

STATEMENT OF WORK #4  
 by and between  
 EdTec Inc. and East Bay Innovation Academy

<b>Reference:</b>	Master Services Agreement dated April 22, 2013, by and between EdTec Inc. ("EdTec") and East Bay Innovation Academy ("Client").
<b>Term:</b>	July 1, 2017 through June 30, 2018 (the "Term"). This Statement of Work shall automatically renew for consecutive additional one (1) year terms unless either party provides written notice of non-renewal to the other at least one hundred twenty (120) days prior to the expiration of the then-current term (each, a "Renewal Term"). The Term and any Renewal Term(s) are referred to as the Term.
<b>Scope of Services:</b>	<p><b>1. ACCOUNTING</b></p> <p>Financial Statements and Accounting:</p> <ul style="list-style-type: none"> <li>• <b>Monthly financial statements</b> – EdTec will close the books and reconcile accounts the accounts monthly, on or before the 15<sup>th</sup> of the succeeding month.</li> <li>• <b>Setup of school's chart of accounts and general ledger</b> – EdTec sets up and maintains the school's chart of accounts, based on EdTec's standard structure which is designed to be compliant with SACS.</li> <li>• <b>Customized account codes</b> – EdTec maintains limited customized account codes for unique features of the school program. These must be established at the beginning of the fiscal year to avoid re-coding of historic transactions.</li> <li>• <b>Fund accounting</b> – EdTec can track revenue and expenditures by fund, e.g. implementation grant funds and expenses or Title I expenditures.</li> <li>• <b>Training</b> – EdTec trains appropriate personnel on accounting procedures and practices designed to ensure accurate record keeping.</li> <li>• <b>Transaction recording</b> – EdTec records in detail all transactions in a computerized accounting system.</li> <li>• <b>Journal entries and account maintenance</b> – EdTec prepares and records journal entries and maintains the general ledger according to accepted accounting standards.</li> <li>• <b>Bank reconciliation</b> – EdTec reconciles primary bank and investment accounts to general ledger monthly or upon receipt of statements. Revolving and petty cash accounts are reconciled quarterly or as required.</li> <li>• <b>Account for Capital Outlay Expenses</b> – EdTec records capitalized assets as provided by the school. On an annual basis, EdTec records related depreciation and amortization in the general ledger and reconciles expenditures to fixed asset listing.</li> </ul>

	<p><b>Accounts Payable:</b></p> <ul style="list-style-type: none"><li>• EdTec processes all invoices and, pending approval from the school leader or surrogate, pays the bills and codes them, based on school input, in the financial software, typically on a two-week schedule with limited rush payments as needed. EdTec checks to make sure there are no double payments or double billings on multiple invoices. EdTec troubleshoots payment issues with vendors. EdTec also verifies that funds are available to pay the bill.</li></ul> <p><b>Audit:</b></p> <ul style="list-style-type: none"><li>• <b>Audit support</b> – EdTec prepares financial documents for the auditors to help ensure a smooth and timely audit process. For clarification, the school is responsible to pay auditor fees. The school shall also provide all non-financial records required by the audit – e.g. attendance records, employee records, teacher certifications.</li><li>• <b>Single Audit Act of 1984</b> – EdTec provides support in school compliance with accounting related audit requirements, including the Single Audit Act of 1984.</li><li>• <b>Auditor group purchasing</b> – EdTec receives a volume discount on audits that it passes on to its clients who choose to work with this auditor.</li><li>• <b>IRS Form 990 Support (and the corresponding State form, if applicable)</b> – EdTec supports the school and auditor in preparing Form 990 tax-exempt organization annual filing. (For clarification, fees for audit and 990 are paid by school and it is the school’s and auditor’s sole responsibility to ensure these forms are filed).</li><li>• The school is responsible for attendance and audit of employee work.</li></ul> <p><b>2. PAYROLL</b></p> <p>EdTec uses an external payroll processor to accomplish the following tasks. EdTec interfaces between the school and payroll processor, and performs quality checking so that the school does not need to interact with the payroll processor. The school pays payroll processing fees.</p> <ul style="list-style-type: none"><li>• <b>Payroll Processing</b> – EdTec calculates and processes payroll and payroll-related payments/deductions for salaried and hourly employees based on information submitted by authorized Client representatives (excluding vacation and/or sick time tracking). EdTec generates checks for signature by authorized Client representatives (or through electronic signature) or facilitates Direct Deposit at the Client’s request. The fees set forth below include semi-monthly payroll processing.</li><li>• <b>Payroll reporting</b> – EdTec prepares and files all required payroll reports for submission to federal and state agencies and submits electronic payroll, payroll tax reports and payroll tax deposits to the appropriate authorities for a single EDD/tax ID number. For multiple reporting numbers, an additional fee will apply.</li><li>• <b>Payroll record maintenance</b> – EdTec keeps track of employee payroll information. Client maintains employee files (based on EdTec-provided template files).</li></ul>
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- **W-2 and 1099 processing** – EdTec prepares and sends Forms W-2 and 1099 to employees and government, provided that this SOW remains in effect at the end of the applicable calendar year, and subject to the timely receipt of accurate and complete information and data from Client, in accordance with EdTec policies, throughout the Term and including for any portion of the applicable calendar year that preceded the provision of Services under this SOW.
- **IRS, SDI, WC support** – EdTec assists in resolving payroll tax issues before the IRS and other federal and state reporting agencies. EdTec also assists school with any State Disability, Workers Comp, or Unemployment Insurance claims by providing supporting payroll reports.
- **STRS/PERS and other retirement plan administration** – EdTec will help the school set up STRS/PERS accounts, and makes appropriate deductions and payments to the county for STRS and/or PERS based on information provided by the school. Note that in some cases it can take approximately 12 months to set up such contributions because of district/county delays. Also, some counties charge separately for this mandated service. The school is responsible for STRS/PERS account set-up, administration and enrollments and any fees from outside parties including late fees and interest levied by STRS/PERS.

### **3. COMPLIANCE and ACCOUNTABILITY**

- Note that compliance and accountability are the responsibility of the school. EdTec will provide advice on some matters directly related to the scope of services under this SOW, but this information is not comprehensive. In addition, since rules, regulations and interpretations regularly change, schools should seek independent verification from their attorneys or other sources.
- On an hourly basis, EdTec can provide assistance on LEA Plans and School Wide Plans.

### **4. ATTENDANCE and STUDENT INFORMATION SYSTEMS**

- **Internal attendance reporting** – EdTec will assist with monthly attendance reports based on school-provided data as outlined in the addendum to this Statement of Work. Resolution of data discrepancies is charged at the hourly rate.
- **Government attendance reporting** – Using school-provided data, and at the school's request, EdTec prepares and/or performs a quality assurance check of government attendance reports, including the 20-day report, P-1, P-2, and P-Annual. (Note: Does not include SARC, CBEDS, CALPADS or other demographic reports). EdTec will provide up to 4 hours to train Client on CALPADS procedures and report generation. CALPADS support beyond the initial 4 hours is available on an hourly billable or project billable basis.
- **Attendance procedures assistance** – EdTec will provide up to 4 hours of assistance reviewing schools' attendance accounting procedures and

	<p>advising on areas for improvement, although the school is ultimately responsible for keeping accurate attendance and ADA compliance.</p> <ul style="list-style-type: none"> <li>• <b>Student Information System (SIS) procurement and support</b> – EdTec will provide up to 3 hours of assistance to the school leader in evaluating the school’s need for an SIS. If the school asks EdTec to access, use or troubleshoot an SIS not supported by EdTec, hourly charges will apply for EdTec to learn and use the SIS. (Note the school is responsible for taking accurate attendance, on a system provided by the school, at the school’s expense.)</li> <li>• School requests for EdTec assistance on items not listed in this section shall be billed hourly.</li> </ul> <p><b>5. CHARTER DEVELOPMENT and GRANTS</b></p> <ul style="list-style-type: none"> <li>• <b>Fund accounting</b> – EdTec sets up fund accounting to allow the school to track direct and allocated costs to grants.</li> <li>• <b>Grant writing</b> – On a separate fee basis, EdTec can do grant prospect analysis and write grants.</li> <li>• <b>Charter renewal</b> – On a separate fee basis, EdTec will prepare and advocate a charter petition for school renewal.</li> </ul>
<p><b>Excluded Services:</b></p>	<p>Other than the services outlined above, EdTec is not responsible for any other activities, unless mutually agreed to in writing. Examples of Excluded Services include, but are not limited to, outside legal costs, computer installation and support, purchasing of small items or of curriculum materials, printing and graphic arts, grant-writing or fundraising, hiring and associated legal requirements (e.g., background checks, credential reviews) and recordkeeping, meetings with outside parties (e.g., the Board or District), Special Ed administration, testing, assessment, compliance with NCLB, compliance with government grant requirements, audits, attendance accounting, and other outside professional services costs.</p>
<p><b>Compensation:</b></p>	<ul style="list-style-type: none"> <li>• <b>Back Office Services:</b> EdTec will provide these services at a fixed fee per school fiscal year as follows:       <ul style="list-style-type: none"> <li>○ \$84,000 for the Term</li> </ul> <p>These fixed fees <u>include</u> all normal postage, telephone, copying, faxing, etc., <u>except</u> for bank and payroll fees that will be passed through. The annual fees are payable monthly commencing on July 1, 2017.</p> <ul style="list-style-type: none"> <li>○ The fees above are for the scope of services contained herein solely for those school(s) for which Client holds a granted charter or that have been in operation prior to the date of this SOW.</li> <li>○ In addition to the fees as provided above, there will be an incremental fee for the following, if applicable:           <ul style="list-style-type: none"> <li>▪ Benefit accrual tracking such as vacation and sick time.</li> </ul> </li> </ul> </li> <li>• <b>Consulting:</b> Should you desire additional services not in the above scope, we would be pleased to provide these, subject to staff availability, at the then-current discounted hourly fee schedule for back-office clients (travel time is billed at ½ of the applicable hourly rate). Typical additional services that are not in the above scope are business, budgeting and reporting</li> </ul>

	<p>consulting, grant writing, charter writing and the implementation of computer systems or computerized Student Information Systems. Again, this rate includes normal phone, copying and incidental costs. Additional costs would include mileage reimbursement for travel, overnight delivery charges, and pre-approved out-of-pocket expenses.</p> <ul style="list-style-type: none"> <li>• <b>Fee Increases:</b> EdTec reserves the right to increase the fees payable under this Statement of Work by up to 5% upon the conclusion of the Term and each Renewal Term. EdTec will provide written notice of a fee increase at least thirty (30) days prior to the expiration of the Term or then-current Renewal Term, as applicable.</li> <li>• <b>Payment Terms:</b> All fees payable to EdTec must be received by EdTec within thirty (30) days of the date of invoice. EdTec reserves the right to suspend the provision of Services in the event an invoice is thirty days past due.</li> </ul>
<p><b>School Obligations:</b></p>	<p>EdTec's services will assist with the operations of Client's back-office operations, but do not include auditing Client's provided information and operations for completeness and compliance. It is Client's responsibility to adopt and adhere to reasonable policies and procedures, and to ensure the school remains in compliance with all applicable rules and regulations and maintains sound fiscal operations. In order to fulfill the scope of services described herein, EdTec relies on Client to provide timely, accurate and complete information, and to cooperate reasonably with EdTec. Furthermore, Client must immediately inform EdTec of any material change that could affect EdTec's ability to complete its responsibilities and to assist Client in complying with all applicable laws and regulations.</p> <p>Client will comply with the attached Roles and Responsibilities document (Attachment 1).</p>
<p><b>Termination:</b></p>	<p>Either party may, upon giving thirty (30) days' written notice identifying specifically the basis for such notice, terminate this Statement of Work for breach of a material term or condition of this Statement of Work, unless the party receiving the notice cures such breach within the thirty (30) day period. In addition, EdTec may terminate this Statement of Work immediately upon written notification and without liability, (a) if Client, in EdTec's reasonable judgment, violates any of the "School Obligations" above, (b) if Client does not open by September 30, 2017, or (c) upon any revocation of Client's charter. Upon any early termination under this section, Client shall pay EdTec for all services rendered by EdTec prior to the effective date of termination. In addition, if EdTec terminates this Statement of Work under this section, Client shall also pay EdTec for any demobilization or other costs resulting from such early termination.</p>

EDTEC INC.	EAST BAY INNOVATION ACADEMY
By: _____	Signature: _____
Name: Steve Campo	Name: _____
Title: President & CEO	Title: _____
Date: _____	Date: _____
1410A 62 <sup>nd</sup> Street Emeryville, CA 94608	Address: _____
Fax: 510.663.3503	_____
	Email: _____
	Phone: _____
	Fax: _____

## ATTACHMENT 1

### Roles and Responsibilities

Clarity on roles and responsibilities between EdTec and East Bay Innovation Academy ("Client") will help ensure high quality, timely business services. Table 1 below outlines the roles and responsibilities of both parties:

Table 1: Roles & Responsibilities

	EdTec	Client
<b>Payroll</b>	<ul style="list-style-type: none"> <li>• Accurate, complete payroll on a semi-monthly basis</li> <li>• Published calendar of payroll deadlines</li> <li>• Reminders for payroll deadlines</li> <li>• Final payroll information sent to client for approval by at least one working day prior to client's payroll approval date</li> <li>• Advice on setting up STRS/PERS</li> <li>• Primer on health insurance terminations, COBRA, and employee vs. contractor classifications</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Timecards and Changes:</b> Submission to EdTec of timecards for new hires and other payroll changes by payroll calendar deadlines and using EdTec forms/processes</li> <li>• <b>Payroll Approval:</b> Approval (email or fax) to EdTec by payroll calendar deadlines</li> <li>• <b>New Hires:</b> Timely submission to EdTec of new hire paperwork on EdTec new hire forms</li> <li>• Enrolling (or working with a broker to enroll) staff in any STRS, PERS, 403b, health plans, and other insurance/retirement/contribution/deduction programs</li> <li>• Terminating staff from health plans, other insurance, and other applicable contribution/deduction programs.</li> </ul>
<b>Accounts Payable</b>	<ul style="list-style-type: none"> <li>• Timely and accurate check payments</li> <li>• Payment of invoices according to client's approval policies</li> <li>• Recordkeeping/processes adhering to generally accepted accounting standards for accuracy and security and approved by independent auditors</li> <li>• Payment systems linked to financial statements</li> <li>• Bank account reconciliations</li> <li>• Invoice/payment research</li> <li>• Advising clients on outstanding checks to ensure adequate cash availability</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Submission of Payment and Deposit Information</b> <ul style="list-style-type: none"> <li>○ Weekly submission to EdTec of invoices, reimbursement requests, deposits, and other expenditures using EdTec forms and processes</li> <li>○ Coding all expenses and non-state funding deposits using EdTec forms and processes and codes from the most recent budget.</li> </ul> </li> <li>• <b>Banking:</b> Monitoring and maintaining adequate bank account balances to meet expense obligations</li> </ul>

<p><b>Attendance and SIS</b></p>	<ul style="list-style-type: none"> <li>• Provide School Questionnaire form to Client</li> <li>• Provide District/Authorizer Questionnaire form to Client.</li> <li>• Evaluation of SIS systems (up to 3 hours in first year of operations)</li> <li>• Generation of complete, accurate attendance reports (based on school provided data) by the deadline</li> <li>• <b>Monthly, 20-Day and P-Reports:</b> Basic quality assurance and troubleshooting (up to 1.5 hours per report)</li> <li>• <b>Class Size Reduction Report:</b> Report preparation and submission (for up to 4 hours) for K-3 schools only</li> <li>• <b>CALPADS / CSIS Reports:</b> EdTec will provide up to 4 hours to train Client on CALPADS procedures and report generation. CALPADS support beyond the initial 4 hours is available on an hourly billable or project billable basis.</li> <li>• <b>Training:</b> Conduct Attendance Primer training before the start of the school year to educate Client staff on basic attendance processes</li> </ul>	<ul style="list-style-type: none"> <li>• Accurate and complete collection of attendance data in compliance with State rules</li> <li>• Completion of School Questionnaire form</li> <li>• Completion of District/Authorizer Questionnaire form</li> <li>• <b>Monthly Reports:</b> Submission of data to EdTec at least 3 business days before the deadline</li> <li>• <b>P-Reports:</b> Submission of data to EdTec at least 5 business days before the deadline</li> <li>• Clients without student information system software will submit student data to EdTec using EdTec forms</li> <li>• Training: Key Client staff to attend start of year Attendance Primer training; EdTec will not be able to complete the Attendance / Data deliverables until the training is completed</li> </ul>
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The payroll, accounts payable, and attendance deadlines / calendars referenced above shall be provided separately.

**1. LATE FEES and PROCESSING CHARGES**

Payroll:

- **Timecards and Payroll Changes:** A late fee of \$100 will be imposed for each business day timecards for hourly staff and payroll changes are submitted late to EdTec based on the published Payroll Calendar. The latest Timecards and Changes can be accepted is one business day prior to Payroll Approval deadlines.
- EdTec will generate and distribute manual checks, as needed and without charge, for employee terminations and payroll corrections due to EdTec error. For all other manual check requests, EdTec will charge a fee of \$35 plus overnight delivery charges (if overnight delivery is requested).

Accounts Payable:

- **Weekly Submittal:** Client must submit a weekly package conforming to EdTec forms and processes. The submittal shall contain invoices with appropriate coding, reimbursement requests, deposits, and/or other payment documents to EdTec using EdTec forms. If Client fails to submit this weekly package or fails to submit all



necessary invoices and receipts to process payment, Client will be charged an additional processing fee of \$35.

- As a courtesy, EdTec may waive the first two occurrences (i.e. up to \$70) of the Weekly Submittal processing fee.

Attendance:

- **Evaluation of SIS systems:** EdTec fees include up to 3 hours in first year of school's operations to assist Client with the evaluation of SIS systems.
- **Monthly, 20-Day and P-Reports:** EdTec fees include 1.5 hours of quality assurance and troubleshooting when processing and generating each report. Any EdTec work beyond this hour (including data correction and reconciliation with other periods) will be charged at the discounted data service rate.
- **Expedite Fee:** If Client misses an EdTec deadline for providing data and subsequently requests assistance in generating reports on an expedited basis, a \$100 expedite fee per occurrence may apply.
- **Class Size Reduction Report for K-3 schools:** EdTec fees include up to four hours of time for report preparation and submission.
- **CALPADS / CSIS Reports:** EdTec fees include up to four hours for training on report assistance and generation. CALPADS support beyond the initial 4 hours is available on an hourly billable or project billable basis.
- EdTec can provide additional assistance for reports at the discounted data service rate.
- If Client requires EdTec assistance for work with external deadlines (e.g. P-Reports), EdTec may set a deadline for receiving the request, data, and/or other materials from the Client to ensure timely and accurate processing. EdTec may charge an expedite fee for requests, data, and/or other materials not received from the client by the EdTec deadline.
- If Client does not have a student information software system, Client will use EdTec forms when submitting information to EdTec. Failure to use EdTec forms will result in a processing fee of \$100.
- As a courtesy, EdTec may waive the first occurrence of the forms processing fee.

[end]