



Contra Costa School of Performing Arts

Regular Board Meeting

Date and Time

Monday July 6, 2020 at 5:30 PM PDT

Location

Dial-in Info: 323-909-9253; PIN: 876 017 125#

The public may address the Board regarding any item within the jurisdiction of the Board of Directors of ChartHouse Public Schools. To ensure an orderly meeting and an equal opportunity for each speaker, persons wishing to address the Board must fill out a speaker's card. Cards should be turned into the Board Vice-chairperson prior to the Call to Order. Speakers will be given three minutes for items on the agenda and two minutes for items not on the agenda. Time may not be yielded to other speakers. In compliance with the Brown Act, the Board may listen to comments from speakers and provide direction to staff, but may not engage in discussion or take action on items that are not already on the agenda.

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Agenda

	Purpose	Presenter	Time
I. Opening Items			5:30 PM
Opening Items			
A. Record Attendance and Guests		Neil McChesney	1 m
B. Call the Meeting to Order		Deborah Padberg	1 m
C. Approve Minutes	Approve Minutes	Neil McChesney	2 m
Approve minutes for Regular Board Meeting on June 1, 2020			
D. Approve Minutes	Approve Minutes	Neil McChesney	2 m
Approve minutes for Special Board Meeting on June 25, 2020			
E. Agenda Review and Adoption	Vote	Deborah Padberg	2 m
The Board will review the agenda and adopt as presented or take action to change the order of items.			

II. Public Comment			5:38 PM
A. Items on the Agenda	FYI	Deborah Padberg	10 m
B. Items Not on the Agenda	FYI	Deborah Padberg	5 m
 III. Standing Committees			 5:53 PM
A. Academic Excellence	FYI	Tamara Gerlach	5 m
The Board will hear a report from this standing committee.			
B. Outreach and Enrollment Committee	FYI	Marie Gil	5 m
The Board will hear a report from this standing committee.			
C. Governance Committee	FYI	Jill Wilk	5 m
The Board will hear a report from this standing committee.			
D. Development Committee	FYI	Deborah Padberg	5 m
The Board will hear a report from this standing committee.			
E. Renewal Committee	FYI	Heather Vega	5 m
The Board will hear a report from this standing committee.			
F. Finance Committee	Discuss	David Wendt	5 m
The Board will hear a report from this standing committee.			
 IV. Information Items			 6:23 PM
A. Board Candidate Interview	FYI	Neil McChesney	30 m
The Board will have the opportunity to interview prospective candidates for Board appointment.			
B. Update on CEO Evaluation Process	Discuss	Deborah Padberg	10 m
The Board will hear an update on the BoardOnTrack CEO Evaluation process.			
C. 20-21 SPA Relaunch Plans	FYI	Neil McChesney	30 m
The Board will hear an update from Administration regarding the SPA reopening plans for the 20-21 school year.			
D. Diversity, Equity, and Inclusion	Discuss	Deborah Padberg	10 m
The Board will discuss goals and objectives aligned to the SPA DEI mission for the 20-21 school year.			
 V. Action Items			 7:43 PM
A. Bond Terms Approval	Vote	Neil McChesney	30 m
The Board will review and consider approving the terms for the facilities bond deal.			
B. Board Appointment	Vote	Deborah Padberg	20 m
The Board will consider taking action to appoint prospective candidates to open Board seats pursuant to the Board Bylaws.			
C. Nondiscrimination Statement Policy	Vote	Neil McChesney	10 m
The Board will consider approving the policy as presented.			
D. Fiscal and Operating Policy	Vote	Neil McChesney	10 m
The Board will consider approving the amendment to the policy as presented.			

<p>E. 20-21 Student Chromebook Acquisition The Board will consider approving the proposal as presented.</p>	Vote	Neil McChesney	5 m
VI. Staff Reports			8:58 PM
<p>A. Executive Director The Executive Director will update the Board on school business.</p>	FYI	Neil McChesney	15 m
<p>B. EdTec The EdTec Client Manager will present the monthly financial reports.</p>	FYI	Neil McChesney	15 m
VII. Closed Session			9:28 PM
<p>A. Public Employment</p> <ul style="list-style-type: none"> • Administration • Teachers • Classified 	Vote	Neil McChesney	30 m
VIII. Reconvene Open Session			9:58 PM
<p>A. Report Out The Board will report out any action taken in closed session.</p>	FYI	Deborah Padberg	5 m
IX. Board Reports			10:03 PM
<p>A. Trustee Trustees make announcements or reports of their activities.</p>	FYI	Deborah Padberg	5 m
X. Closing Items			10:08 PM
<p>A. Adjourn Meeting</p>	Vote	Deborah Padberg	1 m

Cover Sheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Regular Board Meeting on June 1, 2020

DRAFT



Contra Costa School of Performing Arts

Minutes

Regular Board Meeting

Date and Time

Monday June 1, 2020 at 5:30 PM

Location

2730 Mitchell Drive, Walnut Creek, CA

The public may address the Board regarding any item within the jurisdiction of the Board of Directors of Charthouse Public Schools. To ensure an orderly meeting and an equal opportunity for each speaker, persons wishing to address the Board must fill out a speaker's card. Cards should be turned into the Board Vice-chairperson prior to the Call to Order. Speakers will be given three minutes for items on the agenda and two minutes for items not on the agenda. Time may not be yielded to other speakers. In compliance with the Brown Act, the Board may listen to comments from speakers and provide direction to staff, but may not engage in discussion or take action on items that are not already on the agenda.

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Directors Present

D. Padberg (remote), D. Wendt (remote), H. Vega (remote), J. Wilk (remote), T. Gerlach (remote)

Directors Absent

M. Gil

Ex-Officio Members Present

N. McChesney (remote)

Non Voting Members Present

N. McChesney (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

D. Padberg called a meeting of the board of directors of Contra Costa School of Performing Arts to order on Monday Jun 1, 2020 @ 5:33 PM at 2730 Mitchell Drive, Walnut Creek, CA.

C. Approve Minutes

H. Vega made a motion to approve the minutes from Regular Board Meeting on 05-04-20.

D. Wendt seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call

J. Wilk Aye
T. Gerlach Aye
D. Wendt Aye
H. Vega Aye
D. Padberg Aye
M. Gil Absent

D. Agenda Review and Adoption

D. Wendt made a motion to to adopt the agenda as presented.

T. Gerlach seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call

M. Gil Absent
H. Vega Aye
J. Wilk Aye
D. Wendt Aye
T. Gerlach Aye
D. Padberg Aye

II. Public Comment

A. Items on the Agenda

No comments.

B. Items Not on the Agenda

No comments.

III. Standing Committees

A. Academic Excellence

The Committee Chair shared updates on the progress of the committee including plans for an oversight calendar in alignment with the Charter and the WASC action plan.

B. Outreach and Enrollment Committee

No report.

C. Governance Committee

The Committee discussed the annual Governance calendar as well as Board recruiting strategies and efforts to support the build out of a diverse and inclusive Board and Board Committees.

D. Development Committee

No report.

E. Renewal Committee

The Renewal Committee Chair shared the progress on working towards the charter renewal.

F. Finance Committee

The Finance Committee Chair shared the work the Committee did at their last meeting including a budget study that analyzed the Governor's May Revise and other related fiscal information in order to finalize budget projections in advance of the June Board meeting.

IV. Information Items

A. Staff Recognition and Community Celebration

The Executive Director provided an update on efforts related to the recognition and celebration plans.

B. Distance Learning Presentation

The Board heard a presentation from the Director of Curriculum and Integration on the SPA Distance Learning program. This represents the third and final regular report on the school's work during the campus closure.

C. 20-21 School Relaunch Plans

The Board heard a presentation from the new Principal on the 20-21 SPA relaunch plans including guidance that will direct decision-making and the methodology for ensuring the process includes all stakeholders.

D. CEO Evaluation Process Overview

The Board Chair discussed the annual evaluation process for the Executive Director.

V. Action Items

A. Operations Written Report

J. Wilk made a motion to approve the Operations Written Report as presented.

T. Gerlach seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call

M. Gil Absent

J. Wilk Aye

D. Wendt Aye

D. Padberg Aye

H. Vega Aye

T. Gerlach Aye

B. Annual Budget

D. Wendt made a motion to approve the 20-21 Budget as presented.

T. Gerlach seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call

D. Padberg Aye
M. Gil Absent
D. Wendt Aye
J. Wilk Aye
H. Vega Aye
T. Gerlach Aye

C. Establish CEO Evaluation Committee

J. Wilk made a motion to establish the ad-hoc CEO Evaluation Committee with Deborah Padberg serving as Chair and Jill Wilk as the second member.

D. Wendt seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call

H. Vega Aye
D. Wendt Aye
J. Wilk Aye
T. Gerlach Aye
M. Gil Absent
D. Padberg Aye

D. Declaration of Need for Fully Qualified Educators

H. Vega made a motion to approve the Declaration of Need for Fully Qualified Educators as presented.

D. Wendt seconded the motion.

The board **VOTED** unanimously to approve the motion.

Roll Call

M. Gil Absent
T. Gerlach Aye
H. Vega Aye
D. Padberg Aye
J. Wilk Aye
D. Wendt Aye

VI. Staff Reports

A. Executive Director

The Executive Director shared a report on the previous month's business and upcoming activities and plans.

B. CSMC

No additional reports (covered in Budget approval).

VII. Board Reports

A. Trustee

Trustee Padberg shared that she participated in a peaceful protest earlier in the day related to the national climate around social injustice and inequality.

VIII. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:07 PM.

Respectfully Submitted,
D. Padberg

Cover Sheet

Approve Minutes

Section: I. Opening Items
Item: D. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Special Board Meeting on June 25, 2020

DRAFT



Contra Costa School of Performing Arts

Minutes

Special Board Meeting

Date and Time

Thursday June 25, 2020 at 4:00 PM

Location

Dial-in Info: 414-909-6308; PIN: 111 064 112#

The public may address the Board regarding any item within the jurisdiction of the Board of Directors of ChartHouse Public Schools. To ensure an orderly meeting and an equal opportunity for each speaker, persons wishing to address the Board will be facilitated one at a time by the Board Chairperson at the designated time on the agenda. Speakers will be given three minutes for items on the agenda. Public comment for non-agenda items is not allowed during a Special meeting. Time may not be yielded to other speakers. In compliance with the Brown Act, the Board may listen to comments from speakers and provide direction to staff, but may not engage in discussion or take action on items that are not already on the agenda.

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Directors Present

D. Padberg (remote), D. Wendt (remote), H. Vega (remote), J. Wilk (remote), M. Gil (remote), T. Gerlach (remote)

Directors Absent

None

Ex-Officio Members Present

N. McChesney (remote)

Non Voting Members Present

N. McChesney (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

D. Padberg called a meeting of the board of directors of Contra Costa School of Performing Arts to order on Thursday Jun 25, 2020 @ 4:02 PM at
Dial-in Info: 414-909-6308; PIN: 111 064 112#

II. Public Comment

A. Items on the Agenda

No comment.

III. INFORMATION ITEMS

A. Board Retreat

The Board discussed availability for a summer retreat.

IV. Action Items

A. Lease Agreement and Side Letter

D. Wendt made a motion to approve the lease agreement as presented.

J. Wilk seconded the motion.

The Board discussed the terms of the lease agreement. The board **VOTED** unanimously to approve the motion.

Roll Call

H. Vega Aye

D. Padberg Aye

J. Wilk Aye

M. Gil Aye

T. Gerlach Aye

D. Wendt Aye

H. Vega made a motion to approve the Side Letter as presented.

T. Gerlach seconded the motion.

The Board discussed the terms of the Side Letter. The board **VOTED** unanimously to approve the motion.

Roll Call

J. Wilk Aye

T. Gerlach Aye

D. Wendt Aye

D. Padberg Aye

M. Gil Aye

H. Vega Aye

V. OPEN SESSION

A. Report Out

No action was taken in closed session.

VI. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 4:56 PM.

Respectfully Submitted,
D. Padberg

Cover Sheet

Board Candidate Interview

Section: IV. Information Items
Item: A. Board Candidate Interview
Purpose: FYI
Submitted by:
Related Material: DS LOI.pdf
DS Resume.pdf

June 10, 2020

To Whom It May Concern.

I am interested in applying for the open board seat with Contra Costa Performing Arts (COCOSPA). I am a native of Berkeley, California. I just obtained my Doctorate Degree in Educational Leadership from Mills College. I serve in a leadership capacity within my home, in my community, and in my workplaces. I am an advocate for quality educational programs for children. I am a founding member of the Village Group at Jefferson Elementary. This is a parent-led group that supports and encourages equitable opportunities for all children and creates welcoming spaces for families. Social justice is a passion of mine. I constantly want to confront the status quo and create dialogues and spaces to think about ways to support children and families of color.

I excel academically and remain focused on my goals even in the midst of substantial challenges. I was “pushed-out” of the traditional school model. First hand, I experienced a broken school system. This has fueled my passion to create quality and equitable spaces for children, beginning in the early years. As an instructional coach, I work with teachers and administrators to improve their programmatic practices. In addition to my employment, I also volunteer as the co-chair of the Parent-Advisory Committee with Berkeley Unified School District (BUSD). As a member of the PAC, I advise the school board about LCAP funding and expenditures. In addition to making recommendations about possible programing, I also make committee comments at school board meetings in favor of the students being served by LCAP funding.

As a woman of color, I am more attuned to the social injustice plaguing our society today. Over the past decade, I have strategically mentored and coached teachers, administrators, and families, helping them advocate on the behalf of children, and supporting them to navigate the complexities of the K-12th academic system. I entered into the field of Education because this system is designed to fail children of color, and I wanted to make a difference, one family at a time. African-American men are more likely to go to prison than to college. I want to be apart of a movement to change this, and I think COCOSPA has a great platform to do just that!

I hope you consider me for the open board position. I am passionate about supporting people of color, empowering families, and fostering a sense of hope within my community. The children are our future! It takes a village to raise a child, and I want to have an intricate part in creating that village!

Sincerely,

Deminika Spears

Deminika L. Spears
1536 Empire Street
Fairfield, Ca. 94533

June 10, 2020

COCOSPA Board Members:

I am applying for the open position. I have the education and professional experience required for a person to be successful in this role, including:

- 14 years working in the Early Care & Education field.
- Work in ECE programs with state, federal, and local funding.
- CARES Plus and Mentor Teacher experience.
- Work history as a director, instructional coach, quality assurance manager, site supervisor, health coordinator, mentor coach, research assistant, and head start/early head start teacher.
- Direct work with “at-risk” families and professionals in ECE in Alameda and San Francisco County.

I have earned:

- Site Supervisor and Program Director permits (CTC)
- Bachelor’s degree in Biology, with a minor in Child Development
- Master’s degree in Healthcare Administration
- Master’s degree in Educational Leadership
- Doctorate degree in Educational Leadership
- Extensive knowledge of Title 5, Title 22 and Title 1

I take pride in being culturally responsive, and building sustainable, positive relationships with families, professional peers, and community members. Thank you very much for your consideration of my application!

Sincerely,

Deminika Spears

DEMINIKA SPEARS

871 Jones Street | Berkeley, Ca. 94710 | 510-409-2206 | deminika.spears@yahoo.com

OBJECTIVE

To work in education, supporting children and families.

EXPERIENCE

WestEd, Preschool Development Grant, B-5 Course Instructor

October 2019-Current

Remote Location, University of Florida.

- Provide classroom instruction to center-based and family childcare staff.
- Provide feedback to support the participant's growth and development.
- Maintain records, grade papers, and ensure participants complete the course.

WestEd, Program for Infant/Toddler Care (PITC) Specialist

August 2018-Current

Sausalito, Ca.

- Provide classroom instruction to center-based and family childcare staff.
- Provide on-site coaching support to help staff enhance their practice with infant/toddlers.
- Maintain records, grade papers, and ensure participants complete the course.

Felton Institute, Instructional Coach/ Quality Assurance Manager

April 2018-Current

San Francisco, Ca.

- Providing curriculum support to teachers. Help teachers utilize assessment data to inform curriculum and individualize activities to meet the needs of the child.
- Conduct CLASS and ERS assessments. Prepare action plans to support classrooms with upcoming assessments.
- Maintained electronic records in WELS for quality improvement efforts.
- Lead the efforts for the completion of the CDE Report.
- Monitor ECE programming for quality.

San Francisco First 5, Quality Improvement Coach (Nature Collaborative)

February 2018-July 2018

San Francisco, Ca.

- Supported centers and FCC providers in enhancing classroom environments. Bringing in various aspects of nature for exploration and exploration. Assisted with room arrangement and incorporating developmental-appropriate materials.
- Supported teachers with curriculum planning and individualization.
- Maintained electronic records in WELS for quality improvement efforts.

The Epiphany Center, Director of Children Services (Partner-Site of Wu Yee)

April 2017-January 2018

San Francisco, Ca.

- Oversees all Epiphany Children Services programs, including the Parent-Child Center, the Pediatric, and Mental Health clinic programs, and the Family Enrichment Project.
- Ensures that all agency policies, licensing and certification requirements are met by Epiphany Children's Services Programs.

- Plans, develops, directs, and evaluates Epiphany Children Services Programs. Facilitates parenting groups, prenatal educational support sessions, and help clients to navigate reunification visits with their children.

Mills College, Research Assistant: Education Department

August 2016-May 2017

Oakland, Ca.

- Research various scholarly databases and provide feedback on potential article related to advocacy for equitable educational experiences for children.
- Examine legislation that governs the various fiscal allocations for charter schools in OUSD. Strategies for more equitable approaches for funding across the district.

Wu Yee Children's Services, Mentor Coach

January 2016-April 2017

San Francisco, Ca.

- Conduct ITERS/ECERS assessments for classrooms. Create action plans to correct findings. Meet individually with teachers to set professional development goals.
- Provide teachers with resources to support positive interactions in the classroom.
- Complete monitoring reports for the 21. Model positive interactions in the classroom.

Alameda County First Five, DRDP Coach

January 2016-September 2018

Oakland, Ca.

- Train participants on DRDP 2015 developmental continuum assessment tool.
- Illustrated DRDP 2015's connection with play-based curriculum to measure the growth and development of children.
- Guided teachers in developing observational systems to properly gather DRDP documentation.

Alameda County First Five, CARES Plus Advisor

September 2015- July 2016

Oakland, Ca.

- Prepared Professional Development Growth Plans for all advisees.
- Completed Pre-K, Infant, and Toddler CLASS training through Teachstone.com
- Met individually with participants for 1:1 advising toward professional goals and improved teaching strategies.
- Provided resources to help teachers build a more successful educational program.

YMCA of the Central Bay Area, Site Supervisor/Health Coordinator/Lead Teacher

June 2013-January 2016

Berkeley, Ca.

- Ensure all health regulations for Title 5/Title 22 were followed including First Aid, Emergency supplies, sign in/out sheets, lesson plans, and more.
- Ensured compliance with all health regulations and documentation requirements, especially related to asthma and medication on site.
- Created a "Health Alert" notification for all children in the center to identify children with food allergies, asthma, or any other classifying health information that required additional individualized care.
- Maintain classroom systems including meal information and daily record keeping.
- Coordinated with community partners to provide children and families access to mobile

vaccination units and medical care, as well as family education in the areas of health and parenting.

YMCA of the Central Bay Area, Preschool Teacher

December 2010-June 2013

Berkeley, Ca.

- Provided enrichment opportunities for students. Encouraged a health learning environment.
- Prepared weekly lesson plans.
- Conducted ASQ-3 and ASQ-SE screenings. Completed the DRDP assessment on students enrolled in the program. Completed a DRDP analysis for planning purposes. Implemented Creative Curriculum in the classroom.

EDUCATION

Doctorate (EdD), Educational Leadership May 15, 2020
 Mills College *Oakland, Ca.*
 Major: Educational Leadership

Masters of Science (MS), Healthcare Administration April 24, 2015
 Grand Canyon University *Phoenix, AZ.*
 Major: Healthcare Administration

Bachelors of Science (BS), Biology May 15, 2010
 Mills College *Oakland, Ca.*
 Major: Biology

Minor: Child Development

Associate of Science (AS), Biology May 28, 2008
 Associate of Arts (AA), Math and Science
 Associate of Arts (AA), Humanities
 Los Medanos College *Pittsburg, Ca.*
 Major: Biology

CERTIFICATIONS

Center Director Permit, State of California Commission on Teaching Credentialing

September 2015- October 2020, renewed to February 2025
 Document Number: 130033656

First Aid/CPR, Emergency Response for Childcare Providers

April 2016-August 2018
 Document Number: C496792, F620386, 107182

SKILLS AND ABILITIES

Certified Inclusion Trainer	Data Entry/ Office Skills	Emergent Spanish
CSEFEL Coach	CSEFEL Trainer (IT, PK, FCC)	CLASS Observer (Pre-K, T)
PC & MAC Literate	Cultural Sensitivity Training, 2010	ChildPlus
QuickBooks	DRDP Tech-2015	First 5 COCOA
Microsoft Office	ASQ-3/ASQ-SE Screening Tools	Grant Proposals
Equity Institute 2018	PITC Trainer	WELS Database

REFERENCES

References are available upon request.

Cover Sheet

Bond Terms Approval

Section: V. Action Items
Item: A. Bond Terms Approval
Purpose: Vote
Submitted by:
Related Material: Contra Costa School of Performing Arts Term Sheet.pdf
SPA Net Debt Service Schedule_7.1.20.pdf

PRIVATE & CONFIDENTIAL



June 10, 2020

TERM SHEET

Contra Costa School of Performing Arts

This summary of basic terms between Contra Costa School of Performing Arts (the “School”, or “Lessee”), Charthouse Public Schools, a California non-profit public benefit corporation (the “Borrower”, together “Borrower/School”) and RM Charter Holdings LLC (“RM Charter” or “Purchaser” and together with the School, the “Parties”) memorializes the Parties’ understanding of the material terms relating to the proposed purchase of the above-captioned bonds (the “Bonds”) by RM Charter to be issued by [Issuer] or similarly situated California Issuer (“Issuer”) at the request of the Borrower in order to acquire land and the school facility and pay other costs listed below.

Purpose and Summary	RM Charter will provide financing for the purchase of a school building at 2730 Mitchell Drive, Walnut Creek, California on behalf of the Borrower. The Borrower will use the proceeds from the financing to purchase the land and improvements thereon at 2730 Mitchell Drive, Walnut Creek, California from [Seller] in its entirety, referred to as “School Purchase”.
Property	2730 Mitchell Drive, Walnut Creek, California (“Property”)
Property Seller	RM Charter
[Borrower/School/Lessee]	Charthouse Public Schools (“Charthouse”), a California 501(c)(3) corporation, will be the Borrower. If Bond Counsel determines Charthouse is unable to act as Borrower under the documents then a suitable California not-for-profit corporation will be formed and act as Borrower under the documents. The Lessee at the Property is Contra Costa School of Performing Arts.
Bond Purchaser	RM Charter
Issuer	TBD based on state or similarly situated California Issuer
Type of Financing	RM Charter indicates its willingness to purchase up to \$16.234 million of par Bonds (the “Bonds”) to be issued by August 1, 2020 on behalf of the Borrower at a Purchase Price indicated below. The bonds will be issued as direct placement Securities under Section 3(a)(4) of the

For discussion purpose only and does not constitute a commitment to enter into any transaction or purchase of securities or any other extension of credit. Any transaction will be subject to final approval and completion of acceptable documentation.

	Securities Act, in book entry form and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York (“DTC”) through a Limited Offering Memorandum. Bonds shall be issued in minimum denominations of [\$5,000].
Par Amount	Series A Tax-Exempt (“Series A”): approximately \$16.234 million Series B Taxable (“Series B”) (IF NECESSARY): approximately [\$xxx million]
Purchase Price	Series A (and Series B [IF NECESSARY]) will be purchased at a price of \$94.00.
Coupon	Series A shall bear a fixed interest rate of 5.500% per annum. Series B shall bear a fixed interest rate of 7.500% per annum.
Date of Issuance	Purchaser, Borrower and all involved parties will conduct their best efforts to close the transaction on or before June 1, 2020 (“Desired Closing Date”) subject to conditions outlined in this Term Sheet and other customary due diligence and required transaction documents.
Property Purchase Price	The Borrower shall purchase the Property for \$13,650,000.
Capitalized Interest	Capitalized Interest shall include: (1) \$550,000 for Year 1; (2) \$350,000 for Year 2; and (3) \$200,000 for Year 3. Please see Appendix D for schedule.
Use of Proceeds	Bond proceeds shall be used to: 1. Fund acquisition of land and improvements at 2730 Mitchell Drive, Walnut Creek, California for \$13,650,000; 2. Fund capitalized interest of \$1,100,000; 3. Fund costs of issuance.
Bondholder Representative	RM Charter, or such other person selected by the majority holders in the bonds then outstanding (unless otherwise assigned, will not survive RM Charter, should they sell the Bonds).
Maturity	June 15, 2058 (approximately 38 years)
Amortization	The bonds will begin amortizing starting upon first principal payment. Principal amortization shall be structured to allow for level debt service until the final maturity. See “Appendix D” for amortization schedule.

Interest and Principal Payments	Interest payments will occur semi-annually, and principal payments will occur annually. Deposits into the bond fund shall be made on a monthly basis.
Optional Redemption	The Series A Bonds will be eligible for optional redemption at par beginning on June 15, 2030 (“Optional Redemption Date”) or thereafter.
Tax Exemption	As a pre-closing condition, the Borrower shall provide their Letter of Determination from the IRS and Bond Counsel will deliver a customary opinion as to the tax-exemption of the Bonds.
Security	The Bonds shall be general obligations of the Borrower, secured by a first mortgage lien on the Properties, and all legally available gross revenues of the Schools including accounts receivable, income, gifts and donations (unless restricted), and intangibles of the Schools, , Capital Reserve Fund, and [Guarantee Agreement].
State Intercept	California School Finance Authority
Deposit Account and Control Agreement	The Borrower shall include a deposit account control agreement (“DACA”) in place to ensure that all revenues of the Borrower [and Guarantor if applicable] are deposited therein prior to disbursement as directed by the Borrower so long as no default under the Bonds has occurred and is continuing. Upon the occurrence and continuation of any default, the DACA will provide that the Trustee shall, at the direction of the Bondholder Representative, transfer from the DACA, on a first priority basis, all funds necessary to fully fund debt service.
Management Fees	The Management Fee (“Management Fee”) is an amount not to exceed [xxx%] of the school’s revenue on an annualized basis. The Management Fee shall be fully subordinated to Senior Debt Service and will be paid out monthly provided that payment of the same would not violate the coverage or DCOH covenant subject to [quarterly] measurement.
Debt Service Reserve Fund	The Borrower shall not be required to fund a Debt Service Reserve Fund (“DSRF” or “DSRF Requirement”) at closing.
Capital Need Assessment	The Borrower shall select an Independent Consultant to complete a Capital Needs Assessment of the Property projecting the Borrower’s capital needs for the Property and the total cost thereof for the five year period commencing on the immediately following July 1 (each a “Capital Needs Assessment”) no later than July 1, 2025, and every fifth anniversary thereafter so long as the Bonds are outstanding.

<p>Capital Reserve Fund</p>	<p>At no time following the completion of the fifth year after issuance of the bond shall the Capital Reserve Fund balance fall below \$150,000 as reported in the annual audit. In the event the Capital Reserve Fund falls below \$150,000, the Borrower shall restore the minimum balance before the end of the third fiscal year following the draw on the Reserve. The balance in the Capital Reserve Fund shall not count towards the DCOH requirement, and deposits into the same shall not be considered Operating Expenses.</p>
<p>Financial/Operating Covenants</p>	<p><u>Coverage Covenant</u> Commencing in the fiscal year ending June 30, 2021 the Borrower shall have a Debt Service Coverage (“DSC”) ratio of 1.00x Annual Debt Service (“ADS”) based on audited financial statements. Borrower shall have a DSC which meets or exceeds the following ADS for the remaining fiscal years:</p> <p>June 30, 2022: 1.10x June 30, 2023 forward: 1.20x</p> <p>Failure to match or exceed the yearly DSC ratio shall trigger the selection of a financial consultant. Coverage shall be measured quarterly on a rolling 12-month basis. Failure by the Borrower to have a DSC ratio at or above 1.00x for any testing period shall be an event of default.</p> <p><u>Liquidity Covenant</u> Commencing in the 2021 fiscal year, the Borrower shall have Days Cash on Hand (“DCOH”) as set forth below. Testing shall occur semi-annually on June 30 and December 31, commencing on June 30, 2021. Failure to realize the minimum DCOH level shall trigger the selection of a financial consultant.</p> <p>2021: 15 days 2022: 25 days 2023: 35 days 2024: 45 days</p> <p>Notwithstanding the foregoing, amounts deposited into the Capital Reserve Fund shall not be considered funds expended by the School for purposes of calculating DSC or DCOH.</p> <p><u>Enrollment Covenant</u> Each School shall realize a minimum enrollment level equal to the lesser of 400, or 85% of the pro forma figures provided to RM Charter [see Appendix B]. Failure to realize the minimum enrollment level shall trigger the selection of an academic consultant.</p> <p><u>Academic Covenant</u> RESERVED</p>

	<p>Failure of the School to adopt the Permitted Recommendation within 60 days after receipt thereof and the failure of the School to carry out all Permitted Recommendations within a reasonable period of time thereafter as determined by such management consultant, shall constitute an Event of Default.</p> <p>“Permitted Recommendations” are all recommendations of the financial or academic consultant other than any recommendations which violate Charter, State or local law or charter agreement as evidenced by an opinion of counsel or are otherwise not approved by the charter school authorizer.</p>
<p>Additional Indebtedness</p>	<p>The Borrower may issue Additional Bonds from time to time pursuant to the terms and conditions of the Indenture with the prior written consent of the Bondholder Representative; provided, however, if there is no Bondholder Representative, upon the satisfaction of the following conditions:</p> <ul style="list-style-type: none"> (i) with the prior written consent of the Registered Owners of at least a majority of the aggregate principal amount of the Bonds at the time Outstanding, which consent shall not be unreasonably withheld, or (ii) for the last completed Fiscal Year, Outstanding Indebtedness divided by Borrower Pledged Revenues for such last completed Fiscal Year is equal to or less than [2.00 to 1.00], and, if applicable, on a prospective basis, in the first year following Stabilization after construction or acquisition of the Project to be acquired by the proceeds of such Additional Bonds, forecasted Outstanding Indebtedness divided by Borrower Pledged Revenues for such last completed Fiscal Year is equal to or less than [2.00 to 1.00], as evidenced by a written certificate of an Authorized Representative of the Borrower; or (iii) for the two (2) most recently completed Fiscal Years preceding the issuance of the Additional Bonds, net project income available for debt service divided by pro forma ADS equals at least [1.20 to 1.00], and, if applicable, on a prospective basis, in the three consecutive Fiscal Years following the earlier of a) the date the facilities are placed into service, or b) the first fiscal year in which there is no capitalized interest available for debt service on any Additional Bonds. <p>The Borrower may incur indebtedness in an amount up to 2.5% of the prior year's revenues pursuant to installment sales, conditional sales and capital leases in connection with the financing of new or replacement equipment used to service the Borrower; provide however, any such indebtedness or capital leases are secured only by the equipment acquired by the Borrower with the proceeds of such indebtedness. The Borrower may incur unsecured or subordinate debt for working capital purposes of the</p>

	<p>Borrower and/or School up to 3% of the prior year's revenues in the aggregate outstanding at any one time. Borrower and/or School shall notify Bondholder Representative of borrowings in excess of \$100,000.</p> <p>For the avoidance of doubt, the Borrower and/or School may not incur any additional debt on parity with the Bonds regardless of amount without the prior written consent of Bondholder Representative. Furthermore, neither the School nor the Borrower may incur any contingent liabilities without the written consent of the Bondholder Representative.</p>
Continuing Disclosure	<p>The School, Borrower and/or Guarantor will covenant to provide disclosure documents identified in Appendix A. Furthermore, the School, Borrower and/or School shall conduct [semi-annual] continuing disclosure calls with the Bondholder Representative, or their agent.</p>
Disclosure Agent	<p>Choice Advisors</p>
Trustee	<p>UMB Bank, N.A.</p>
Other Covenants	<p>The Borrower shall not engage in any business activity not related to the normal course of business of owning and operating charter schools and related facilities. The Borrower shall maintain its existence and shall not merge, sell, transfer, obligate or restrict any of its assets without written consent of the Bondholder Representative. Other covenants will include:</p> <ul style="list-style-type: none"> • Limitation on liens • Limitation on transfer of assets • Maintenance of casualty, liability insurance, rental interruption, and other standard insurance for charter schools • Compliance with law and all material contracts • Other covenants normal and customary for transactions of this nature.
Conditions Precedent	<p>Prior to or simultaneously with the issuance of the Bonds, the Borrower shall obtain or provide to the Purchaser's satisfaction the following: acceptance of documentation including the Mortgage Security Agreement; Notwithstanding the terms of the Preliminary Direct Placement Memorandum, proof of permits and entitlement, an environmental assessment report, title insurance, all documents will be reviewed and may be amended pursuant to Purchaser Counsel's review of the same.</p>
Due Diligence	<p>The Borrower will cooperate with RM Charter in its due diligence review and shall provide all the necessary documents required by RM Charter in conjunction with said review.</p>

<p>Events of Default</p>	<p>Generally, Events of Default shall include, but not be limited to: (i) any default of the Borrowers under any revenue pledge, mortgage or note; (ii) the failure to make any required debt payment; (iii) failure to follow Permitted Recommendations, (iv) a material breach of representations and warranties or covenants contained in any of the loan or security documents; and (v) other defaults of the Trust Indenture, Loan Agreement or Mortgage.</p>
<p>Rating Solicitation Covenant</p>	<p>RM Charter shall have the right to seek a credit rating for the Bonds and the Borrower agrees to cooperate in good faith in the process of obtaining such rating provided S&P, Moody's or Fitch give an Indicative Rating of 'BB-' or 'Ba3' or better. In exchange for said cooperation, the Purchaser agrees to pay for the initial rating. Following the provision of said rating, the Borrower agrees to maintain the rating, including cooperation and response to the rating agency so long as the Bonds are outstanding.</p>
<p>Purchasers Counsel</p>	<p>[TBD]</p>
<p>Borrowers Counsel</p>	<p>[TBD]</p>
<p>Bond Counsel</p>	<p>[TBD]</p>
<p>Placement Agent/Underwriter</p>	<p>[TBD, subject to RM Charter approval]</p>
<p>Confidentiality</p>	<p>The provisions of this Term Sheet shall be kept confidential and shall not, without RM Charter's prior consent, be disclosed by the Borrower to any person or entity other than: the Borrower's directors, senior administrators, and professional advisors who have a need to know. All such persons or entities provided this Term Sheet shall be informed of this confidentiality requirement. Notwithstanding the foregoing, the terms of this paragraph shall be not deep ed to prevent the Borrower from complying with its obligations under State Law.</p>
<p>Exclusivity</p>	<p>Upon execution of this Term Sheet, the Borrower and RM Charter shall negotiate and work in good faith with one another to consummate the transaction described herein, based on documents provided by RM Charter. The Borrower shall cease discussions with any other potential lenders, or parties not identified herein, regarding the transaction contemplated by this Term Sheet until [90 day date from execution], unless and until RM Charter notifies the Borrower in writing that is determined not to pursue the transaction.</p>

This summary of terms is not a commitment to lend or an offer to purchase the Bonds. The terms and conditions set forth herein are subject to modification or restructuring based upon Bondholder's due diligence and legal reviews. These are basic terms for discussion of the business deal – there will be other terms, covenants, etc.

IN WITNESS WHEREOF, and acknowledging acceptance and agreement of the foregoing, the Parties affix their signatures hereto on this [__ day of ___, 20xxx].

ROSEMAWR MANAGEMENT LLC

By: _____

CONTRA COSTA SCHOOL OF PERFORMING ARTS

By: _____

Appendix A
 Contra Costa School of Performing Arts
 School Year Reporting Requirement Schedule

Submission Frequency	Submission	Due Date
Annual	Academic-State Academic Performance Report	
Annual	Enrollment - First day of school	
Annual	Enrollment - State Funded Enrollment Count	
Annual	Enrollment - Projected Enrollment	
Annual	Enrollment - Waitlist by Grade	
Annual	Enrollment - Free & Reduced Lunch Census	
Annual	Facility Inspection - Fire Alarm	
Annual	Facility Inspection - Fire Marshal	
Annual	Facility Inspection - Fire Suppression	
Annual	Facility Inspection - Health Department	
Annual	Financials - Approved Budget	
Annual	Financials - Audit Report	
Annual	Insurance - COI Liability	
Annual	Insurance - Evidence of Property Insurance	
Annual	Insurance - COI Workers Comp	
Annual	Debt Service Coverage Ratio & Compliance Certification	
Annual	Contacts - School and Board Members	
Semi-Annual	Days Cash on Hand & Compliance Certification	
Semi-Annual	Continuing Disclosure Calls	
Quarterly	Financials - Balance Sheet	
Quarterly	Financials - Budget vs Actual	
Quarterly	Financials - Income Statement	
Monthly	Board Meeting Minutes & Packet	
Monthly	Enrollment by Grade	

Appendix B

Pro Forma Enrollment

Appendix C

Recitals of Lease

Next Purchase Option Date: June 30, 2030
Next Purchase Option Price: Verifying
Total Project Cost: Verifying
Current Year Rent: TBD
Annual Rent Escalator: TBD

APPENDIX D: BOND TERMS / AMORTIZATION SCHEDULE

Total Project Cost	
Project Sale Price	13,650,000
Capitalized Interest	1,100,000
Total	14,750,000

Updated Deal Terms - 6.10.20	
Coupon	5.500%
Purchase Price	94
Desired Purchase Date	8/1/20
Yield to Maturity	5.91%
Project Sales Price	13,650,000
Capitalized Interest	1,100,000
Costs of Issuance	491,667
CSFA Initial Fee	18,333
Bond Proceeds	15,260,000
Par Amount	16,234,042
Annual Payment	1,065,433
Balance at End of Year 38	0

Lease v. Bond Savings				
Year #	Calendar Year	Original Lease Payment	Bond Payment	Savings
1	2020	975,00	353,033	621,967
2	2021	1,210,00	553,033	656,967
3	2022	1,246,30	703,033	543,267
4	2023	1,283,68	892,872	390,817
5	2024	1,322,20	1,065,433	256,767
6	2025	1,361,86	1,065,433	296,433
7	2026	1,402,72	1,065,433	337,288
8	2027	1,444,80	1,065,433	379,370
9	2028	1,488,14	1,065,433	422,711
10	2029	1,532,79	1,065,433	467,358
11	2030	1,578,77	1,065,433	513,342
12	2031	1,626,13	1,065,433	560,700
13	2032	1,674,92	1,065,433	609,490
14	2033	1,725,17	1,065,433	659,737
15	2034	1,776,92	1,065,433	711,492
16	2035	1,830,23	1,065,433	764,800
17	2036	1,885,14	1,065,433	819,707
18	2037	1,941,69	1,065,433	876,261
19	2038	1,999,94	1,065,433	934,511
20	2039	2,059,94	1,065,433	994,511
21	2040	2,121,74	1,065,433	1,056,309
22	2041	2,185,39	1,065,433	1,119,961
23	2042	2,250,95	1,065,433	1,185,523
24	2043	2,318,48	1,065,433	1,253,052
25	2044	2,388,04	1,065,433	1,322,606
26	2045	2,459,68	1,065,433	1,394,248
27	2046	2,533,47	1,065,433	1,468,038
28	2047	2,609,47	1,065,433	1,544,042
29	2048	2,687,76	1,065,433	1,622,326
30	2049	2,768,39	1,065,433	1,702,959
31	2050	2,851,44	1,065,433	1,786,011
32	2051	2,936,98	1,065,433	1,871,554
33	2052	3,025,09	1,065,433	1,959,664
34	2053	3,115,85	1,065,433	2,050,417
35	2054	3,209,32	1,065,433	2,143,892

Bond Amortization				
Beginning Bond Balance	Interest	Principal	Total Payment by Borrower	Ending Bond Balance
16,234,042	892,872	-	353,033	16,234,042
16,234,042	892,872	-	553,033	16,234,042
16,234,042	892,872	-	703,033	16,234,042
16,234,042	892,872	-	892,872	16,234,042
16,234,042	892,872	172,561	1,065,433	16,061,481
16,061,481	883,381	182,052	1,065,433	15,879,429
15,879,429	873,369	192,065	1,065,433	15,687,364
15,687,364	862,805	202,628	1,065,433	15,484,736
15,484,736	851,660	213,773	1,065,433	15,270,963
15,270,963	839,903	225,530	1,065,433	15,045,433
15,045,433	827,499	237,934	1,065,433	14,807,499
14,807,499	814,412	251,021	1,065,433	14,556,478
14,556,478	800,606	264,827	1,065,433	14,291,651
14,291,651	786,041	279,393	1,065,433	14,012,258
14,012,258	770,674	294,759	1,065,433	13,717,499
13,717,499	754,462	310,971	1,065,433	13,406,528
13,406,528	737,359	328,074	1,065,433	13,078,454
13,078,454	719,315	346,118	1,065,433	12,732,336
12,732,336	700,278	365,155	1,065,433	12,367,181
12,367,181	680,195	385,238	1,065,433	11,981,942
11,981,942	659,007	406,426	1,065,433	11,575,516
11,575,516	636,653	428,780	1,065,433	11,146,736
11,146,736	613,070	452,363	1,065,433	10,694,373
10,694,373	588,191	477,243	1,065,433	10,217,130
10,217,130	561,942	503,491	1,065,433	9,713,639
9,713,639	534,250	531,183	1,065,433	9,182,456
9,182,456	505,035	560,398	1,065,433	8,622,058
8,622,058	474,213	591,220	1,065,433	8,030,838
8,030,838	441,696	623,737	1,065,433	7,407,100
7,407,100	407,391	658,043	1,065,433	6,749,058
6,749,058	371,198	694,235	1,065,433	6,054,822
6,054,822	333,015	732,418	1,065,433	5,322,404
5,322,404	292,732	772,701	1,065,433	4,549,703
4,549,703	250,234	815,200	1,065,433	3,734,504
3,734,504	205,398	860,036	1,065,433	2,874,468

NET DEBT SERVICE

**Contra Costa School of Performing Arts
Series 2020**

Period Ending	Principal	Interest	Total Debt Service	Capitalized Interest Fund	Net Debt Service
06/15/2021		895,600	895,600	550,000	345,600
06/15/2022		895,600	895,600	350,000	545,600
06/15/2023		895,600	895,600	200,000	695,600
06/15/2024		895,600	895,600		895,600
06/15/2025	170,000	895,600	1,065,600		1,065,600
06/15/2026	180,000	882,850	1,062,850		1,062,850
06/15/2027	190,000	872,850	1,062,850		1,062,850
06/15/2028	205,000	862,400	1,067,400		1,067,400
06/15/2029	215,000	851,125	1,066,125		1,066,125
06/15/2030	225,000	839,300	1,064,300		1,064,300
06/15/2031	240,000	826,925	1,066,925		1,066,925
06/15/2032	250,000	813,725	1,063,725		1,063,725
06/15/2033	265,000	799,975	1,064,975		1,064,975
06/15/2034	280,000	785,400	1,065,400		1,065,400
06/15/2035	295,000	770,000	1,065,000		1,065,000
06/15/2036	310,000	753,775	1,063,775		1,063,775
06/15/2037	330,000	736,725	1,066,725		1,066,725
06/15/2038	345,000	718,575	1,063,575		1,063,575
06/15/2039	365,000	699,600	1,064,600		1,064,600
06/15/2040	385,000	679,525	1,064,525		1,064,525
06/15/2041	405,000	658,350	1,063,350		1,063,350
06/15/2042	430,000	636,075	1,066,075		1,066,075
06/15/2043	450,000	612,425	1,062,425		1,062,425
06/15/2044	475,000	587,675	1,062,675		1,062,675
06/15/2045	505,000	561,550	1,066,550		1,066,550
06/15/2046	530,000	533,775	1,063,775		1,063,775
06/15/2047	560,000	504,625	1,064,625		1,064,625
06/15/2048	590,000	473,825	1,063,825		1,063,825
06/15/2049	625,000	441,375	1,066,375		1,066,375
06/15/2050	660,000	407,000	1,067,000		1,067,000
06/15/2051	695,000	370,700	1,065,700		1,065,700
06/15/2052	730,000	332,475	1,062,475		1,062,475
06/15/2053	770,000	292,325	1,062,325		1,062,325
06/15/2054	815,000	249,975	1,064,975		1,064,975
06/15/2055	860,000	205,150	1,065,150		1,065,150
06/15/2056	905,000	157,850	1,062,850		1,062,850
06/15/2057	955,000	108,075	1,063,075		1,063,075
06/15/2058	1,010,000	55,550	1,065,550		1,065,550
	16,220,000	23,559,525	39,779,525	1,100,000	38,679,525

Cover Sheet

Nondiscrimination Statement Policy

Section: V. Action Items
Item: C. Nondiscrimination Statement Policy
Purpose: Vote
Submitted by:
Related Material: BP12 Nondiscrimination Statement.pdf



Policy Number: 12.070620

Policy Type: Governing Board Policy

Policy Name: Nondiscrimination Statement

Contra Costa School of Performing Arts (“COCOSPA” or the “Charter School”) does not discriminate against any person on the basis of actual or perceived disability, gender, gender identity, gender expression, nationality, race or ethnicity, citizenship, immigration status, religion, religious affiliation, sexual orientation, pregnancy status, or any other characteristic that is contained in the definition of hate crimes in the California Penal Code.

COCOSPA adheres to all provisions of federal law related to students with disabilities, including, but not limited to, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990 (“ADA”), and the Individuals with Disabilities Education Improvement Act of 2004 (“IDEA”).

COCOSPA does not discourage students from enrolling or seeking to enroll in Charter School for any reason, including, but not limited to, academic performance, disability, neglect or delinquency, English proficiency, for being homeless or a foster/mobile youth, economic disadvantage, nationality, race, ethnicity, or sexual orientation. Charter School shall not encourage a student currently attending Charter School to disenroll or transfer to another school based on any of the aforementioned reasons except in cases of expulsion and suspension or involuntary removal in accordance with COCOSPA’s charter and relevant policies.

COCOSPA does not request nor require student records prior to a student’s enrollment.

COCOSPA is committed to providing an educational atmosphere that is free of unlawful harassment under Title IX of the Education Amendments of 1972 (sex); Titles IV, VI, and VII of the Civil Rights Act of 1964 (race, color, or national origin); The Age Discrimination Act of 1975; the IDEA; and Section 504 and Title II of the ADA (mental or physical disability).

COCOSPA also prohibits sexual harassment, including cyber sexual bullying, and harassment based upon pregnancy, childbirth or related medical conditions, race or ethnicity, religion, religious affiliation, creed, color, citizenship, immigration status, gender, gender identity, gender expression, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other basis protected by federal, state, local law, ordinance or regulation.

COCOSPA does not condone or tolerate harassment of any type, including but not limited to unlawful discrimination, intimidation, or bullying, including cyber sexual bullying, by any employee; independent contractor or other person with which the Charter School does business; student; volunteer; or community member regardless of position or gender. COCOSPA will promptly and thoroughly investigate any complaint of harassment and take appropriate corrective action, if warranted.

The lack of English language skills will not be a barrier to admission or participation in COCOSPA's programs or activities. COCOSPA prohibits retaliation against anyone who files a complaint or who participates or refuses to participate in a complaint investigation.

The Charter School's Nondiscrimination Statement relevant to employees is located within COCOSPA's Employee Handbook and can be located at the school site and at cocospa.org.

Cover Sheet

Fiscal and Operating Policy

Section: V. Action Items
Item: D. Fiscal and Operating Policy
Purpose: Vote
Submitted by:
Related Material: BP1 Fiscal and Operating Policy 7.6.20 NCM.pdf

Policy Number: 1.040416

Policy Type: Governing Board Policy

Policy Name: Fiscal and Operating Policies

100 INTERNAL CONTROL POLICIES

101 Introduction

Internal control policies provide the Charter School with the foundation to properly safeguard its assets, implement management's internal policies, provide compliance with state and federal laws and regulations and produce timely and accurate financial information. Additionally, as a publicly supported entity, the Charter School has additional responsibilities to ensure the public's confidence and the integrity of the School's activities.

102 Compliance With Laws

The Charter School will follow all the relevant laws and regulations that govern the Charter School. Additionally, any Federal Government laws and regulations that relate to grant funding will be adopted as the grant funding is received. The following are specific policies of the Charter School:

A. Political Contributions

No funds or assets of the Charter School may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. The direct or indirect use of any funds or other assets of the Charter School for political contributions in any form, whether in cash or other property, services, or the use of facilities, is strictly prohibited. The Charter School also cannot be involved with any committee or other organization that raises funds for political purposes.

Following are examples of prohibited activities:

1. Contributions by an employee that are reimbursed through expense accounts or in other ways.
2. Purchase by the organization of tickets for political fundraising events.
3. Contributions in kind, such as lending employees to political parties or using the School assets in political campaigns.

B. Record Keeping

To provide an accurate and auditable record of all financial transactions, the School's books, records, and accounts are maintained in conformity with generally accepted accounting principles as applicable to Charter Schools.

Further, the School specifically requires that:

1. No funds or accounts may be established or maintained for purposes that are not fully and accurately described within the books and records of the Charter School.
2. Receipts and disbursements must be fully and accurately described in the books and records.
3. No false entries may be made on the books or records nor any false or misleading reports issued.
4. Payments may be made only to the contracting party and only for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

200 ORGANIZATIONAL CONFLICT OF INTEREST OR SELF-DEALING

The School will not be operated for the benefit of an affiliated or unaffiliated organization or an individual in his or her own private capacity or individuals related to the Charter School or members of its management, unless the private benefit is considered merely incidental. This private benefit preclusion will extend to:

- A. Sale or exchange, or leasing, of property between the agency and an affiliated or unaffiliated organization or a private or related individual.
- B. Lending of money or other extension of credit between an agency and an affiliated or unaffiliated organization or a private or related individual.
- C. Furnishing of goods, services or facilities between the agency and an affiliated or unaffiliated organization or a private or related individual.
- D. Payment of compensation, unless authorized by the Board of Trustees or its governing body, by the School to an affiliated or unaffiliated organization or a private or related individual.
- E. Transfer to, use by, or for the benefit of a private or related individual of the income or assets of the School.

201 *Organizational Conflict Of Interest Or Self-Dealing (Related Parties) - continued*

Thus, the Charter School will be guided by the principle of arms-length standards with all affiliated or unaffiliated organizations or with a private or related individual(s).

Related party transactions shall include transactions between a school and members of the board, management, contracted management organization, employees, related individuals and affiliated companies. Related individuals within the scope of this definition include spouses, parents, children, spouses of children, grandchildren, siblings, father in law, mother in law, sister in law and brother in law of a board member or school employee.

202 *Board Of Trustees Authorities*

The Board of Trustees shall have the sole authority to approve and will incorporate into its own minutes such matters as (i) change of the School's name, with authorizer pre-approval (ii) adoption of the annual operating and capital budgets, (iii) selection or termination of key employees (iv) key employees salary and salary changes, (v) incurrence of debt, mortgages or other encumbrances and their covenants and restrictions, within the terms of the charter (vi) investment policies, (vii) depository and investment banks, (viii) purchase or sale of property (ix) opening up or closing checking or savings accounts, and (x) selection of the Charter School's certified public accountants and (xi) other activities associated with the operations of the Charter School.

The Board of Trustees will meet monthly to ensure that its fiduciary duty is maintained. The Board will review the following: prior meeting minutes, business items, educational items, and subcommittee reports.

203 *Signature Authorities*

To properly segregate duties within the Charter School, the Chairperson/President of the Board, the Chief Financial Officer/Treasurer of the Board, and the Charter Executive Director are the only individuals with signatory authority and are responsible for authorizing all cash transactions. Individual checks greater than \$15,000 will require dual signatures prior to check issuance.

204 *Government Access to Records*

The Business Manager or contracted business back office services provider will provide access to the organization's records to the authorizer and provide supporting records, as requested, in a timely manner.

205 *Security of Financial Data*

- A. The system's accounting data must be backed up daily by the business back office services provider to ensure the recoverability of financial information in case of hardware failure. The back up will be stored in a fire safe area and properly secured.
- C. All other financial data, petty cash box, unused checks and unclaimed checks will be secured by the Business Manager or the business back office services provider from unauthorized access.

206 *Security of School Documents*

Originals of the following corporate documents are maintained and their presence is verified on a periodic basis:

- A. Charter and all related amendments
- B. Minutes of the Board of Trustees and subcommittees
- C. Banking agreements
- D. Leases
- E. Insurance policies
- F. Vendor invoices
- G. Grant and contract agreements
- H. Fixed asset inventory list

2079 *Use of School Assets*

- A. No employee may use any of the School property, equipment, material or supplies for personal use without the prior approval of the Business Manager or Executive Director.

208 *Use Of School Credit Cards*

- A. Charter School credit cards should only be issued with the formal approval of the Board of Trustees and with proper justification. The cost/benefit to the Charter School should be fully reviewed to ensure that no other method is appropriate. If credit cards are issued they should be assigned to certain Charter School employees and should be used only for school-related expenditures. All charges must be supported by invoices or travel reports to be eligible for payment by the Charter School.
- B. Monthly credit card statements are reconciled to invoices and travel reports and are approved by the Executive Director, unless not deemed independent than the approval would be by the Board of Trustees.

300 FINANCIAL MANAGEMENT POLICIES**301 *Basis Of Accounting***

The Charter School will maintain their accounting records and related financial reports on the accrual basis of accounting.

302 *Accounting Policies*

The accounting policies and financial reporting adopted are consistent with the special purpose governmental unit requirements of the Governmental Accounting Standards Board (GASB), including Statement of Governmental Accounting Standards No. 34 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles.

303 *Basis of Presentation*

The accounts of the Charter School are organized on a basis of the School Account Code Structure or SACS. The operations of the fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, net assets, revenues and expenditures. The Charter School uses the following fund:

General Fund - This fund of the Charter School is used to account for all financial resources associated with the operation of the school. In addition, all activities relating to Student Activities should be separately identified and recorded within this fund.

304 *Revenues*

Under the accrual basis of accounting, revenues recognized when earned.

305 *Expenditures*

Under the accrual basis of accounting, expenses are recognized when services are incurred or goods are received.

306 *Incurred Costs*

For the purpose of invoicing funding sources for allowable costs under cost reimbursement contracts, the term "costs incurred" is defined as follows:

- A. Costs related to items or services incurred directly for the contract and received at the time of the request for reimbursement and is not specifically disallowed by the funding source.

307 *Cash Management*

- A. The School maintains cash accounts at a federally insured bank:
- B. A schedule of aged accounts and grants receivable is prepared monthly and reviewed by the Executive Director for collection. Appropriate collection procedures are initiated, if necessary.

308 *Grants Receivable Aging Criteria*

Accounts receivable outstanding are aged on a thirty, sixty, ninety, and over-ninety day basis.

309 *Grant/Contract Invoicing*

- A. All invoices are submitted to the funding sources by dates specified in the grant or contract agreement.
- B. The invoicing format is that specified by the funding source.

310 *Budgets*

- A. The Charter School prepares an annual operating budget of revenues and expenses, a cash flow projection, and a capital budget. These budgets and projection are reviewed and approved by the Board of Trustees, at the annual meeting and modified, as necessary.
- B. Financial statements displaying budget vs. actual results are prepared by the back office services provider and reviewed by the Executive Director and presented to the Board of Trustees at each monthly board meeting.

311 Insurance And Bonding

- A. The School maintains minimum levels of coverage, as deemed appropriate by the Board of Trustees.
- B. The School requires proof of adequate insurance coverage from all prospective contractors, as deemed applicable by the Board of Trustees.

312 Record Retention And Disposal

- A. Records are maintained for the following indicated minimum periods:
 - 1. Books, records, documents and other supporting evidence including paid, cancelled or voided checks, accounts payable records, vendors' invoices, payroll sheets and registers of salaries and wages, tax withholding statements, employees' timesheets and other public documents are retained for seven years after the original entry date.
- B. All records not supporting government grants or otherwise covered by rules of the Internal Revenue Service are retained for three years from the end of the fiscal year in which the records were originally prepared.
- C. All financial records are maintained in chronological order, organized by fiscal year.
- D. In connection with the disposal of any records, a memorandum of record disposal is prepared by the Business Manager listing the record or the class of records disposed of. The Board of Trustees certifies this memorandum of records disposal.

313 Financial Reporting

The back office services provider maintains supporting records in sufficient detail to prepare the School's financial reports, including:

- A. Annually:
 - 1. Financial statements for audit
 - 2. Annual budget
- B. Monthly:
 - 1. Trial balance
 - 2. Internally generated budget vs. actual financial statements
 - 3. Billing invoices to funding sources
 - 4. Updating the cash flow projection
- C. Periodically:

1. IRS Forms 941 and payroll tax returns and comparable state taxing authority returns
2. Other reports upon request

314 *Audit*

The Board of Trustees arranges annually for a qualified certified public accounting firm to conduct an audit of the Charter School's financial statements in accordance with *Government Auditing Standards* and the *Governmental Accounting Standards Board*.

The audit reports will be submitted to the proper governmental agencies based on their respective deadlines.

315 *Audit/Finance Committee*

The Board of Trustees may appoint an audit/finance subcommittee as deemed necessary. This subcommittee will nominate the independent auditor and review the scope and results of the audit. The audit/finance subcommittee also receives notice of any consequential irregularities and management letter comments that the auditor noted during the engagement. Additionally, the subcommittee will develop a corrective action plan to address all relevant weaknesses noted by the auditor. The audit/finance subcommittee will also review all financial information of the Charter School and provide recommendations to the Board of Trustees.

400 POLICIES RELATED TO ASSETS, LIABILITIES AND FUND EQUITY

401 *ASSETS*

402 *Bank Accounts*

- A. Bank accounts for the indicated purpose and limitation(s) have been authorized by the Board of Trustees of the School at the indicated Federal Deposit Insurance Corporation (FDIC)-insured banks:

403 *Petty Cash Payments*

- A. Petty cash payments are made from a fund not to exceed \$150, and should be for cash advances, local expense reimbursement and small-dollar vendor purchases, provided proper documentation is furnished with each request. No individual payment shall be greater than \$75.
- B. The petty cash account is balanced on a monthly basis by the petty cash custodian. The replenishment check is made out to "(Custodian's name) - *Petty Cash Custodian*" on an as needed basis.

404 *LIABILITIES AND FUND EQUITY*

405 *Accounts Payable*

Only valid accounts payable transactions based on documented vendor invoices, receiving report or other approved documentation are recorded as accounts payable.

406 *Accounts Payable Payment Policy*

Vendors and suppliers are paid as their payment terms require, taking advantage of any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis.

407 *Accrued Liabilities*

Salaries, wages earned, and payroll taxes, together with professional fees, rent, and insurance costs incurred, but unpaid, are reflected as a liability when entitlement to payment occurs.

408 *Liability For Compensated Absences*

- A. Compensated absences arise from employees' absences from employment due to paid time off. When the Charter School expects to pay an employee for such compensated absences, a liability for the estimated probable future payments is accrued if all of the following conditions are met:
 - 1. The employee's right to receive compensation for the future absences is attributable to services already performed by the employee.
 - 2. The employee's right to receive the compensation for the future absences is vested or accumulates.
 - 3. It is probable that the compensation will be paid.
 - 4. The amount of compensation is reasonably estimable.
- B. Compensated absences not required to be paid upon employee termination is only recorded when paid.

409 *Debt*

- A. When applicable, short-term debt consists of financing expected to be paid within one year of the date of the annual audited financial statements. Long-term debt consists of financing that is not expected to be repaid within one year and is recorded in the Enterprise Fund.
- B. Loan agreements approved by the Board of Trustees should be in writing and should specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule.

500 REVENUE

501 Revenue Recognition

The School records revenue on the accrual basis of accounting, consistent with generally accepted accounting principles applicable to special purpose governmental units.

600 FACILITIES

601 Disposal Of Property And Equipment

- A. No item of property or equipment shall be removed from the premises without prior approval from the Business Manager.
- B. The School has adopted standard disposition procedures for Charter School staff to follow, which include an *Asset Disposal Form*, which identifies the asset, the reason for disposition, and signature of the requester. The form also allows for an identification of the asset's book value, condition of the asset, and supervisory approval or denial.
- C. When property is retired, the appropriate asset in the fixed asset subsidiary will be adjusted and properly reflected in the Enterprise Fund.

700 PROCUREMENT POLICIES

701 The School adheres to the following objectives:

- 1. Procurements will be completely impartial based strictly on the merits of supplier and contractor proposals and applicable related considerations such as delivery, quantity, etc.
 - 2. Make all purchases in the best interests of the School and its funding sources.
 - 3. Obtain quality supplies/services needed for delivery at the time and place required.
 - 4. Buy from responsible sources of supply.
 - 5. Obtain maximum value for all expenditures.
 - 6. Deal fairly and impartially with all vendors.
 - 7. Maintain dependable sources of supply.
 - 8. Be above suspicion of unethical behavior at all times; avoid any conflict of interest, related parties or even the appearance of a conflict of interest in the Charter School supplier relationships.
- A. Purchases or contracts greater than \$15,000 shall be approved by the Board of Trustees and if less than \$15,000, by the Executive Director.

- B. All lease agreements will be evidenced by a lease or sublease agreement approved by the Board of Trustees and signed by the Executive Director. The agreement will identify all the terms and conditions of the lease.

800 TRAVEL POLICIES

801 Employee Mileage Reimbursement

- A. All employees are reimbursed at the standard mileage rate per mile as determined by the Internal Revenue Service for use of their own vehicle for business related travel. In addition, parking fees and tolls paid are reimbursable if supported by invoices.
- B. All employees requesting such mileage reimbursement are required to furnish a *Travel Report* containing the destination of each trip, its purpose and the miles driven, parking fees and tolls, within one month after the travel date, supported by invoices, if applicable.

900 CONSULTANTS AND CONTRACTORS

901 Consultant Utilization

The utilization of all consultants and contract personnel are sufficiently evidenced by:

- A. Details of all agreements (e.g., work requirements, rate of compensation, and nature and amount of other expenses, if any) with the individuals or organizations providing the services and details of actual services performed.
- B. Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services performed.
- C. The use of a management contract for educational and administrative services will clearly identify the contractor's performance requirements, including students' academic achievement, contractor's compensation and the Charter School's rights to educational curricula and intellectual property developed.

902 Independent Contractors

The use of consultants is closely monitored so as not to vary from the rules of the Internal Revenue Code. In particular, consultants will:

- A. Not be controlled as to what services will be performed and how these services will be performed. Consultants will not have set hours of work.
- B. Adhere to a precise contract scope of services, recomputed or at least adjusted annually. This consultant agreement will specify the obligation of the consultant to pay his or her own self-employment taxes, if applicable.
- C. Not receive any fringe benefits as such, although their fee may include provision for fringe benefits.
- D. Not be assigned a permanent workstation.
- E. Make their services available or work for a number of firms or persons at the same time.
- F. Will use his or her own stationery or time sheet in billing for services.

PART II

1000 - GENERAL ACCOUNTING PROCEDURES

In this section, procedures are described for the overall accounting system design, General Ledger activity and General Ledger closeout for the Charter School.

GENERAL LEDGER ACTIVITY

Control Objective

To ensure that all General Ledger entries are current, accurate and complete.

Major Controls

A. Timeliness of Entries

All entries are made soon after the underlying accounting event to ensure the financial records and reporting is current.

B. Support Documentation

All entries are supported by adequate documentation that clearly shows the justification and authorization for the transaction.

C. Audit Trail

A complete audit trail is maintained by the use of reference codes from source documentation through the books of original entry and General Ledger, to periodic reporting statements.

Procedures

1. Financial data on source documentation is verified against original documents (e.g., invoice, purchase order, etc.) before entering into the accounting system.
2. Provision is made for using recurring General Journal entries for certain transactions, such as recording the monthly portion of prepaid insurance.
3. Non-recurring entries, such as for correcting entries, recording accruals and recording non-cash transactions, are prepared as circumstances warrant and on a monthly basis.
4. All entries in the books of original entry (e.g., cash receipts journal and checkbook) are made soon after the accounting event from authorized forms, and are prepared and reviewed by qualified accounting personnel.
5. All General Journal entries are supported by General Journal Vouchers that have supporting documentation attached, and are approved by the Executive Director.

GENERAL LEDGER CLOSE-OUT

Control Objective

To ensure the accuracy of financial records and reports.

Major Controls

A. Trial Balance

Monthly, a trial balance is prepared to ensure the accuracy of the General Ledger account balances.

B. Reconciliation of General Ledger Control Accounts with Subsidiary Ledgers

Reconciliations are prepared on a monthly basis.

Procedures

1. At the end of each month, a trial balance of all General Ledger accounts is prepared by the back office business services provider to the Executive Director.
1. Reconciliation between the General Ledger control accounts and the subsidiary ledgers are completed by the back office business services provider.
2. At fiscal year end and after the annual audit, all income and expense accounts are closed out, and the general ledger balances are agreed to the audited financial statements.

1100 - CASH MANAGEMENT PROCEDURES

In this section, procedures are described for cash receipts, cash disbursements, and petty cash funds and prepaid items.

CASH RECEIPTS

Control Objective

To record cash receipts completely and accurately and to prevent the diversion of cash assets.

Major Controls

A. Cash Flow Projection

The Charter School annually prepares and updates monthly a cash flow projection for operations and capital cash needs to monitor and ensure adequate cash flow.

B. Cash Receipts Policies

The School has internal control systems in place to monitor cash receipts, and ensure that deposits are made in a timely manner. The School also uses electronic fund transfers to accelerate deposits.

C. Internal Accounting Controls

- (i) Opening of mail assigned to an employee with responsibilities independent of access to files or documents pertaining to accounts receivable or cash accounts.
- (ii) Listed receipts and credits compared to accounts receivable and bank deposits.
- (iii) General Ledger control accounts reconciled with Accounts Receivable Subsidiary Ledger

Procedures

A. General

1. Mail is opened by the designated classified staff member who sorts the checks and forwards them to the Executive Director or the appropriate recipient.
2. The back office business services provider prepares journal entries and deposit slips.
3. A copy of each check to be deposited is made and attached to copy of the deposit slip and filed to provide support for all deposits.
4. The back office business services provider reviews and signs off on journal entries.
5. The back office business services provider inputs journal entries.
6. Either the back office business services provider or the Executive Director makes deposits on a daily or no later than on a weekly basis. If deposits are made other than daily, the deposit should be maintained in a secure area with limited access.
7. Reconciliation of cash receipts to deposit slips and bank statements are performed by the Executive Director and the back office business services provider on a monthly basis.

CASH DISBURSEMENTS

Control Objective

To disburse cash for authorized purposes and record cash disbursements completely and accurately.

Major Controls

A. Cash Disbursement Policies

Check preparation and signatures are delayed until the due date, consistent with available discounts if available.

B. Internal Accounting Controls

- (i) Pre-numbered checks and special check protective paper.
- (ii) Match disbursement records against accounts payable/open invoice files.
- (iii) Bank statements reconciled to cash accounts and any outstanding checks verified by either the back office business services provider, if applicable.
- (iv) Supporting documentation canceled to prevent resubmission for payment.
- (v) Detailed comparison of actual vs. budget disbursements on a periodic basis.
- (vi) Separation of duties to the extent possible for an organization the size of the School.

Procedures

1. When the transaction is complete and payment is due, a pre-numbered check is prepared by the back office business services provider who attaches all supporting documentation: (e.g. vendor invoice, purchase order, purchase requisition, etc.) and submits the package to the Executive Director for approval.
2. All invoices submitted for signature will include approvals for payment, expense account charged, check number and date of payment.
3. The Executive Director approves checks after examining the supporting documentation.
4. After having been approved and/or signed, the checks are mailed directly to the payee by designated classified staff member.
5. All supporting documents are canceled (i.e. stamped *PAID*) by the signatory and filed by back office business services provider.
6. On a periodic basis, cash disbursement records are matched against accounts payable/open invoice files for any discrepancies.
7. Bank statements are reconciled soon after receipt by either the back offices business services provider and reviewed by the Executive Director.

PETTY CASH FUNDS

Control Objective

To control the use of petty cash funds for valid transactions.

Major Controls

A. Internal Accounting Controls

- (i) Reconcile petty cash funds by employees with responsibilities independent of cash receipts, disbursements or custody.

Procedures

1. The Charter School will maintain an imprest petty cash system of \$300, which will be maintained and secured by the Executive Director or their designee.
2. The Executive Director or their designee maintains a log of all disbursements made from the petty cash fund and uses a *Petty Cash Voucher* for all petty cash disbursements. No disbursements will be for greater than \$75.
3. When the fund needs to be replenished, a check request is prepared by the Executive Director or their designee, attaching the log of disbursements and the supporting vouchers. See cash disbursement procedure above for payment.
4. Any differences between the check request to bring the fund up to the petty cash amount and total disbursements made are reviewed and a justification is prepared.
5. Funds disbursements are entered into the General Ledger by expense category when the fund is replenished.

1200 - PAYROLL PROCEDURES

Payroll procedures are organized under six categories: personnel requirements, personnel data, timekeeping, preparation of payroll, payroll payment, and payroll withholdings.

PERSONNEL REQUIREMENTS

Control Objective

To ensure that the School hires only those employees, full or part-time, it absolutely needs and exerts tight control over hiring new employees.

Major Controls

Payroll Policies

Procedures

New Employees

1. Requests for new employees are initiated by the Executive Director and compared with the approved annual personnel budget.
2. New employees complete an *Application for Employment*.
3. New employees complete all necessary paperwork for payroll.
4. Employee is fingerprinted. Fingerprint clearance must be received by the school before any employee may start work.

Vacation and Sick Pay

1. Employees accrue vacation time based on personnel policy of the Charter School.

2. Employee is required to provide at least two weeks advanced notice to supervisors for a vacation request.
3. Regular part-time employees will earn vacation time on a pro-rated bases based on personnel policy of the Charter School.
4. Employees' earned vacation balances are adjusted monthly to reflect vacation time earned and taken and reviewed by the Executive Director.
1. Sick leave taken is monitored against each employee's available sick time on an electronic spreadsheet and reviewed by the Executive Director.
2. Before vacation time is paid, a *Vacation Authorization Request* is to be prepared by the employee, which is reviewed and approved by the Executive Director.
3. The back office business services provider monitors vacation and sick time by maintaining a log for each individual.
4. A General Journal entry is prepared at year-end to record the accrued vacation liability.
5. Unused vacation time is based on personnel policy of the Charter School.

PERSONNEL DATA

TIMEKEEPING

Control Objective

To ensure that payment for salaries and wages is made in accordance with documented time records.

Major Controls

A. Timekeeping Policies

Employees are instructed on the proper charging of time to assure the accuracy of recorded time to cost objectives.

B. Time Sheet

Labor hours are accurately recorded and any corrections to timekeeping records, including the appropriate authorizations and approvals, are documented.

C. Internal Accounting Controls

- (i) Reconciliation of hours charged on time sheets to attendance records.

Procedures

Time Sheet Preparation

1. Hourly and salary employees prepare time sheets on a bi-weekly basis.

2. In preparing time sheets, employees:
 - (i) Enter hours in ink and sign the completed timekeeping record
 - (ii) Make all corrections in ink by crossing out the error and initialing the change.
 - (ii) Submit the completed time sheet to the Administrative Assistant or Receptionist.

Approval and Collection of Time Sheets

1. Each employee's time sheet is forwarded to the Administrative Assistant or Receptionist on a bi-weekly basis, which ensures all the timesheets are submitted in a timely manner. The Administrative Assistant or Receptionist forwards the timesheets to the Executive Director who reviews and approves them.
2. Authorized timesheets are collected by the Administrative Assistant or Receptionist and forwarded to the back office business services provider for processing.

Reconciliation of Payroll to Time Sheets

1. Hours shown on time sheets are reconciled to the hours recorded on the Payroll Register by the Executive Director or their designee for each time sheet period.

PREPARATION OF PAYROLL

Control Objective

To ensure that payment of salaries and wages is accurately calculated.

Major Controls

A. Internal Accounting Controls

- (i) Time records are periodically reconciled with payroll records.

Procedures

1. The Administrative Assistant or Receptionist forwards approved time sheets to the back office business services provider.
2. The total time recorded on time sheets and the number of employees is calculated by the back office business services provider.
3. Recorded hours from the bi-weekly time sheets are accumulated by the back office business services provider and communicated to the Payroll Service via modem or input into the in-house payroll software.
4. The payroll documents received from the in-house payroll software (e.g., calculations, payrolls and payroll summaries) are compared with time sheets, pay rates, payroll deductions, compensated absences etc. by the back office business services provider.
5. The back office business services provider verifies gross pay and payroll deductions.

6. The total hours and number of employees are compared with the totals in the Payroll Register by the back office business services provider.
7. The Payroll Register is reviewed and approved by the Executive Director.

PAYROLL PAYMENT

Control Objective

To ensure payment for salaries and wages by check, direct deposit, cash or other means is made only to employees entitled to receive payment.

PAYROLL WITHHOLDINGS

Control Objective

To ensure that payment withholdings are correctly reflected and paid to the appropriate third parties.

Major Controls

A. Reconciliation of Payment and Payroll Withholdings

Payroll withholdings are recorded in the appropriate General Ledger control accounts and reconciled with payments made to third parties.

B. Internal Accounting Controls

The in-house payroll software calculates payroll withholdings, which are reviewed and verified by the back office business services provider.

Procedures

1. The in-house payroll software calculates payroll withholdings for each employee. These are summarized by pay period and recorded in General Ledger.
2. Payments for payroll withholdings are reconciled with the amounts recorded in the General Ledger control accounts by the back office business services provider.
3. The back office business services provider reviews the accuracy and timeliness of payments made to third parties for payroll withholdings.
4. Original withholding and benefit election forms, maintained in the employee file, are prepared by employee and reviewed and approved on a periodic basis by the back office business services provider.

1300 DEPRECIATION

Procedures

The school capitalizes all fixed assets when acquired, and records the historical cost of these items in the enterprise fund. In accordance with generally accepted accounting principles, as they relate to special purpose business-type activity, government units, under GASB 34

depreciation expense must be recorded in the statement of revenue, expenditures and changes in net assets.

1400 EXPENSE REIMBURSEMENT

Control Objective

To ensure the School pays for only authorized business expenses.

Major Controls

A. Travel Policies

The School has adopted policies on travel reimbursement.

B. Employee Expense Reimbursement Documentation

Employees are required to obtain and furnish documentation for individual expenses of \$25 or over (provided they are not on a per diem basis) and company credit card purchases.

C. Internal Accounting Controls

- (i) Justification for travel approved by Executive Director
- (ii) Documentation for incurred employee expenses
- (iii) Documentation for company credit card purchase.

Expense Advance or Reimbursement

Expense Reimbursement:

1. Soon after traveling, but not exceeding 30 days, an employee who seeks reimbursement for authorized expenses completes a *Travel Report* detailing the expenses incurred, attaching originals of supporting documentation.
2. All credit card purchases are supported by invoices in order to be reimbursed.
1. The employee's *Travel Report* and credit card purchases invoices are reviewed and approved by the Business Manager.

1500 - MANAGEMENT REPORTING PROCEDURES

In this section, procedures are covered for supporting the annual budget, financial reporting and tax compliance.

ANNUAL BUDGET

Control Objective

To effectively support the preparation of the annual budget and its periodic review.

Major Controls

A. Budget Process

The Executive Director works with the back office business services provider and prepares the annual operating and capital budgets and cash flow projection, with input from the school's community. The budgets and projection are submitted to the Board of Trustees for approval.

B. Internal Accounting Controls

Accuracy and completeness of the budget and projections

Procedures

1. In preparation of the annual operating and capital budget and cash flow projection, the back office business services provider prepares a preliminary budgets and projection for review by the Executive Director in consultation with the school staff.
2. To support budgets and projection estimates, the back office business services provider prepares current year-to-date financial data with projections of year-end totals.
3. The back office business services provider and the Executive Director review the budgets and projection submitted for completeness and reasonableness.
4. The Board of Trustees approves and adopts the final budgets and projection.
5. The adopted budgets totals are entered in the General Ledger by the back office business services provider for the new fiscal year, in order to prepare budget to actual reports.

FINANCIAL REPORTING

Control Objective

To ensure the accuracy, completeness and timeliness of financial reporting to support decision-making.

Major Controls

A. Schedule

Monthly managerial reports are prepared based on a schedule.

B. Review and Approval

Financial reports are reviewed for accuracy and completeness.

C. Audit

The annual financial statements of the School are audited by a certified public accounting firm.

Procedures

1. The back office business services provider prepares monthly budget vs. actual financial reports and cash flow projection for the Board of Trustees meetings.
2. The Charter School submits to an audit of its financial statements by a qualified certified public accounting firm, in accordance with *Governmental Auditing Standards*
3. The School shall automatically submit all financial reports required under Education Code Section 47604.33 and 47605(m).

PAYROLL TAX COMPLIANCE

Control Objective

To accurately prepare and file required tax documents on a timely basis.

Procedures

1. The School maintains a schedule of required filing due dates for:
 - (i) *IRS Form W-2* - Wage and Tax Statement.
 - (ii) *IRS Form W-3* - Transmittal of Income and Tax Statements.
 - (iii) *IRS Form 940* - Employer's Federal Unemployment (FUTA) Tax Return.
 - (iv) *IRS Form 941* - Employer's Quarterly Federal Tax Return for Federal Income Tax Withheld from Wages and FICA Taxes.
 - (v) *IRS Form 1099 MISC* (also *1099-DIV*, *1099-INT*, *1099-OID*) - U.S. Annual Information Return for Recipients of Miscellaneous Income.
 - (i) Quarterly and annual state(s) unemployment tax return(s).
2. Before submission, all payroll tax documents and the supporting schedules are reviewed and approved by the back office business services provider for accuracy and completeness.

Cover Sheet

20-21 Student Chromebook Acquisition

Section: V. Action Items
Item: E. 20-21 Student Chromebook Acquisition
Purpose: Vote
Submitted by:
Related Material: Cocospa_Quote_100e_125.pdf

Quote 1070



302 Washington St. #811
 San Diego, CA 92103
 888-720-0156
 backoffice@chartertechservices.com
 www.CharterTechServices.com

ADDRESS	SHIP TO	DATE	TOTAL
Contra Costa School of Performing Arts 150 N. Wiget Lane, Suite #201 Walnut Creek, CA 94598	Contra Costa School of Performing Arts 150 N. Wiget Lane, Suite #201 Walnut Creek, CA 94598	05/29/2020	\$31,312.50

ACTIVITY	QTY	RATE	AMOUNT
Lenovo 100e Student Chromebooks	125	200.00	25,000.00T
Google Device Management Licenses	125	30.00	3,750.00
CA State Recycling Fee	125	4.00	500.00
Leasing available through our partner TEQlease.			
		SUBTOTAL	29,250.00
		TAX	2,062.50
		TOTAL	\$31,312.50

THANK YOU.

Accepted By

Accepted Date