

Service Agreement

WHEREAS Ogden Preparatory Academy (OPA) desires to engage Red Apple Financial (Red Apple) to provide business and accounting services to its charter school located in Ogden, Utah;

WHEREAS OPA agrees to make a good faith effort to implement financial policies and practices that promote fiscal health as advised by Red Apple;

WHEREAS Red Apple desires to set forth the terms and conditions of the services that will be provided;

THEREFORE, both parties understand and agree to be bound by the following:

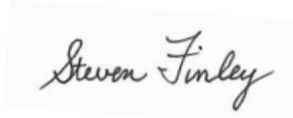
1. **Scope** Since it is not possible or practical to memorialize a complete listing of all of the specific services that Red Apple will provide to OPA within this writing, this document will outline the general scope of services included as part of the Service Agreement.
2. **Services** Red Apple will serve as the Business Manager of OPA. In addition to the services listed below, Red Apple may perform other duties as required to meet the changing business needs of the school. It is contemplated that the following services will fall within the scope of this Service Agreement:
 - a. Accounts Payable and Receivable
 - b. Program Accounting and Tracking
 - c. Cash Management, Reconciliation and Analysis
 - d. Annual Budget Development, Monitoring and Analysis
 - e. Reporting – Internal, State, Federal and IRS
 - f. Provide accounting, financial and budget support to school administration
 - g. Risk Management
 - h. Compliance – Charter Promises, Authorizer, Federal and IRS
 - i. Audit Oversight
 - j. Payroll
 - k. Payroll and HR Reporting – State, Federal and IRS
 - l. Employee Benefits Administration
 - m. School Reporting Budget Assistance – UCA, Trust Lands, Title I, etc.
 - n. General Consulting – Fiscal Policy, Financial Analysis, etc.
 - o. General accounting and record keeping in accordance with Generally Accepted Governmental Accounting Standards and consistent with the needs of school leadership.
 - p. CACTUS, with assistance from school administration
3. **Best Practice in Financial Management** The parties agree that there are critical financial practices required to promote the successful management of charter school business. OPA agrees to make a good faith effort to implement the following practices:
 - a. Pass a liquidity policy that outlines standards for Days Cash on Hand.

- b. Pass a transparency policy and practice that all financial, contractual and partnership information will be provided to Red Apple timely, which is necessary for effective financial management.
 - c. Approve only budgets and expenditures that meet at a minimum existing financial covenants and authorizer performance standards.
 - d. Promote and practice a healthy environment and good communication between the school board and the school director/leader.
4. **Training and Advocacy** As requested, Red Apple may provide financial training to school administration or Board Members. Red Apple regularly advocates for charter schools at the state and national level. In addition to staying informed, Red Apple will work to keep OPA updated on statute or rule changes that may have a financial impact on the school.
5. **General Consulting** With its access to data and fiscal policies from other successful Utah charter schools, Red Apple may provide general consulting, analysis and comparisons to improve OPA's overall financial health.
6. **Board Meetings** Red Apple will attend Board Meetings and Finance Meetings as invited.
7. **Setup or Transition Fee** There may be a one-time set-up or transition fee depending upon an initial review of the current state of the school's financial records and system, as well as other tasks associated with transitioning from the school's prior business management model. All fees associated with the transition or set-up will be pre-approved by OPA prior to billing.
8. **Term** This Service Agreement shall commence on the date mutually signed by the parties below and shall continue for a period of one (1) year. Unless this agreement is terminated as referenced in Section 9 below, it shall automatically be renewed for one year terms thereafter.
9. **Ongoing Fees** OPA agrees to pay an ongoing monthly fee to Red Apple for the scope of services described herein. The monthly fee listed below shall be paid to Red Apple on the 1st day of each month through electronic draft, beginning March 1, 2016.
 - 900 - 1000 Students - \$6,800
 - 1000 - 1100 Students - \$7,000
 - 1100 - 1200 Students - \$7,200
10. **Contract Amendment** The parties agree that this contract constitutes the full and complete agreement between the parties and may only be amended by mutual written agreement of the parties. The parties further agree that this agreement may be terminated by either party, for any reason or for no reason, by providing 60 days prior written notice to the other party. In such event, the parties will no longer have any further obligations under this agreement, and agree to cooperate in good faith in dissolving their business relationship.

11. **Indemnification** Both Red Apple and OPA agree to indemnify each other from any liability that may result from their respective actions. Such indemnification is to be secured by separate liability insurance policies of the respective parties.
12. **Escalation** Each July 1st, beginning July 1, 2022, the monthly service fee shall be increased by the lesser of 2% or the % increase in the state student education funding (calculated as the % increase in school funding from LRF & WPU). Red Apple reserves the right to waive any escalation.
13. **Cause or Action** In the event of any cause or action against either party, both agree to make a good faith effort to work together to obtain a resolution satisfactory to both parties.

Red Apple Financial

Ogden Preparatory Academy



April 11, 2022
Date

Date