

CSMC

Comprehensive Back Office Services Proposal for:

American Indian Model Schools

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Charter School Management Corporation

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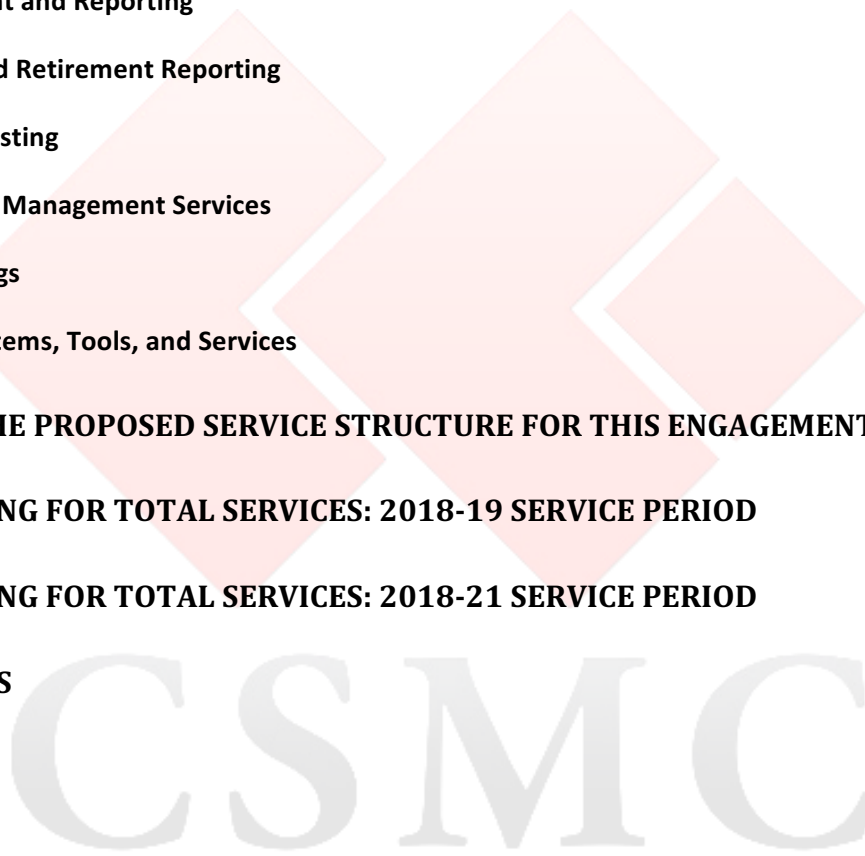
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Executive Summary

CSMC is excited and honored to submit this comprehensive proposal to American Indian Model Schools for back office and related services. Our team strongly believes that CSMC continues to be the right partner for AIMS Schools at this juncture in our respective growth trajectories. Unlike other back-office service providers who resemble accounting and payroll companies, we have committed our organization to becoming a true partner in our client's day-to-day needs so that they can stay focused on educating those that have entrusted them with their future. We have realized that there are many authorizer-placed burdens on our partner schools. Our focus has become to help our partners become and stay academically strong and financially sound. It has become our mission to help our schools thrive. Because we have realized that as an organization, "we can only rise by lifting our school leaders and their organizations." This proposal will demonstrate a breadth and depth of expertise that we believe is unrivalled in our industry.

This partnership envisions CSMC playing a critical role in strategically building a more efficient finance function, one that empowers AIMS Schools' pursuit of impact and scale. We see our personnel serving as true thought partners for the AIMS senior leadership by supporting them in their operation and compliance needs, as well as overseeing all accounting, financial data and compliance activities. Something that currently no other back office service provider is providing to their clients.

Our approach in this proposal is to answer AIMS' proposal contents with a comprehensive description of the work, then to describe how the services will be performed. In the pricing section, we have proposed a flat fee cost for the core work AIMS has outlined to be completed for the six months from July 1, 2018 to June 30, 2019.

We believe we have provided a proposal that not just matches, but exceeds, AIMS Schools' requests as detailed in the RFP. CSMC is confident that we can offer and provide AIMS support, services, and consultation in multiple areas of need, areas that our back-office services competitors do not offer nor are qualified to provide. We understand that our school leaders wear multiple hats and depend on their teams to deliver on their promises to their stakeholders. As a partner with our clients, we at CSMC consider ourselves as part of this team that needs to support the schools, board of directors, and senior administrators. We accomplish this by working on addressing the pains of running their schools. That way, school administrators and staff can stay focused on the reason they opened their charter, which is to educate children and close the achievement gap in the communities that they serve.

Thank you for the opportunity to continue to partner and to provide solutions to AIMS School and its staff.

Company Profile: About CSMC

For 25 years, charter schools such as American Indian Model Schools have been at the forefront of the education reform movement, and in general the charter movement can be considered a great success. But the requirements to be a high-performing school or charter management organization have become more onerous, and meeting all academic, financial and compliance needs requires expertise on a level far higher than 25 years ago. Looking back even 10 years, we see that OUSD oversight requirements have grown, including ever increasing scrutiny for every school on student outcomes, governance, organizational and operations management, compliance and fiscal operations. As AIMS Schools' partner, we want to support the leadership team in meeting all authorizer expectations across the entire spectrum of compliance and oversight requirements.

CSMC is the largest provider of comprehensive back office services to charter schools in the nation, with close to 100 employees serving over 200 schools throughout the country. CSMC is committed to empowering school leaders to create and lead successful, innovative charter schools, and we have the breadth of experiences, personnel and resources to make it happen. What we share with other back office service providers is an understanding of school finances, financial management, budgeting, and payroll support. Where CSMC stands above the pack is its support for many other services. Those include school operations, student data, authorizer compliance support, and school development and renewal. This is all assisted through the use of CSMC's unique portal, CharterVision. A completely user friendly, fully transparent Financial, Student Data, and Operations Client Services Portal. This tool is available to all staff at our partner schools 24/7, 365 days per year with virtually live, real time school financial and operational data. CSMC is well suited to its mission: freeing the AIMS Schools' core team to drive towards ITS core mission: educating students. CSMC's team brings unique insight as it includes charter school operators and professionals with extensive experience as authorizers as well.

CSMC's history echoes the same personal story upon which many charter schools are founded: CSMC President Sandro Lanni was looking for a better school for his own children and decided to help start a charter, which was then a new concept in public schools. The leaders of this new charter school needed financial and business support, so Sandro utilized his professional experience and passion for the charter school movement and launched an organization to provide charter school financial services at affordable rates.

Here is a brief bullet point summary of CSMC's experience in providing back office and related services to charter school organizations in California and nationally:

- Founded in 2001, first comprehensive charter school back office firm in the country.
- Initial scope of service included accounting and bookkeeping functions, cash management, payroll and budgeting, as well as limited compliance support.
- As CSMC and its school partners grew, and as compliance became more complex, CSMC added expertise in retirement reporting, data management and student information systems support, and training for administration and other staff. Most recently by understanding the new, dynamic accountabilities of LCFF and LCAP and the expectations of collaborative stakeholder development processes, CSMC developed the LCAP Module, which is designed to help school leaders in identifying their spending and the language to write their LCAP.

- In 2010, CSMC created Charter Vision, the first and most comprehensive financial and student data portal in the industry. Charter Vision gives schools and CMO leaders real time financial, compliance and student data information, with no special software to download.
- CSMC's audit support is unparalleled, whether it be for annual financial audits, or one-off audits as required by different agencies. Auditors and schools love our audit support, as Charter Vision gives the ultimate in transparency to all stakeholders.
- Further technological advances allowed CSMC to offer integrated supplier payments and ordering.
- In 2012, CSMC created the compliance section of Charter Vision. This is now accompanied by a compliance calendar and newsletter. This will enable CSMC to collaboratively plan with school leaders to ensure that all compliance deadlines and requirements are well planned for and met.
- CSMC has created a repository of best practice financial and internal controls policies and recommendations. We train charter school staff on these policies and controls.
- In 2016, CSMC added intuitive LCAP and Student Achievement Modules to support our clients with time consuming operational and instructional challenges. There are currently other service providers that may express that they have a CAASP Module; however, CSMC supports their schools in tying their student's performance on the school's SIS system with the CAASP data. For example, how a student is performing in school in comparison with their state and local school results. Charter Vision provides this data hands-on for its school partners.
- This year, CSMC upgraded Charter Vision to give an even higher degree of transparency and customization.
- In sum, our innovative and experienced team is equipped to help the AIMS leadership, board and staff with all its needs. We know that offering unrivalled quality of service and outstanding value for money is not enough. As we move into the 25th year of the California charter school movement, CSMC's progressive approach can deliver the out of the box solutions that AIMS needs. CSMC will deliver out of the box solutions while never ceasing to go the extra mile in pursuit of funding opportunities, cost savings, and time-saving solutions that will help AIMS help its students.

Proposal: CSMC's Response to the Scope of Work

Because of our long-standing partnership with AIMS, as well as by studying the RFP and its Addendum, CSMC has gained a deep understanding of the needs AIMS wants in a business back office partner. We believe we have proven to that partner over the past five years. Moreover, we have written a feasible, efficient and strategic plan for how to meet and exceed AIMS Schools' current needs. CSMC envisions the future partnership as one that continues to enable AIMS to extend its impact, especially the most important impact, academic results for its students.

This partnership envisions CSMC continuing to play a critical role in strategically building a more efficient finance function, one that empowers AIMS Schools' pursuit of impact and scale. We see our personnel as continuing to serve as true thought partners for the AIMS senior leadership team by supporting them in their day to day operation and compliance needs, as well as all accounting, financial data and compliance activities. This comprehensive level of support is something that no other back office service provider is currently providing to their clients.

Addendum: AIMS Scope of Financial Needs

CSMC Checklist and Descriptions to Confirm Ability to Perform all Services

Financial Statements:

- ✓ ● Online financial reports that are within 24 hours of accuracy
 - CSMC's Charter Vision updates AIMS' accounting every halfhour. This accuracy is dependent on receiving AIMS's financial data in a timely manner.
- ✓ ● Monitor cash position
 - With full access to all AIMS bank accounts, the Senior Account Manager and team can closely monitor all cash positions.
- ✓ ● Create Audience friendly financial reports for stakeholders including board members
 - Charter Vision enables the School Business Manager, as well as AIMS staff, to create audience friendly financial reports for board and staff and other stakeholders.

Budgeting:

- ✓ ● Support in the creation of multi-year budgets including monthly cash flow projection
 - CSMC's School Business Manager creates multi-year budgets, including monthly cash flow projections. The SBM will also support AIMS staff to create these multi-year budgets.
- ✓ ● Provide a tool that allows AIMS to make budget revisions
 - CSMC will provide a tool to make budget revisions. Any budget revisions will be highlighted by AIMS staff so that the final budget is accurate. CSMC and AIMS will work collaboratively on monthly budget forecasts.
- ✓ ● Provide a tool for AIMS to updated monthly budget forecasts
 - Charter Vision includes a Budget to Actual Report that automatically calculates the variance between the annual budget and the monthly actuals. In addition, the SBM will create a tool to update monthly budget forecasts and work collaboratively to ensure they are accurate.

Accounting:

- ✓ ● Support the setup of AIMS's chart of accounts and general ledger in accordance with AIMS's programmatic needs
 - CSMC has already set up the Chart of Accounts and General Ledger, and is happy to discuss amendments to the existing Chart of Accounts.
- ✓ ● Restricted fund and LCAP tracking
 - CSMC's accounting team currently tracks and will continue to track AIMS' restricted funds.
 - CSMC will include its LCAP Expense tracker in its new service agreement, so that LCAP expenses can be easily tracked and LCAPs easily produced.
- ✓ ● Provide tool to track transactions
 - Charter Vision has provided and will continue to provide accurate detail of expenses, all the way down to the individual invoices, which are available to be downloaded with a simple click of a mouse.
- ✓ ● Bank reconciliation
 - CSMC's Accounts department will provide bank reconciliation for all AIMS bank accounts, once given read only access.
- ✓ ● Record capitalized assets
 - CSMC will record all AIMS' capitalized assets

Accounts Payable & Receivable:

- ✓ ● Revenue verification and tracking
 - CSMC's School Business Manager will verify and track all state, federal and Oakland Measure fund revenues due to AIMS.
- ✓ ● Revenue collection for improperly calculated payments
 - CSMC will spearhead the collection of revenues for improperly calculated payments
- ✓ ● Invoice tracking and processing
 - CSMC will track and process all invoices, provided they are made available to our accounting staff
- ✓ ● Automated ordering and approval System (Purchase Orders and Purchase Requisitions)
 - CSMC will recommend that AIMS utilize a third party automated order and approval system, and will assist with implementation of this system, then AIMS will use it to track all purchase orders and/or requisitions.
 - With AIMS agreement, CSMC will be moving AIMS to the third party software provider Expense Watch (Nexonia). <https://ssl.expenswatch.com/>. CSMC will integrate Expense Watch with its accounting software an Charter Vision.
- ✓ ● Automated expenditure and encumbrance tracking
 - CSMC has tracked and will continue to track all AIMS expenditures

Government Financial Reporting:

- ✓ ● Preliminary and final budget report creation
 - The School Business Manager will continue to create and send preliminary and final budget reports for all government agencies
- ✓ ● Interim financial reports

- The School Business Manager will continue to create and send interim financial reports for all government agencies
- ✓ ● Audited financial reports
 - The School Business Manager will continue to support AIMS and AIMS' separately-contracted auditor in submitting audited financial statements to all government agencies
- ✓ ● Grant writing, submission reporting, and tracking
 - The Senior Accounting Manager will track all grants received by AIMS. The School Business Manager will support AIMS in submitting the financials for specific grant reports. CSMC will alert AIMS to new grant opportunities as soon as CSMC becomes aware of them. On a separate fee basis, CSMC will create grant applications on behalf of AIMS.
- ✓ ● Title funding tracking and reporting
 - CSMC's Accounting team will track and support AIMS in reporting all federal Title funds.
- ✓ ● Taxes

CSMC will provide payroll tax forms, assist the auditor with income tax forms, as needed, and assist with filing for tax exemption, if requested.
- ✓ ● SPED tracking
 - CSMC accounting staff will track all SPED revenues and expenses
- ✓ ● ConApp application and submission
 - CSMC will apply for and submit AIMS' ConApps, as well as future applications that supersede the ConApp

Training and Consultation:

- ✓ ● Training for finance and operational staff related to the back-office services and financial management
 - CSMC will provide training for finance and operational staff related to all back-office services and financial management.
- ✓ ● Professional development training for school leaders with financial management responsibilities
 - CSMC will provide professional development for school leaders with financial management responsibilities.
- ✓ ● Senior level consulting in finance and accounting
 - CSMC will provide senior level consulting in finance and accounting
 - CSMC will provide board level support in governance, finance and policies
- ✓ Please see Training and Consultation Outline in separate section below

Personnel:

- ✓ ● Payroll preparation and submission
 - CSMC will continue to prepare and submit all payrolls
- ✓ ● Processing of W2, W9, other governmental forms
 - CSMC will continue to process all government forms, including W2s and W9s
- ✓ ● Payroll taxes and retirement tracking
 - CSMC will continue to track all payroll taxes and retirement
- ✓ ● Vacation and sick leave tracking
 - CSMC will continue to track all vacation and sick leave.
- ✓ ● Employee attendance tracking

- CSMC will continue to help support the tracking of employee attendance. We will be moving AIMS from Swipe Clock to Asure <https://www.asuresoftware.com/product-lineup/time-attendance/>
- ✓ ● Time reporting
 - CSMC will continue to support AIMS in its time reporting. CSMC will be moving AIMS from Swipe Clock to Asure. <https://www.asuresoftware.com/product-lineup/time-attendance/>

Student Data Support:

- ✓ ● CBEDS Reporting and tracking
 - CSMC Student Data Division has supported AIMS in reporting attendance and CALPADS since we first engaged in our partnership. We propose to continue this partnership and support.
- ✓ ● ADA Tracking
 - CSMC Student Data Division has supported AIMS in tracking ADA since we first engaged in our partnership. We propose to continue the same high level of support
- ✓ ● SIS System like Aries or Power School
 - CSMC Student Data Division has supported AIMS in its instance of Power School since we first engaged in our partnership. We propose to continue this same high level of support.

Training and Consultation Support Outline

A. Operations Consultation and Training

- 1) In consultation with AIMS, CSMC will provide direct operational support to AIMS central office and its schools. CSMC's experience as charter school operators and authorizers has enabled CSMC to recently expand its direct on-site support and training.
- 2) CSMC now offers a comprehensive assessment of operational office systems and efficiencies to ensure compliance and efficiency. CSMC provides on-going training to ensure that school site operations run smoothly and all school staff understand compliance requirements.
- 3) This consulting and training includes portions of two full days of in person support from our Operations Division. Other portions of each day are devoted to HR and infrastructure support, please see other sections below.

B. Board Trainings and Consultations

- 1) CSMC will provide board trainings on a range of governance and financial issues, including reviewing AIMS accounts and board reports, as well as Brown Act trainings.
- 2) CSMC will provide consultations to board members on various non-legal business matters, including strategic planning, politics and governance. These trainings and consultations will be scheduled throughout the year, at times that align with AIMS board needs.

C. Real Estate Development

- 1) CSMC will work with AIMS to identify real estate partners, provide budgeting and accounting support for new facilities, and act as facilities advisor to AIMS.

D. Facility Maintenance

- 1) With AIMS, CSMC will provide analysis and devise a plan for AIMS facilities that minimizes costs while providing safe, well maintained facilities for students.
- 2) This will include a portion of two days of in person support from our Operations Team.

E. LCAP plan creation, maintenance and updating

- 1) LEA/SSD plans are now phasing out, and being replaced by LCAP Addendums
- 2) CSMC has experience in writing LEA and SSD plans, as well as with LCAPs. CSMC will give AIMS access to its LCAP module to be able to support AIMS in writing its annual LCAPs and LCAP Addendums.

F. IT infrastructure support

- 1) CSMC will conduct an IT audit, analyzing AIMS's current infrastructure before working with AIMS to identify a cost-efficient solution for supporting its IT needs.

G. Charter Renewal and New Petition Development

- 1) CSMC's extensive experience working with multiple authorizers and with OUSD's charter school division enables us to provide an unparalleled level of strategic support and insight in the overall charter petition development and renewal process.
- 2) CSMC's School Development Division will provide robust petition support for existing and future AIMS schools.
- 3) CSMC can assist with the creation of charter petitions, petition review, budget and financial plan creation, and advocacy support.

H. Handbooks

- 1) CSMC will provide AIMS with resources to create non-financial manuals, including Principal handbooks, Employee Handbooks and Operations Manuals.
- 2) CSMC will create these personnel manuals with support from AIMS staff, or whole cloth in draft form for AIMS review.

I. Communications support, e.g. social media, website, newsletters

- 1) CSMC has professional experience with the creation and publication of newsletters and other media. CSMC will work with AIMS to review and redesign its communications function.

J. HR support & systems

CSMC has 16 years of experience providing Human Resources support for charter schools, and looks forward to crafting a hybrid Human Resources solution that works effectively for AIMS.

- 1) This assistance includes two free days of in person support from our Operations Team each year.

Description of All CSMC Services Included in our Existing Service Agreement

(these will also be provided in our future Service Agreement)

1. Accounting and Bookkeeping Services

- A. Balance Sheet
 - 1) CSMC will perform a monthly reconciliation of all bank statements. Each month, CSMC will reconcile all remaining balance sheet accounts. These include: Prepaid, Deposits, Accounts Receivable, Accounts Payable, Payroll Liability, Debt/Loans, and all other Asset or Liability items. CSMC will accrue depreciation monthly or annually and maintain a schedule of capitalized improvements, property, equipment, and furniture.
- B. Accounts Payable
 - 1) On a weekly basis, CSMC will process all vendor invoices for payments, including uploading invoices to the automated document management system, verifying approval of payment, determining cash flow availability, verifying non-duplication of payment, logging appropriate accounting entries, producing check payments, and verifying check security. As stated above, CSMC will process these payments on a weekly basis or on a schedule that meets AIMS needs.
 - 2) CSMC will complete 1099s for independent contractors.
- C. Accounts Receivable
 - 1) Monitor receipt of revenue to ensure the AIMS receives all entitlements. Perform collection activities to receive past due funding from government agencies.
- D. General Ledger Maintenance
 - 1) CSMC will maintain AIMS' Standardized Account Code Structure (SACS)-compliant chart of accounts. CSMC will monitor and edit revenue and expenditure account code structure, add program and location codes when and as needed, and perform all other regular general ledger maintenance.
- E. Bookkeeping
 - 1) CSMC will record all transactions into its accounting system, with appropriate coding to enable all required reporting. Note that the Charter Vision portal allows the AIMS and CSMC staff 24/7 access and ability to view and generate financial reports on an as needed basis. Charter School can generate reports including, but not limited, to: detailed account activity, including scans of all invoices entered through the accounts payable system; check register activity; summary of budget, expenditures by account; cash balances; payroll register; revenues; and general ledger.
- F. Audit Preparation
 - 1) CSMC will collect all financial information required by auditors.
 - 2) CSMC will prepare all required financial schedules for auditors.
 - 3) CSMC will serve as the point of contact for all communication with the auditors regarding financial data maintained by CSMC.
 - 4) CSMC will prepare and collect all required financial information for the auditors to complete the 990 tax return.
 - 5) CSMC will work and meet with the Audit Committee to ensure a smooth audit process.
- G. CSMC will provide accounting, audit and 990 support for the related LLCs.

2. Cash Management

A. Cash Position Reports

- 1) CSMC will prepare and distribute the a timely cash position report.
- 2) CSMC will prepare a cash position report that summarizes current book balance, outstanding checks that have not cleared the bank, upcoming items such as payroll, and any unpaid bills.
- 3) CSMC will prepare the cash position report to include a detailed forecast for the next 90 days for cash flow analysis.
- 4) CSMC will manage the timing of invoice payments as needed.
- 5) CSMC will plan and manage payment of outstanding debt as needed
 - a. Lines of Credit
 - a) CSMC will work with the AIMS staff to prepare applications for new and/or renewal of lines of credit on an as needed basis.
 - b) Working with AIMS Schools' board support staff to ensure timely agenda distribution, CSMC will present line of credit to board and obtain board resolutions as needed.
 - b. State Revenue – CSMC will analyze future cash flow and determine whether AIMS Schools needs to apply for exemption from upcoming deferrals, when these deferral exemptions are available. If needed, CSMC will prepare and complete applications for deferral exemptions.

3. Financial Management and Reporting

A. Financial Management and Reporting

- a) By the 15th of every subsequent month, CSMC will monthly prepare and provide regular financial reports for schools, AIMS home office, and AIMS as a whole. These reports (the financial package) will be provided to the AIMS board and Finance Committee, as well as available in the portal.
 - b) The CSMC Financial Reports will include:
 1. Income Statement
 2. Balance Sheet
 3. Statement of Cash Flows
 4. Check Register
 5. General Ledger
 6. The Charter Vision Financial Dashboard will display key indicators of financial health, including income statement variances and forecast, historical and projected cash flow and ADA, and balance sheet.
- B. Forecasting – On a monthly basis, CSMC will analyze cash flow and project out timing of revenue and expenses for the rest of the year.
- C. Financial Analysis – CSMC will perform on-going analysis of actual versus budget revenue and expenses and monitor cash flow as needed.
- D. AIMS Schools' individual schools, CMO administration and Board Meetings

- 1) CSMC will present financials at every AIMS Board Meeting.
 - 2) CSMC will review YTD Financial Reports with School Administrators on a monthly basis, either on a group basis or individually.
 - 3) CSMC will work to support the annual audit.
- E. Charter School Authorizer Financial Reporting
- 1) CSMC will complete and submit all financial reporting required to charter school authorizer including First Interim, Second Interim, Unaudited Actuals, and Preliminary Budget.

4. Payroll Processing and Retirement Reporting

- A. 1. In collaboration with AIMS HR, CSMC will maintain employee information in a payroll database. CSMC will process any status updates, new hires, terminations, and or informational changes in the payroll system based on information submitted by AIMS.
1. Regular Payroll Schedules: CSMC will provide AIMS a payroll schedule for the calendar year which includes accrual period and deadlines for CSMC to receive the following information: new hire documentation, personnel change forms and payroll time data for each respective pay period. CSMC will also post reminders of these schedules in AIMS offices. AIMS is responsible to submit all information by the deadlines established per the payroll schedule.
 2. CSMC can provide Special Payroll Schedules when requested.
 3. Late Submission of Payroll Data: If AIMS or any of its schools submits late payroll information and specifically requests checks be processed as a supplemental run. CSMC will accommodate these requests, as well as educating AIMS schools on how to submit in a timely fashion.
 4. Supplemental Checks Regarding Terminating Employees:
 - a) Involuntary Termination by the School: CSMC will ensure a supplemental check is available upon exit from one of the AIMS schools, as required by California law.
 - b) Voluntary Termination by Employee: CSMC will ensure a supplemental check is available within 72 hours of termination, as required by California law.
 - c) CSMC will ensure that supplemental checks are available as requested for Family/Maternity Leave or Family Medical Leave
 - d) CSMC will ensure supplemental runs for Scheduled Bonuses or Stipends
 - e) CSMC will ensure supplemental runs for Unscheduled Events or Emergencies
2. CSMC will calculate Federal and State tax payments and submit them to the proper state and federal authorities, as required by law and according to Internal Revenue Service guidelines. These tax payments will be made on a monthly, semiweekly and/or next-day depositor status, as required.
- a) On a quarterly basis, CSMC will prepare payroll tax filing reports for federal and state agencies. On an annual basis, CSMC will prepare the required payroll tax filing report.

B. Personnel

- a) CSMC will prepare, review, and distribute W-2s as required by law.
- b) CSMC will assist in developing sound procedures for management of employee records.
- c) CSMC will process status change forms when hiring or firing employee.
- d) CSMC will process employee garnishments as needed.
- e) CSMC will assist in collecting payroll data for unemployment insurance claims and workers' compensation audits.

C. Retirement Reporting

- a) STRS/PERS – On a monthly basis, CSMC will submit, in a timely manner, the required information to the local county office of education or the designated 3rd party administrator.
- b) 403B – CSMC will process appropriate deductions for employees upon receipt of appropriate paperwork. CSMC will submit payment to the applicable retirement company in a timely manner, per 403b vendor agreements.

5. Budgeting and Forecasting

A. Budget Management Portal

- 1) CSMC will provide secure access to Charter Vision, its customized school-specific online portal designed specifically for AIMS Schools' needs. Charter Vision will provide real-time accounting information including more than 20 different financial reports such as vendor activity reports, check registers, and general ledgers.
- 2) With Charter Vision, CSMC will provide easy access – using only a login and a password - to school-specific documents such as financial reports, cash position reports, budgets, audits, bylaws, policies, and a host of other resources and tools including our best-in-class LCAP and CAASP Student Achievement modules.
- 3) Both through Charter Vision and directly from CSMC staff, AIMS staff will receive suggested best practice sample documents and templates.

B. Budget Development

- 1) Starting in March of each year, CSMC staff team will work directly with each AIMS Principal, as well as with Home Office, to develop annual budgets for subsequent fiscal year for board approval no later than June 15. Because the CSMC team is comprised not only of CPAs, MBAs and experienced charter school business experts but also experienced charter school operators and principals, we are able to provide valuable insight to school leaders and staff on how numbers actually translate into operational and programmatic needs. The budget will cover each school, AIMS as a whole and include the annual budget, and multi-year projections for the next two years. In addition to these requirements, the budget will comply with all state requirements.
- 2) Additional Budget Versions
 - a) As requested by each AIMS School for its charter petition renewal with authorizer, CSMC will prepare the budget to be submitted with the petition.
 - b) CSMC will prepare various budget scenarios on an as-needed basis for any other purpose, such as facility projects and reports, new charter school petitions, loan applications or state budget updates. CSMC will closely monitor – and report to AIMS - changes to the state budget revenues and deferral schedule as they change during budget season and throughout the year.

3) Cash Flow Forecast

- a) CSMC will prepare a 90-day cash flow forecast every month throughout the year for each school, as well as a consolidated AIMS forecast, as part of the monthly financial report.

6. Compliance and Data Management Services

A. Attendance Reporting

- 1) CSMC will prepare the 20-Day, P-1, P-2, and Annual attendance reports using AIMS and its Schools records and submit these reports in a timely manner to the chartering agency.
- 2) CSMC will prepare and submit monthly statistical and classification attendance reports, if required by chartering agency.
- 3) CSMC will identify and submit revisions to AIMS Schools' attendance reporting on an ongoing basis to ensure compliance with relevant regulations. These revisions are not subject to additional charges by CSMC.

B. Categorical Funding Applications

- 1) CSMC will prepare funding applications for funding sources identified in AIMS individual school budgets, as well as for AIMS as a whole. This includes the Consolidated Application, Title III consortia, the Annual Funding Survey, the PENSEC Report for new/expanding schools, and SB 740 Facility Grant Program and the Facilities Incentive Grant, if an AIMS school is eligible.
- 2) CSMC will assist with budget/financial sections of Public Charter Schools Grant Program (PCSGP) and other grant applications.
- 3) In the event that new funding programs become available, CSMC will pursue funding program elements and applications.

C. Compliance and Fiscal Reporting

- 1) CSMC will prepare budget reports required by the chartering agency, in its required format.
- 2) Twice a year, CSMC will prepare interim financial reports and submit them to chartering agency in the required format.
- 3) Annually, CSMC will prepare the Unaudited Actuals Report and Program Cost Report and submit it on AIMS Schools' behalf to the chartering agency, in the required format.
- 4) CSMC will prepare and disseminate fiscal reports to lenders and creditors as appropriate.
- 5) CSMC will prepare and submit federal reporting as appropriate.
- 6) CSMC will prepare and submit Title I, II, III and V reporting as appropriate.
- 7) CSMC will prepare semiannual certifications and/or Personnel Activity Reports for schools to account for salaries paid for with federal funds.
- 8) If appropriate, CSMC will complete After School Educational & Safety program reporting.
- 9) CSMC will place all specific compliance deadlines in Charter Vision for transparency and provide a comprehensive compliance calendar for AIMS leadership, school administrators and staff.

D. Nutrition Claims

- 1) CSMC will prepare claim information for the National School Lunch Program, as appropriate, and transfer information into Child Nutrition Information and Payment System (CNIPS). Each AIMS school will review and submit claim information in CNIPS.
- 2) CSMC will prepare and submit year-end cost and revenue reporting.
- 3) CSMC will provide support for the nutrition audit, as needed.

B. CALPADS Support

There are over 100 data entry points within Power School that are required for the various submission phases of CALPADS. CSMC will assist AIMS through the entire CALPADS process from extracting files, uploading data, and correcting all certification errors.

- C. Preparation of all four Fall 1 extracts per school (SENR, SINP, SELA, SPRG) for import to CALPADS.
- D. Preparation of all four applicable Fall 2 extracts per school (SDEM, SASS, CRSE, SCSE) for import to CALPADS.
- E. Preparation of all five applicable EOY extracts per school (CRSC, SCSC, SDIS, SWAV, SCTE).
- F. Correct all submission errors and post each extract per submission cycle.
- G. Correct all fatal certification errors to ensure certification for Fall 1, Fall 2, and EOY.
- H. Provide Primary Point of Contact with Direct Certification Report.
- I. Provide Primary Point of Contact with CALPADS ODS Foster Youth Report.
- J. Communicate with school and neighboring districts in resolving Concurrent Enrollments, Multiple Identifiers, and Exit Reason Discrepancies to ensure certification.
- K. Create new SSID's and exit transferred students on CALPADS on a bi-weekly basis.
- L. Provide Primary Point of Contact with all aggregate reports and a sign off sheet with each of the three submissions.
- M. Work with Primary Point of Contact before and during amendment window in correcting any data entry errors.
- N. Demographic Data Corrections for Accountability Reports
- O. CBEDS Submission

7. Meetings and Trainings

- A. School Office Manager and other Staff Trainings
 - 1. CSMC will provide ongoing training, as needed, to the AIMS Schools' Office Managers and other staff regarding proper internal controls, CSMC procedures and policies, and Charter Vision systems and software. CSMC staff experiences as charter school operators and authorizers has enabled CSMC to recently expand its direct on-site support and training. CSMC now offers a comprehensive assessment of operational office systems and efficiencies to ensure compliance and efficiency. CSMC provides on-going training to ensure that school site operations run smoothly, and all school staff understand compliance requirements.
- B. Other Meetings - CSMC will attend occasional meetings with parents and/or other members of the school community regarding the budget and related financial issues, as requested. As experienced charter school operators on our team, we understand the nuance and challenges of training and supporting multiple stakeholder groups.
- C. Authorizer Meetings
 - 1) CSMC has deep experience providing support in this area. Our experience as operators and authorizers in will help AIMS in its authorizer relations, compliance and meetings.
- D. WASC Review
 - 1) CSMC will prepare fiscal materials for and attend WASC review meetings as needed.
- E. Other Meetings

- 1) On an as needed basis, CSMC will meet with landlords, banks, brokers, vendors, etc. to assist AIMS and its schools.
- 2) On an as needed basis, CSMC will meet with County Office of Education staff regarding STRS retirement issues.

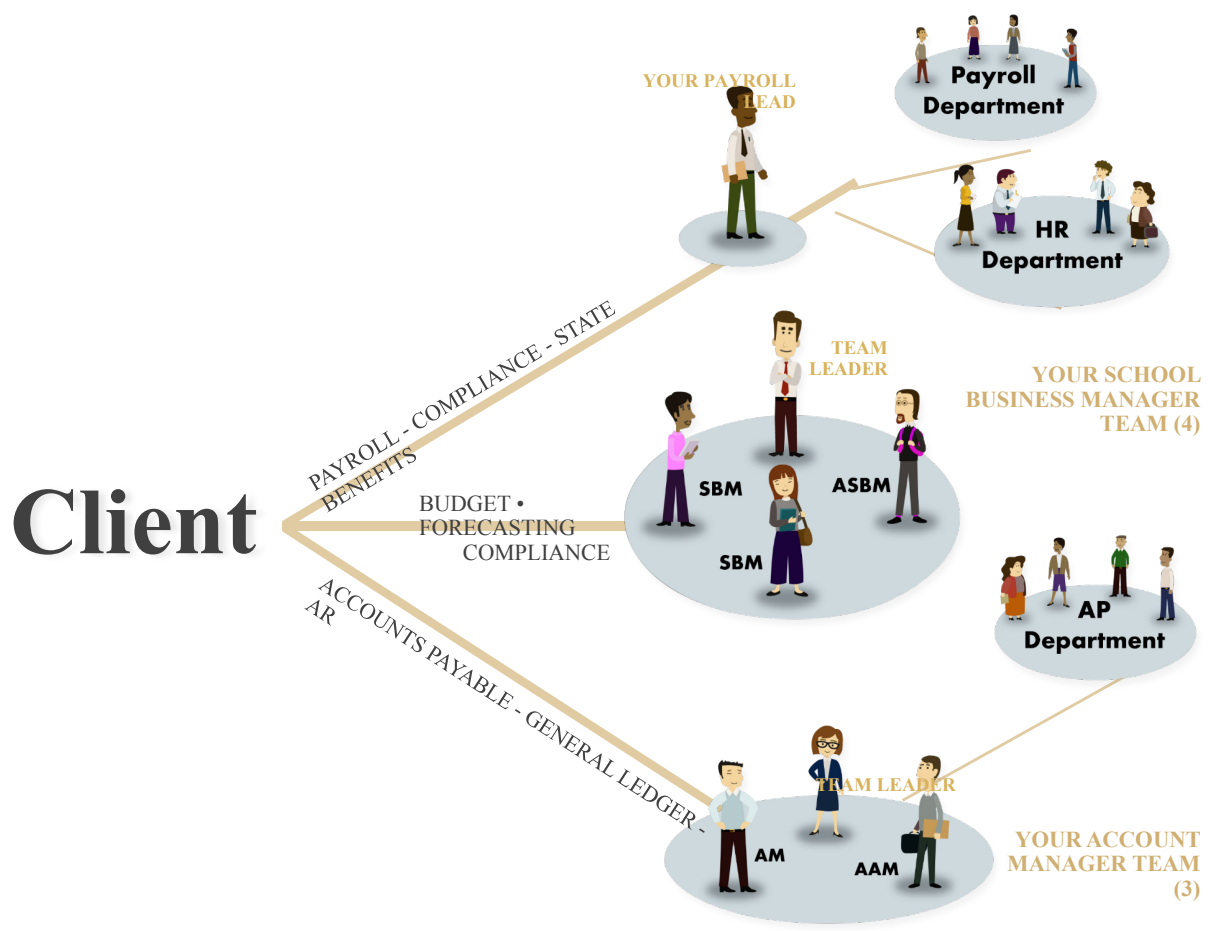
8. Other Support Systems, Tools, and Services

- A. CSMC will provide support for integrated supplier payments and ordering for companies such as Amazon, Staples and other commonly used suppliers, as needed.
- B. Policies and Internal Controls
 - 1) CSMC will guide AIMS through an annual or as needed revision of Fiscal Policies and Procedures and provide suggested policies and procedures for proper internal controls.
 - 2) CSMC will provide sample 990 policies including conflict of interest.
- C. Vendor Support
 - 1) CSMC will provide charter school industry vendor list.
 - 2) CSMC will provide annual insurance renewal support.
- D. Other Audits/Reporting
 - 1) CSMC will prepare for other audits as appropriate, including Workers Compensation, Special Education, After School Education & Safety, Federal Single audit, IRS, etc.
 - 2) As appropriate, CSMC will assist with the filing of property tax exemptions and provide sales and use tax reporting.

Description of the proposed service structure for this engagement

CSMC's vision for the structure of its service delivery is rooted in two interlinked pieces, ones that AIMS board and staff are already familiar with: its personnel and its best-in-class portal and reporting function called **Charter Vision**. The focus of this section is to visually highlight the reporting functions and transparency that Charter Vision will give the AIMS Schools board and leadership, as well as to provide a visual representation of the CSMC's support structure for AIMS.

As in our existing partnership, CSMC is proposing a multi-tiered and multiple department support structure. Below is a representation of some of the functions of our service structure. As we have described in this proposal, we have enhanced this structure to provide across-the-board support for AIMS Schools, so this representation covers just a few of the functions we are proposing.



CSMC

Summary of Pricing for Total Services: 2018-19 Service Period

For service from July 1, 2018 June 30, 2019

Service Fee: 2 percent of state, federal and local parcel tax revenues for all services specified in this proposal. In the spreadsheet sent to us, estimated revenues for 2018-19 are \$14,628,183. Therefore, the projected annual cost of services is **\$292,563**.

These include all services requested in the Request for Proposal.

Summary of Pricing for Total Services: 2018-21 Service Period

For service from July 1, 2018 June 30, 2021

Service Fee: 1.75 percent of state, federal and local parcel tax revenues for all services specified in this proposal. In the spreadsheet provided to us, estimated revenues for 2018-19 are **\$14,628,183**, and projected revenues for 2019-20 are **\$16,067,656**. Therefore, the projected annual cost of this contract is **\$255,993 in 2018-19, and \$281,184 in 2019-20**. (Note: we have not included an estimate of CSMC services costs for 2020-21).

These include all services requested in the Request for Proposal.

CSMC

Client References

Oakland School for the Arts 530 18 th Street Oakland, CA 94612 CSMC client since 2018	Jonathan Faustine Chief Operating Officer (510) 873-8800 jfaustine@oakarts.org	Back Office Services Operations Support
Academy of Business, Law and Education Charter School 6515 Inglewood Ave Stockton, CA 95207 CSMC client since 2012	Matthew George Executive Director (209) 478-1600 matthew.w.george@ablecharter.com	Back Office Services Data Assessment Support PowerSchool Support
Ivy Bound Academy Two Charter Middle Schools 15355 Morrison Street Sherman Oaks, CA 91403 CSMC client since 2008	Sue Horowitz Board President (818) 808-0158 shorowitz@shcommercialrealestate.com	Back Office Services Operational Support Power School Support
O'Farrell Community School K-8 Charter Schools 6130 Skyline Drive San Diego, CA 92114 CSMC client since 2011	Jonathan Dean Executive Director (760) 214-7719 jonathan.dean@ofarrellschool.org	Back Office Services PowerSchool Support
International School of Monterey K-8 Charter School 1720 Yosemite St, Seaside CA 93955 CSMC client since 2010	Sean Madden Executive Director (831) 583-2165 smadden@ismonterey.org	Back Office Services Data Assessment Support PowerSchool Support
King Chavez Neighborhood of Schools 415 31 st Street San Diego, CA 92102 CSMC client since 2004	David Wilson Chief Operating Officer (619) 395-6780 Dwilson@kingchavez.org	Back Office Services Operations Support

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