years</p> <p><b>Meets:</b> Cash flow is positive for at least 1 of the most recent 2 years</p> <p>Does Not Meet: Cash flow is not positive for at least 1 of the most recent 2 years</p> <p>Falls Far Below: Cash flow is negative for any 2 consecutive years</p>	<p>Exceeds: Cash flow is positive for at least the 2 most recent years</p> <p><b>Meets:</b> Cash flow is positive for at least 1 of the most recent 2 years</p> <p>Does Not Meet: Cash flow is not positive for at least 1 of the most recent 2 years</p> <p>Falls Far Below: Cash flow is negative for any 2 consecutive years</p>

<sup>4</sup> This ratio depicts the relationship between a school's annual assets and liabilities, covering the last three years.

Total Margin (TM) and Aggregated 3-Year Total Margin <sup>5</sup> (ATTM)(prior year)	Exceeds: ATTM is positive and the most recent year TM is also positive <b>Meets:</b> ATTM is greater than -1.5%, the trend is positive for the last two years, AND the most recent year TM is positive Does Not Meet: ATTM is greater than -1.5%, but trend does not “meet standard” Falls Far Below: ATTM is less than or equal to -1.5%; OR the most recent year TM is less than -10%	Exceeds: ATTM is positive and the most recent year TM is also positive <b>Meets:</b> ATTM is greater than -1.5%, the trend is positive for the last two years, AND the most recent year TM is positive Does Not Meet: ATTM is greater than -1.5%, but trend does not “meet standard” Falls Far Below: ATTM is less than or equal to -1.5%; OR the most recent year TM is less than -10%	Exceeds: ATTM is positive and the most recent year TM is also positive <b>Meets:</b> ATTM is greater than -1.5%, the trend is positive for the last two years, AND the most recent year TM is positive Does Not Meet: ATTM is greater than -1.5%, but trend does not “meet standard” Falls Far Below: ATTM is less than or equal to -1.5%; OR the most recent year TM is less than -10%
--	--	--	--

### Operational/Organizational and Governance expectations

Measure	2021-2022 target	2022-2023 target	2023-2024 target
Records compliance	Exceeds: ≥90% Meets: 79-89% Does not meet: 60-78% Falls far below: 59% & below	Exceeds: ≥90% Meets: 79-89% Does not meet: 60-78% Falls far below: 59% & below	Exceeds: ≥90% Meets: 79-89% Does not meet: 70-79% Falls far below: 59% & below
On Time records submission rate	Exceeds: ≥ 90% Meets: 79-89% Does not meet: 60-78%	Exceeds: ≥ 90% Meets: 79-89% Does not meet: 60-78%	Exceeds: ≥ 90% Meets: 79-89% Does not meet:

<sup>5</sup> “Total margin” measures the deficit or surplus a school yields out of its total revenues; in other words, it measures whether or not the school is living within its available resources. The total margin is important to track, as schools cannot operate at deficits for a sustained period of time without risk of closure. The aggregate three-year total margin is helpful for measuring the long-term financial stability of the school by smoothing the impact of single-year fluctuations. The performance of the school in the most recent year, however, is indicative of the sustainability of the school; thus, the school must have a positive total margin in the most recent year to meet the standard. The total margin is the net income divided by the total revenue. The aggregate total margin is the total three-year net income divided by the total three-year revenues.

	Falls far below: 59% & below	Falls far below: 59% & below	70-79% Falls far below: 59% & below
Financial records submitted monthly	Exceeds: 90% or higher Meets: 79-89% Does not meet: 60-78% Falls far below: 59% & below	Exceeds: 90% or higher Meets: 79-89% Does not meet: 60-78% Falls far below: 59% & below	Exceeds: 90% or higher Meets: 79-89% Does not meet: 70-79% Falls far below: 59% & below

Annual audit	<p>Exceeds: Two consecutive years of no findings, citations, questioned costs, or material weaknesses</p> <p>Meets: no findings, citations, questioned costs, or material weaknesses</p> <p>Does not meet: one or two findings, citations, questioned costs, or material weaknesses</p> <p>Falls far below: Audit contains three or more of the following: findings, noncompliance citations, questioned costs, or material weaknesses, findings for recovery (in excess of \$5,000 combined)</p>	<p>Exceeds: Two consecutive years of no findings, citations, questioned costs, or material weaknesses</p> <p>Meets: no findings, citations, questioned costs, or material weaknesses</p> <p>Does not meet: one or two findings, citations, questioned costs, or material weaknesses</p> <p>Falls far below: Audit contains three or more of the following: findings, noncompliance citations, questioned costs, or material weaknesses, findings for recovery (in excess of \$5,000 combined)</p>	<p>Exceeds: Two consecutive years of no findings, citations, questioned costs, or material weaknesses</p> <p>Meets: no findings, citations, questioned costs, or material weaknesses</p> <p>Does not meet: one or two findings, citations, questioned costs, or material weaknesses</p> <p>Falls far below: Audit contains three or more of the following: findings, noncompliance citations, questioned costs, or material weaknesses, findings for recovery (in excess of \$5,000 combined)</p>
LEA Special Education	Exceeds: meets requirements	Exceeds: meets requirements Meets: needs assistance	Exceeds: meets requirements

performance determination	Meets: needs assistance Does not meet: needs intervention Falls far below: needs substantial intervention	Does not meet: needs intervention Falls far below: needs substantial intervention	Meets: needs assistance Does not meet: needs intervention Falls far below: needs substantial intervention
5-Year Forecasts Submitted to ODE by Statutory Deadlines	Meets: yes Does Not Meet: no	Meets: yes Does Not Meet: no	Meets: yes Does Not Meet: no
Pre Opening Assurances Documentation  New Schools Only	Meets: Completed and available 10 days before the first day of school Does Not Meet: no	Meets: Completed and available 10 days before the first day of school Does Not Meet: no	Meets: Completed and available 10 days before the first day of school Does Not Meet: no
Annual Report	Meets: Submitted to parents and sponsor by the last day of October Does Not Meet: no	Meets: Submitted to parents and sponsor by the last day of October Does Not Meet: no	Meets: Submitted to parents and sponsor by the last day of October Does Not Meet: no
Safety Plan and Blueprint Submitted within the Last 3 Years to the Ohio Attorney General	Meets: yes Does Not Meet: no	Meets: yes Does Not Meet: no	Meets: yes Does Not Meet: no
Family Survey Results	Exceeds: 90% or greater overall satisfaction with school Meets: 80%-89% overall satisfaction with school Does Not Meet: 70%-79% overall satisfaction with school Falls Far Below: 69% or below	Exceeds: 90% or greater overall satisfaction with school Meets: 80%-89% overall satisfaction with school Does Not Meet: 70%-79% overall satisfaction with school Falls Far Below: 69% or below	Exceeds: 90% or greater overall satisfaction with school Meets: 80%-89% overall satisfaction with school Does Not Meet: 70%-79% overall

			satisfaction with school Falls Far Below: 69% or below
--	--	--	--

RAA will send timely information on the process, methods and timing of school performance and compliance data reporting, as well as any updates or modifications needed due to review of federal and/or state law, school data, and Ohio's accountability system.

Two annual on-site reviews will be held three months apart while school is in session. Each review will include classroom observations, review of documents, and interviews with school employees, including at least one administrator and one or more instructional staff, as well as members from three stakeholder groups. Reviewers will evaluate and discuss student performance data, including data provided to the sponsor described in Appendix G. across multiple years, with school officials.

Schools will be provided a written report after each review. Each report will document the school's compliance with all applicable laws, rules, contractual obligations and academic performance measures, and identify areas in need of improvement and the actions the school must take, with specified steps and timeframes. The report will also recognize each school's areas of strength. The school must send, and RAA will review, status updates, including dates and results of improvement actions.

RAA will provide each school an annual Performance Report detailing each of the academic, fiscal, and organizational/operational measures. The report will include multiple years of performance data (if the school has been operable at least two years). The report will also identify areas of strength and areas of improvement and summarize the school's performance over the contract term. RAA will discuss the annual report and the prospects for renewal with the school's governing authority. Renewal decisions will be made primarily on the evaluation of the school against the performance framework.

## 2. **Measuring your school's purpose, values, commitment, and impact**



RICHLAND  
ACADEMY  
OF THE ARTS

Ohio's Sponsor Evaluation evaluates how well the Contract's *Performance Framework (Appendix G.)* defines each school's expected academic, financial and organizational/operational outcomes with clear, measurable and inclusive targets. Student performance measures on the state report card, and additional academic, nonacademic and **mission-specific performance annual measures and targets** are assessed.

A wide range of school effectiveness research consistently shows that commitment to a shared mission statement is one of the leading factors differentiating more effective schools from less effective schools.

Richland Academy of the Arts empowers its sponsored schools to clearly communicate the impact they want to make, for whom they want to make that impact, and the way they will demonstrate their progress toward meeting their core intention.

### **A framework for measuring your mission**

1. Who is the base population for your goal? Describe specifically who your organization is trying to impact.
2. What do you hope to achieve with this population? Describe, ideally in language a 10-year-old would understand, what that impact looks like.
3. Within this population, how many persons achieved it? This is the kind of data you'll capture to quantify the impact (if you want a rate, divide the number at Step 3 by the number of those in the base population from Step 1).

Each school shall submit how it will measure its mission as an attachment to Appendix G. of the Contract. Schools shall provide agreed upon data to the Sponsor by November 1 each year (for the previous school year), for inclusion in the Annual Report.

## Addendum to Appendix G: Performance Framework



### Measuring the School's Mission

School Name: \_\_\_\_\_

Who is the base population for your goal? Describe specifically who your organization is trying to impact.

What do you hope to achieve with this population? Describe, ideally in language a 10-year-old would understand, what that impact looks like.

Within this population, how many persons achieved it? This is the kind of data you'll capture to quantify the impact (if you want a rate, divide the number at Step 3 by the number of those in the base population from Step 1).

Mission performance data must be submitted to Richland Academy of the Arts by November 1, of each year (for the previous school year).

## Appendix I

- Detailed description of each facility used for instructional purposes, containing the address and grades served;
- Annual costs associated with leasing each facility, paid for by or on behalf of the school, if applicable;
- Annual mortgage principal and interest payments that are paid by the school, if applicable;
- Name of the lender or landlord, identified as such, and the lender's or landlord's relationship to the management company, if any; and
- If the school leases property from the operator, addendum to lease with verification from independent professional in the real estate field that, at the time the lease was agreed to, the lease was commercially reasonable. Applies only to new or renewed leases, not to leases already agreed to at the time this Contract becomes effective.

## APPENDIX I

### [FACILITIES PLAN]

1. Detailed description of each facility used for instructional purposes, containing the address and grades served;
2. Annual costs associated with leasing each facility, paid for by or on behalf of the School, if applicable;
3. Annual mortgage principal and interest payments that are paid by the School, if applicable;
4. Name of the lender or landlord, identified as such, and the lender's or landlord's relationship to the management company, if any; and
5. If the School leases property from the operator, addendum to lease with verification from independent professional in the real estate field that, at the time the lease was agreed to, the lease was commercially reasonable. Applies only to new or renewed leases, not to leases already agreed to at the time this Contract becomes effective.
6. Transportation plan, policies and procedures to and from facility or facilities.

The Lorain Bilingual Academy will be located at 307 W. 7<sup>th</sup> Street, Lorain, Ohio 44052. The building is 40,000 square feet and features 18 classrooms, a library, band room, cafeteria, full size kitchen with equipment, gymnasium with state and bleachers, offices and outdoor play areas. The school will be leased in the initial amount of \$10,500 per month for use of the entire building from St. Mary's Parish. Annual rent increases of \$500 per month will occur in accordance with the schedule excerpted from the lease agreement as follows:

- July 2018 through June 2019: equal installments of \$10,500 per month, with the installment of Rent for July 2018 being paid upon execution of this lease
- July 2019 through June 2020: equal installments of \$11,000 per month
- July 2020 through June 2021: equal installments of \$11,500 per month
- July 2021 through June 2022: equal installments of \$12,000 per month
- July 2022 through June 2023: equal installments of \$12,500 per month

The transportation for the school will be organized through Lorain City Schools and their vendors for students who live more than 2 miles away.

APPENDIX J

- Suspension and closing procedures

School Name: \_\_\_\_\_

Sponsor Name: Richland Academy of the Arts

Suspension or Closing:

To the extent that the School Governing Authority and/or the School’s fiscal officer is unable or unwilling to execute its responsibilities in effecting an orderly suspension or closure of the School, the Sponsor shall assume part or all of such tasks to full extent possible.

I. Initial Notifications, Student Records and School Records	
Completion Date	Action
	1. Notify the Office of Quality School Choice that the school is suspending or closing; within 24 hours of the action, send to the Sponsor the community school’s board resolution or official Sponsor notice, including the date of closing. A school is suspended or closed for instruction when instruction is no longer taking place. A school may have a later official closing date if closing actions such as filing final expenditure reports or submitting EMIS data necessitate the school maintaining a status of Inactive in OEDSR so that it can complete these or similar actions. If a school’s closing occurs as a result of continued poor academic performance (ORC Section 3314.25 or 3314.351), often referred to as “closed by operation of law,” there is no expectation that the Sponsor will send in a notice, unless the school is closing prior to the end of the school year. In that instance, it is expected that the Sponsor will notify the Office of Quality School Choice within 24 hours of the decision to close sooner than the end of the academic year.
	2. Provide a clear written timeline of the suspension/closing process.
	3. Notify parents that the school is suspending/ closing through a formal letter from the school Governing Authority and the Sponsor superintendent or CEO within 24 hours of the action. The letter to include but not limited to: the reason for the suspension/ closing of the school, options for enrolling in another community school, traditional schools or nonpublic schools and contact information.
	4. Provide each parent with the location that their child’s records are being delivered.
	5. Provide Sponsor contact information to all parents.
	6. Notify the teachers and staff that the school is closing.
	7. Ensure that STRS and SERS contributions are current.
	8. Clarify COBRA benefits and when medical benefits end. In the case in which the staff and faculty are employees of an operator, ensure that all employees have a contact person at the operator who will assist them through the transition.
	9. Remind the faculty of their obligation to teach up to the date of closing or otherwise determine that the school is properly staffed up to the day of closing.

	10. Ensure that each faculty member's LPDC information is current and available to the teachers.
	11. Provide Sponsor contact information to all staff.
	13. Notify the Ohio State Teachers Retirement System and School Employees Retirement System.
	14. Notify the Area Coordinator's office to schedule the student enrollment/ FTE review. Preferably, the FTE review should be completed within 7 business days of closing, if possible, or within 7 business days of the Area Coordinator's notification of the school's closing by the Department.
	15. Take control of and secure all school records, property and assets immediately when the school suspends/ closes, to the extent possible. In the case in which the building's landlord seizes the facility and its contents, or when a governing authority reneges on its obligations or other unforeseen circumstances, legal action may be necessary. The Sponsor should share any such circumstances with the Office of Quality School Choice as quickly as possible.  Note: The DAS site for records retention schedules can be found here: <a href="http://apps.das.ohio.gov/rims/General/General.asp">http://apps.das.ohio.gov/rims/General/General.asp</a> . The federal records retention schedules can be found here: <a href="http://www2.ed.gov/policy/gen/leg/fra.html">http://www2.ed.gov/policy/gen/leg/fra.html</a> .
	16. Put student records in order and produce transcript materials immediately. The expectation is that records would be organized by grade level and district of residence, with the student's name and SSID clearly displayed.
	17. If the school has graduated students, compile a list of the names and dates of the graduates and retain that list.
	18. Have copies of each list ready for the resident district receiving the records and the Sponsor.
	19. Have all available IEP, enrollment, and attendance records available for the completion of the FTE closure review.
	20. Prepare a list of all students (name and SSID), and the resident district to which the student's records are to be delivered.
	21. Make copies of all students' records and retain the copies for use by the Auditor of State.
	22. Deliver the original student records to each student's district of residence within seven business days of the school's closure. [ORC Section 3314.44].
	4. Special education records shall be provided directly to receiving school special education administrators for all students with disabilities, particularly for students with physical needs or low incidence disabilities.
	23. Upon delivery, provide a list of the records given to the district representative, and obtain the name and signature of the individual receiving the records and the date.  Note: Special education records shall be provided directly to each receiving school or school district's special education administrator for all students with disabilities.

	24. Provide the Sponsor with an updated list indicating delivery information.
	25. Notify the Auditor of State of the school's closing/suspension and schedule a final audit.

Please note: The numbering does not indicate a specific sequence of steps; it is intended for ease of reference.

	II. Disposition of Assets
	If the governing authority does not retain a treasurer to oversee the remaining financial activity, the Sponsor may act as or appoint a receiver to oversee the closing of the financial records in the absence of a fiscal officer.
	Keep assets separated by source of funding, state or federal, for purposes of disposition.  Federal dollars cannot be used to pay state liabilities. Account for all school property throughout the closing process by distinguishing state from federal dollars.  For Federal Title and other consolidated and competitive funds, follow EDGAR liquidation procedures in 34 CFR 80.32 including disposition for items valued at \$5,000 or greater.  For assets purchased with Federal funds that have a value of less than \$5,000 and all assets purchased with state funds, follow the school's disposition plan and track the disposition for each asset.
	Note: Technology equipment received as part of the Erate program is federal property and cannot be sold as part of the school's assets. Specific guidance on donating the equipment can be found here: <a href="http://www.usac.org/sl/applicants/before-youre-done/equipment-transfer.aspx">http://www.usac.org/sl/applicants/before-youre-done/equipment-transfer.aspx</a> .
	Note: If a community school closes and ceases to operate as a community school and the school has received computer hardware or software from the former Ohio SchoolNet commission or the former eTech Ohio commission, such hardware or software shall be turned over to the department of education, which shall redistribute the hardware and software, to the extent such redistribution is possible, to school districts in conformance with the provisions of the programs as they were operated and administered by the former eTech Ohio commission.
Completion Date	Action for assets purchased with either state or federal funds
Closure only	27. Review the financial records of the school.
Closure only	28. Establish check off list of assets including all inventory with proper USAS codes, state codes, and the price of each item and identify the source of funds; in the case of donated items follow the accounting guidance.
Closure only	29. Establish the fair market (initial and amortized) value following generally accepted business rules and in a transparent manner. The Uniform Commercial

	II. Disposition of Assets
	<p>Code offers guidelines for liquidating assets in a commercially reasonable manner for all state purchased assets and federally purchased assets that have a value of less than \$5,000 (ORC 1309.627).</p> <p>Note: Essentially, the price should be at the current price in any recognized market at the time of disposition or otherwise consistent with reasonable practices among dealers in the type of property subject to disposition. The school's governing authority's capital assets policy should also be followed.</p> <p>If an asset has \$0 market value and the school is planning to dispose of the asset at a public auction, the school should still place a minimal value on the item.</p>
	30. Identify staff that will have legal authority for payment processes (e.g. checks, cash, credit cards, etc.).
Closure only	31. Establish disposition plan for any remaining items.
Closure only	32. Notify Office of Quality School Choice, then public media (print media, radio) of the date, time and location of any property disposition auction.
Closure only	33. Provide board resolutions and minutes of any assets transferred at no cost to another school.
Closure only	34. Identify any State Facilities Commission guarantees, if applicable.
Closure only	35. Prepare documentation for disposition of the school's fixed assets.
Closure only	<p>36. For all federal program purchases that have a value of \$5,000 or greater, follow steps number 26 through 30 and 32 and EDGAR liquidation procedures in 34 CFR 80.32.</p> <p>Note: Unless otherwise described below for the Public Charter School Program and the National School Lunch Program, all items purchased with federal funds may be sold at auction. However, for any item with a value of \$5,000 or higher, the item must be labelled on the disposition of assets record as having been purchased with federal dollars along with the purchaser information (name of school or organization and contact).</p>
Closure only	<p>37. Public Charter School Program, if applicable.</p> <p>a. PCSP assets must first be offered to other community schools with requisite board resolutions consistent with the purpose of the PCSP.</p> <p>b. If there are no takers, then an auction sale must be held to dispose of the assets along with the state funded assets.</p> <p>c. After the above steps have been taken, any remaining assets may be offered to any public school district with documented board resolutions by the community school and the accepting district.</p> <p>d. Provide OCS with a written report of the property, and if available, a bill of sale.</p>

	II. Disposition of Assets
Closure only	38. National School Lunch Program. Cafeteria equipment purchased with funds from the National School Lunch Program can only be liquidated through written guidance issued by the Office for Child Nutrition (OCN). Contact OCN prior to proceeding with any liquidation of Equipment.
Closure only	39. In addition to establishing a fair market value, track sale of items and have supporting board resolutions for donation of items to another community or other public school or non-profit entity.
Closure only	40. Consistent with ORC Section 3314.051, offer real property acquired from a public school district to that school district's board first at fair market value. If the district board does not accept the offer within 60 days, dispose of the property in another lawful manner.
III. Payments to Creditors	
	For suspended schools, ensure that employees' salaries, STRS/SERS and IRS obligations are current. For closing schools, the Sponsor should consult with its legal counsel prior to implementing this section to determine if there are any outstanding federal or state claims that may need to be paid first including but not limited to federal and state taxes, Medicare, Workers Compensation, and city wage taxes. If applicable, provide documentation of any Workers Compensation claims. Note: The Sponsor is obligated to retain the school's financial records and should follow the relevant state and federal records retention schedules. The DAS site for records retention schedules can be found here: <a href="http://apps.das.ohio.gov/rims/General/General.asp">http://apps.das.ohio.gov/rims/General/General.asp</a> . The federal records retention schedules can be found here: <a href="https://education.ohio.gov/getattachment/Topics/Quality-School-Choice/Community-Schools/Guidance-Documents/Suspension-closing-procedures-and-assurances-August-2015.pdf.aspx">https://education.ohio.gov/getattachment/Topics/Quality-School-Choice/Community-Schools/Guidance-Documents/Suspension-closing-procedures-and-assurances-August-2015.pdf.aspx</a> .
	With two exceptions, noted below, utilize only state dollars, auction proceeds, foundation dollars and any other non-federal dollars to pay creditors in the following order:
	41. Retirement funds of employees of the school, such as 401 (K)'s.
	42. STRS/SERS/retirement systems and other adjustments - see ORC 3314.074.  NOTE: Teachers, administrators and other staff working for a conversion community school through a contract with the sponsoring district should be treated as employees under ORC Section 3314.074.
	43. Teachers and staff  Exception: Federal dollars can be used to pay the teacher costs and STRS/SERS/retirement costs for any employees who were paid from federal funds when the school was open.

	II. Disposition of Assets
	<p>44. Private creditors or those entities that have secured a judgment against the school, including audit preparation and audit costs (prepared financials);</p> <p>Exception: Audit preparation costs can be paid from federal funds under certain conditions. Contact the Office of Grants Management for specific guidance before applying any costs against federal funds to support audit costs. Please refer to Auditor of State Bulletin 2009-011.</p>
	45. Any remaining funds shall be paid to the department of education for redistribution to the school districts in which the students who were enrolled in the school at the time it ceased operation were entitled to attend school under ORC section 3313.64 or 3313.65. The amount distributed to each school district shall be proportional to the district's share of the total enrollment in the community school.
	If the assets of the school are insufficient to pay all persons or entities to which compensation is owed, the prioritization of the distribution of the assets to individual persons or entities within each class of payees may be determined by decree of a court in accordance section 3314.074 and Chapter 1702 of the ORC.

	III. Preparation of Itemized Financials
Completion Date	Action
	Review and prepare the following itemized financials:
	46. Year-end financial statements, notes to the financial statements and if applicable schedule of federal awards.
	47. A cash analysis (taking the previous month's recap and reconciliation of bank accounts to books) for determination of the cash balance as of the closing date.
	48. List of investments in paper hard copy format.
	49. List of all payables and indicate when a check to pay the liability clears the bank.
	50. List of all unused checks (collect and void all unused checks).
	51. List of any petty cash.
	52. List of bank accounts, closing the accounts once all transactions are cleared.
	53. List of all payroll reports including taxes, retirement or adjustments on employee contract.
	54. List of all accounts receivable.
	55. List of assets and their disposition.
	56. FTE review complete.

	IV. Final Payments and Adjustments
Completion Date	Action
	The Sponsor shall continually monitor the condition of the closed school and be prepared to receive or transmit funds on behalf of the school as directed by an appropriate agency. Receipt of funds can happen more than a year after a school's

	closure, and the Sponsor is obliged to serve as the recipient of such funds and adjustments.  If the assets of the school are insufficient to pay all persons or entities to which compensation is owed, the prioritization of the distribution of the assets to individual persons or entities within each class of payees may be determined by decree of a court in accordance with Section 3313.074 and Chapter 1702 of the ORC.
	57. Receive any funds or adjustments credited to the account of the closed school.
	58. Determine if any portion of any funds or adjustments can be applied to satisfy any remaining debt; payables (any money owed to another).
	59. Send all or the remaining portion to the Ohio Department of Education, Office of Budget and School Funding, for final disposition.

The governing authority representative identified below certifies that all available IEP, enrollment and attendance records were made available for the completion for this FTE closure review.

School: \_\_\_\_\_ GA Representative \_\_\_\_\_  
Date: \_\_\_\_\_

Area Coordinator identified below certifies all available IEP, enrollment and attendance records were made available and utilized in the completion for this FTE closing review.

Area Coordinator: \_\_\_\_\_ Date: \_\_\_\_\_

The Treasurer, the School Governing Authority, and the Chief Administrator identified below have completed the above school closing requirements.

School Name:

School Treasurer:

Date:

School Governing Authority:

Date:

Chief Administrator:

Date:

Appendix J., Continued

SPONSOR SUPPLEMENTAL CLOSING PLAN

Adopted: July 2015  
Revisited: September 2018

POLICY: OVERSEEING COMMUNITY SCHOOL CLOSURE

SUBJECT: OVERSEEING THE CLOSURE OF A COMMUNITY SCHOOL

PURPOSE: TO ESTABLISH A POLICY THAT OVERSEES THE SUSPENSION AND CLOSURE OF A COMMUNITY SCHOOL PER ODE'S COMMUNITY SCHOOLS GUIDANCE LETTER # 2010-4. COMMUNITY SCHOOL SUSPENSION AND CLOSURE PROCEDURES

STATUORY REQUIREMENT: OHIO REVISED CODE SECTION 3314.015 Oversight of Sponsors.  
3314.07 Expiration, termination or nonrenewal of contract for community school.  
AND  
3314.072 Suspending operation of noncomplying school.

INTRODUCTION

Pursuant to ODE Community Schools Guidance Letter #2010-4  
Effective Date: July 1, 2010  
Updated: July, 2015  
Community School Suspension and Closing Procedures

The School's governing authority and the Sponsor will execute the Suspension or Closing Assurance Form and maintain it with copies sent to the Office of Quality School Choice. Submit the Suspension & Closing Assurance Form by uploading it into RAA's sponsor folder in the document exchange, accessed through RAA's SAFE account, Collaboration Center.

Objective

To provide procedures for use by a community school's governing authority, as overseen by its sponsor/Sponsor, to ensure the orderly and complete wind-up of a community school's operations when the school suspends operations and/or closes.

Statutory Requirement for Closure

Ohio Revised Code Section 3314.015 Oversight of Sponsors.  
Division (E) The department shall adopt procedures for use by a community school governing authority or Sponsor when the school permanently closes and ceases operation, which shall

include at least procedures for data reporting to the department, handling of student records, distribution of assets in accordance with section 3314.074 of the Ohio Revised Code (ORC), and other matters related to ceasing operation of the school. A suspended school has ceased operations. To facilitate an orderly close-out, should a suspended school fail to remedy the conditions that caused its suspension, the guidance and checklist have been expanded to include suspended schools.

#### Statutory Requirement for Suspension

Ohio Revised Code Section 3314.072 Suspending operation of noncomplying school. Suspension procedures are in place to protect the health, safety and welfare of students when a school is non-compliant with their contract terms and state and federal law. The conditions under which a school may be suspended, as well as the school's procedural rights are described in ORC Section 3314.072. As soon as the sponsor notifies the school that it is suspended, the school's governing authority is required to immediately notify school employees and students' parents of the suspension and reasons for the suspension. The suspension becomes fully effective if the school's governing authority fails to provide the sponsor with an approvable remedy within 5 days of the suspension notice. To prevent a school from remaining in suspended status indefinitely, without any realistic expectation of reopening, in 2013, the law was amended to impose a date by which the contract becomes void if no approvable remedy has been found. A school that is suspended must provide a remedy for the conditions leading to the suspension by 9/30 of the following school year. At that point, the contract becomes void.

#### ODE Policy

Sponsors must provide and execute a plan for an orderly winding-up of a community school's affairs when a community school is closing its doors, including when a school suspends its operations. A school is suspended when the Sponsor notifies the department that the school is ceasing operations for the time being. A suspended school has until September 30th of the school year immediately following the school year in which the operation of school was suspended to provide the Sponsor with an acceptable remedy to resume operations. Otherwise, the school's contract becomes void on that date and it is considered closed. A school is officially closed when instruction is no longer taking place and the governing authority or Sponsor issues an official notice which states the reason for and date of the school's closure. The Sponsor and a representative of the governing board are required to complete and sign the Suspension & Closing Assurance Form attached to this guidance letter. The role of the Sponsor in this process is to assure that the community school's governing authority has taken all reasonable and required actions to fully address suspension or closing issues and/or to take those actions itself if the governing authority is no longer able or functioning. Inasmuch as a plan for school closure is a required part of the school's contract with the Sponsor, final preparations as part of that plan should be in place prior to the last day students are in attendance.

#### ODE Guidance

This guidance provides a Suspension & Closing Assurance Form required to be submitted by the Sponsor of each closed community school. By completing this assurance, Sponsors attest that proper notifications have occurred, required data have been submitted (or a plan is in place if data must be submitted after the close of the school), records have been properly distributed,

assets have been properly disposed with dates recorded as indicated, a final student enrollment (FTE) review has been conducted, and the state audit will be scheduled within 30 days of the closure. Preferably, the FTE review will be completed within 7 business days of the school's ceasing operations, if possible, or within 7 business days of the Area Coordinator's notification of the school's suspension or closing by the department. Completing the FTE review before the original student records have been sent to the district(s) of residence is desirable. The Sponsor should be aware of the school's actions to accomplish both the FTE review and scheduling of the audit, so that if the school has not made these arrangements in a timely fashion, the Sponsor make these contacts so that this timeline can be met.

There are five sections that comprise the community school Sponsor Suspension & Closing Assurance Form. Four sections, Initial Notifications, Student Records and School Records; Disposition of Assets; Payments to Creditors; and Preparation of Itemized Financials, are to be completed as soon as practicable after the closure of the school. In the event that refunds are generated at a later date, the Sponsor shall follow the instructions in the Preparation of Itemized Financials section and complete the fifth section, Final Payments and Adjustments.

If conditions delay timely submission of a completed Suspension & Closing Assurance Form, the Sponsor shall submit the Closing Assurance, noting any item which is incomplete, and make arrangements with the Office of Quality School Choice to send in an updated Closing Assurances at a later, expected date.

#### Records

Sponsors are required to see that all school records that are needed by the Ohio Department of Education, Ohio Auditor of State, U. S. Department of Education, and other interested entities are secured and available for completing the school's closing. Records generally describe an account in permanent form, preserving knowledge or information about facts, transactions, or events maintained and kept for the proper administration of the school, and include student, staff, and administrative/financial information. Please note the following categories and types of records should not be considered as the entire list of documents which might be examined during a closing procedure. Other records may be requested during an FTE review or final audit.

Student records include but are not limited to: documents normally found in permanent record folders that are necessary for these reviews and audits, include attendance records that detail enrollment and attendance history; grades and grade levels achieved; transcripts, particularly for students enrolled in grades 9-12 and for graduates of the school; proof of residency documents that identify a student's home district; two (2) SOES reports, one with names and SSID numbers, and one with SSID numbers only; special education folders; and other such information that may be maintained and kept in a student permanent record folder.

Staff records include but are not limited to: employment agreement or contract; salary and benefits information; attendance and leave information; employee licenses; LPDC status and record of continuing education; and other such information that may be maintained in an employee record folder.

Administrative/financial records include but are not limited to: lease or rental agreement; deed if property is owned; inventories of furniture and equipment, including purchase price, source of funds for payment, date purchased, and property tag number; bank and financial reports, including all financial statements created by the fiscal officer; bank statements and checks; schedule of unpaid debt detailing amount, vendor and date of obligation; invoices, receipts, vouchers, and purchase orders that detail expenditures, grant records, including detail of federal and state grant awards and final expenditure reports, contracts; and other such information that may be maintained to serve as the administrative/financial records for the school.

Record Retention for all school records (student, personnel, fiscal, etc.) shall be secured by the Sponsor prior to closing and shall be maintained until such time as detailed under records retention requirements. In the case of student records, see in particular the procedures detailed in Initial Notifications, Student Records and School Records on the Assurance Form. All records should be retained based on the following federal and state requirements:

Record retention is governed by the record retention requirements of the governing entity's record retention requirements. The DAS site for records retention schedules can be found here. The federal records retention schedules can be found here. All such records are to be secured by the Sponsor prior to closing and shall be maintained until such time as detailed under records retention requirements. In the case of student records, see in particular the procedures detailed in Initial Notifications, Student Records and School Records on the Closing Assurance Form.

Submit the Closing Assurance Form by uploading it into your named Sponsor folder in the document exchange, accessed through your SAFE account, Collaboration Center

The School's governing authority and the Sponsor execute the Suspension or Closing Assurance Form and maintain it with copies sent to the Office of Quality School Choice.

Submit the Suspension & Closing Assurance Form by uploading it into RAA's sponsor folder in the document exchange, accessed through RAA's SAFE account, in the ODE Collaboration Center.

#### Additional Resource

The National Association of Charter School Sponsors has a helpful document describing closure assurances.

