

**CHARTER SCHOOL**  
**MEMORANDUM OF UNDERSTANDING**  
**and**  
**ADMINISTRATIVE SERVICES AGREEMENT**  
**by and between**  
**SCHOOL DISTRICT**  
**and**  
**CHARTER**

This Memorandum of Understanding and Administrative Services Agreement, hereinafter referred to as “Agreement,” is executed between the XXXX Unified School District and the XXXX Charter, a California nonprofit public benefit corporation.

**RECITALS:**

- A. The XXXX Unified School District, hereinafter referred to as “District” is a public school district existing under the laws of the State of California. The actual performance of duties outlined in this agreement will be carried out on behalf of the District by District staff, and is hereinafter referred to as “District.”
- B. XXXX Charter hereinafter referred to as “Charter School,” is a private, non-profit public benefit corporation that currently operates a public K-12 charter school, existing under the laws of the State of California and under the supervisory oversight of the District.
- C. The District is the sponsoring agency of the Charter School operated by the Charter. This Agreement is intended to outline the agreement of the Charter School and the District governing their respective legal relationships, fiscal and administrative responsibilities, as well as the operation of the Charter School.
- D. Written modifications of this Agreement may be made by mutual agreement as set forth below.
- E. Education Code Section 47607(a)(2) provides the procedure for material revision of an existing charter. Upon the execution of this Agreement by the parties and upon ratification and approval by the District Board of Trustees, this Agreement shall be considered a material revision of the charter, and Code shall become a fully incorporated part of the charter.
- F. The parties recognize and agree that the Charter School is open to all students regardless of race, religion, sex, disability, or ethnic origin and that such provisions of non-discrimination shall apply as well to employment.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein set forth, the Charter School and District do hereby agree as follows:

**AGREEMENTS:**

**I. TERMS**

- A. The Agreement is subject to termination during the term or any renewal as specified by law or as otherwise set forth in the Agreement.
- B. Any modifications of this Agreement must be in writing and executed by the duly authorized representatives of both parties specifically indicating the intent of the parties to modify this Agreement.
  - 1. The duly authorized representatives of the Charter School are the Officers and the President of the Board of Directors.
  - 2. The duly authorized representatives of the District are the Board of Trustees and the District Superintendent or designee. For purposes of amendment of the charter, the Board is required to take action.
  - 3. The term of this Agreement is for the term of the charter. However, the parties agree to review this Agreement annually. By February 1 each year, both parties will present proposed revisions to the Agreement. If there is no agreement by April 30 of the current year, then the existing Agreement will continue in effect until mutually modified, except that the Agreement shall expire upon the expiration or revocation of the charter.
  - 4. The District reserves the right to approve amendments and/or to revoke the Charter School charter as specified in the Education Code and as set forth in the Agreement.
- C. The Charter School agrees to abide by all laws and regulations outlined in the California Education Code and District's Board Policies and Administrative Regulations regarding charter schools. The District may elect to waive one or more items in the Administrative Regulations if mutually agreed upon with the Charter School.

**II. LEGAL RELATIONSHIP**

- A. The Parties recognize that the Charter School is a separate legal entity. The Charter School shall be operated as a non-profit public benefit corporation under Education Code Section 47604. As such, the District shall not be liable for the debts or obligations of the Charter School.
- B. On August 14, 2003, the non-profit corporation structure was fully in place, including authorization by the California Secretary of State, approval of non-profit IRS 501(c)(3) status by the Federal Government, and appointment of a Board of Directors. The Charter School shall provide to the District current

corporate bylaws along with a summary of the intended governance structure. The Charter School agrees to a District representative, appointed by the XXXX Unified School District, be a member of the Charter School Board of Directors. The Charter School has adopted bylaws and is fully organized and shall provide District with current corporate bylaws. Members of the board shall file with the District and all other required entities all applicable Fair Political Practice Commission conflict of interest forms by the required date.

- C. The Parties agree and understand that employees of the Charter School are not employees of the District, but shall be employees of the Charter School, and that the Charter School shall be the employer for purposes of collective bargaining as provided in Education Code Section 47605(b)(5)(O).
- D. With respect to all of its operations under this Agreement, the Charter School agrees to defend, indemnify, and hold harmless District, its officers, agents, employees, and/or volunteers from any and all claims, demands, losses, damages, and expenses, including legal fees and costs, or other obligations or claims arising out of any liability or damage to property, or any other loss, sustained or claimed to have been sustained arising out of activities of the District or those of any of its officers, agents, employees, or subcontractors of Charter School, whether such act or omission is authorized by this Agreement or not. Charter School shall also pay for any and all damage to the Property of the District, or loss or theft of such Property, done or caused by such persons. District assumes no responsibility whatsoever for any property placed on District premises. Charter School further agrees to waive all rights of subrogation against the District. The provisions of this Agreement do not apply to any damage or losses caused solely by the negligence of the District or any of its officers, agents, employees, and/or volunteers.
- E. Any complaints/concerns received by the District about any aspect of the operation of the Charter School or about the Charter School shall be forwarded by the District to the Charter School. To the extent that such concerns/complaints may involve issues related to possible revocation or non-renewal of the charter, the District may request that the Charter School inform the District how such concerns/complaints were addressed. The Charter School agrees to provide such information. The parties recognize that the Charter School shall not be obligated to release information that is determined by law to be confidential in nature and is not subject to public release.
- F. *Jurisdiction:* This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in state or federal court situated in the County, State of California. Charter School hereby waives and expressly agrees not to assert, in any way, any claim or allegation that it is not personally subject to the jurisdiction of the courts named above. Charter School further agrees to waive any claim or allegation that the suit, action, or proceeding is either brought in an inconvenient forum or that the related venue is improper.

### III. GOVERNANCE AND ORGANIZATIONAL MANAGEMENT

A. The Director of the Charter School and the Board of Directors shall be responsible for all functions of the Charter School subject to the terms and conditions set forth in this Agreement and its charter.

#### B. Organization

1. The Charter School will establish and provide the District with written notice of the following:
  - a) Organizational chart displaying the relationship between the Governing Board and School Leadership, and listing all the names and, if applicable, the credentials held by employees.
  - b) Phone numbers and e-mail addresses for the Charter School's principal contacts;
2. The Charter School will provide the District with immediate written notice of any change in the directors, officers, and administrators.
3. The Charter School will have the organizational information posted on the Internet and will update the posting as quickly as possible whenever the information changes.

#### C. Governing Board

1. The Charter School will establish and provide the District with current copies of the following:
  - a) Articles of Incorporation;
  - b) Bylaws approved by the governing board;
  - c) A roster and biographies of current governing board members.
2. The Charter School will have governing board information posted on the Internet and will update the posting as quickly as possible whenever the information changes.
3. Governing Board Activities
  - a) Calendar: The annual calendar of governing board meetings, including a description of how parents and community members will be notified of the meetings, will be posted on the Internet.
  - b) Governing Board Meetings: The governing board of the Charter School shall conduct public meetings at such intervals as are necessary to ensure that the board is providing sufficient direction to the school through implementation of effective policies and procedures. Governing board meetings will be conducted in

keeping with the requirements of the Ralph M. Brown Act (*Government Code* sections 54950-54962). Governing board adopted policies, meeting agendas and minutes will be posted on the Internet.

The Brown Act requires school boards to conduct their business, after prior public notice that includes an agenda, in open session, unless specific conditions exist that justify the meeting of the board in closed session.

- c) *Brown Act Training*: The Charter School will provide Brown Act training to its governing board members and administrative staff prior to the execution of any duties. On its web site, the school will certify that Brown Act training has been provided to the specified individuals.

#### 4. Governing Board Policies

- a) The governing board will adopt policies and procedures to guide the operation of the school, and the Charter School will post the policies and procedures on the Internet, updating the posting as quickly as possible following any change. The policies and procedures will include, but not be limited to, the following:
  - 1) *Public Records*: The Charter School will develop and maintain a policy that its records that relate in any way to the operation of the school may be subject to the requirements of the Public Records Act (*Government Code* Section 6250 et seq.) as well as *Education Code* Section 47604.3.
  - 2) *Conflicts of Interest*:
    - (a) Conflicts of interest policy, including provisions related to nepotism, for itself and the school's employees and contractors, to ensure that no action taken by an individual or organization covered by the policy results in actual or apparent conflicts of interest;
    - (b) Verification that all board members and Charter School employees have participated in conflict of interest training.

If the State Board of Education (SBE) adopts, and the Office of Administrative Law approves, conflict of interest regulations applicable to charter schools in 2007-08, Charter School must amend its policies to be compliant with such regulations.

- 3) *Internal Fiscal Controls*: Charter School will develop and maintain internal fiscal control policies governing all

financial activities. Such policies and procedures are subject to review during site visits to see that they are being implemented.

- 4) Campus Supervision, including, but not limited to, the supervision of students before and after school, and while on campus, student pick-up, as well as a procedure for visitors to enter and leave the campus.
- 5) Discipline Policies, including, but not limited to, lists of the offenses for which students may (and must) be suspended or expelled, the procedures for suspension or expulsion, procedures by which parents and students will be informed about reasons for suspension or expulsion, and of their due process rights in regard to either disciplinary action.
- 6) Parent/Student Handbook, including, at a minimum, detailed expectations for student attendance, behavior, and discipline, as well as policies and consequences for bullying and harassment, due process rights related to discipline (including suspension, expulsion, and special education), and a description of both informal and formal complaint procedures that parents may pursue in the event of disagreements. In addition to the Internet posting, the School will provide a hardcopy of the Parent/Student Handbook to each family at the beginning of each school year.
- 7) Health and Safety Plan: The Charter School will provide the District the following information, will post it on the Internet, and will update the posting as quickly as possible whenever the information changes:
  - (a) A copy of a Comprehensive School Safety Plan as required by Education Code section 32280, et seq.
  - (b) An Injury and Illness Prevention Program as required by California Code of Regulations, Title 8, section 3202.
  - (c) Evidence that staff has been trained in health, safety, and emergency procedures.
  - (d) A calendar of emergency drills for students.
- 8) Notice to Parents/Guardians: The Charter School will provide the District, and will have posted on the Internet, information concerning the rights of parents and guardians under the federal No Child Left Behind (NCLB) and the Family Educational Rights and Privacy Acts (FERPA), and will update the posting as quickly as possible whenever the information changes. The School will also provide a

hard copy of the information to each family at the beginning of each school year.

- 9) Enrollment and Admissions Documentation: Charter School will provide District the following information, will have the information posted on the Internet, and will update the postings as quickly as possible whenever the information changes:
  - (a) Descriptions of outreach and recruitment activities that have been conducted to reach target population;
  - (b) Procedures for application, the public random drawing, enrollment, and admission;
  - (c) Evidence of public random drawing preferences consistent with the charter and SBE conditions of operation;
  - (d) A copy of any application and enrollment forms and information provided to prospective families.
  
- 10) FERPA: Employees of the Charter School have a legitimate educational interest such that they are entitled access to education records under 20 U.S.C.A. section 1232g, the Family Educational Rights and Privacy Act (FERPA) and Education Code Section 49076(b)(6). The Charter School, its officers, and employees will comply with FERPA at all times. In addition, it is agreed that the District has an educational interest in the educational records of the Charter School such that the District will have access to those records. Records will, at a minimum, include emergency contact information, health and immunization data, attendance summaries, and academic performance data from the statewide student assessments required pursuant to Education Code sections 60605 and 60851.
  
- 11) Exclusive Employer: The Charter School is deemed the exclusive employer of the employees of the Charter School for the purposes of the Educational Employee Relations Act (EERA) under *Government Code* Section 3540, et seq. The Charter School will have sole responsibility for employment, management, dismissal, and discipline of its employees.
  
- 12) Employee Handbook: The Charter School will provide the District the employee handbook that, at a minimum, includes detailed expectations for employee performance and behavior, due process rights of employees related to

disciplinary actions (including termination), compensation and benefit information, and a description of both informal and formal complaint procedures that employees may pursue in the event of disagreements. The Charter School will provide the District with immediate written notice of any change in the handbook.

5. Facilities

- a) Sites: The Charter School may change facilities with District approval. The District has the right to inspect, review, and approve any facility selected to ensure student safety. The Charter School shall provide the District not less than thirty (30) days' notification of any change in facilities in order for the District to conduct a site visit prior to students attending the new facilities.

The Charter School may not establish a charter school site outside the boundaries of the County.

- b) Zoning and Occupancy: The Charter School shall be located in an area properly zoned for operation of a school and which has been cleared for student occupancy by all appropriate local and state authorities. The facility must meet all applicable building, fire, and health code requirements, and zoning laws. The School shall maintain documentation on file of all state or local approvals including applicable fire marshal clearances, certificates of occupancy, signed building permit inspections, and approved zoning variances. The Charter School cannot exempt itself from applicable local zoning or building code ordinances.

If the Charter School seeks facilities from the District under Education Code Section 47614 (Proposition 39), it will follow applicable statute and regulations regarding submission of such a request to the District. The District will conduct the pre-opening site review process described for approving any facilities allocated to the Charter School by the District.

IV. EDUCATIONAL PERFORMANCE

A. Conformance to the Charter

1. The Board of Directors shall be responsible for operating the Charter School in conformance with the provisions of Federal and State laws and regulations, the approved charter, and this Agreement.
2. The educational program and grade level offerings shall be in compliance with the petition approved by the District on June 25, 2002, and any other subsequently authorized amendments.



3. The Charter School provides instruction through independent study and will comply with all requirements of statutes applicable to the provision of independent study in charter schools, including Education Code Section 51745 et seq., and applicable regulations.
  4. An annual calendar for the school year that includes the number of instructional days (must provide a minimum of 175 days), annual instructional minutes offered, and the number of professional development days.
  5. If enrollment exceeds capacity in any year of Charter School operation, final enrollment and waiting lists will be determined by random lottery.
  6. The Charter School will serve grades K-12.
- B. School Accountability Report Card (SARC): On or before February 1 of each year, the School will post its SARC for the prior year either on the California Department of Education SARC web site or the Charter School's own web site. The Charter School may, but is not required to, use the template developed by the California Department of Education available at <http://www.cde.ca.gov/ta/ac/sa> as a guide.

#### V. SPECIAL EDUCATION

- A. A child with disabilities attending the Charter School shall receive special educational instruction or designated instruction and services, or both, in the same manner as a child with disabilities who attends another public school. The agency that granted the charter shall monitor to ensure that all children with disabilities enrolled in the Charter School receive special education and designated instruction and services in a manner that is consistent with their individualized education program and in compliance with the Individuals with Disabilities Education Act (IDEA).
- B. This agreement has the purpose of clarifying the roles and responsibilities of the parties with regard to students who are enrolled and attend the Charter School and are or may be eligible for special education and related services under the IDEA.
- C. The Charter School is currently a member of Special Education Local Plan (SELPA) as a Charter School under the Local Education Agency (LEA).
- D. Section 504 and the Americans with Disabilities Act: It is agreed that this Agreement is intended to address the responsibilities of the parties with respect to the provision and financing of special education services under the IDEA and does not cover services or accommodations required under Section 504 of the Rehabilitation Act (Section 504) nor under the Americans with Disabilities Act. Absent agreement of the parties to the contrary, the Charter School shall be solely responsible, at its own expense, for compliance with

Section 504 and the Americans with Disabilities Act with respect to eligible students.

- E. Identification and Referral of Students: Following all Special Education compliance requirements, the Charter School has the responsibility to make referrals for identification and assessments of any students who are enrolled in the Charter School who are believed to be eligible for special education assessment and/or services. Prior to making any referral, the Charter School shall conduct a student study team, if at all possible (given a parent's right to refuse such an option) to determine if alternative interventions are appropriate. All referrals shall be immediately processed by the Charter School or delivered to the contracted service provider for consultation, identification and assessment.
- F. Assessment of Students: Pursuant to the Individuals with Disabilities Education Act (IDEA) Child Find mandate, the Charter School will determine what assessments covering all areas of suspected disability or concern, and if any are necessary, arrange for such assessments for all referred students. They are also responsible for all annual assessments, for tri-annual assessments, and for any assessment for Related Instructional Service.
- G. Individualized Education Program (IEP): The Charter School shall be responsible for arranging and conducting the necessary IEP meetings. The Charter School shall be responsible for providing adequate meeting rooms at the Charter School, having the designated representative of the Charter School in attendance at the IEP meeting, in addition to representatives who are knowledgeable about the regular educational program at the Charter School. Further, the Charter School responsibilities shall include documentation of the IEP meeting and the provision of parent rights in accordance with the current County SELPA and district requirements, as well as reporting into the designated District or County reporting system.
- H. Eligibility and Placement: Decisions regarding eligibility, goals/objectives, program placement and exit from special education shall be the decision of the IEP team. Team membership shall be in compliance with federal and state law and shall include the representative of the Charter School or designee. Services and placement shall be provided to all eligible Charter School students in accordance with the IDEA, and the policies, procedures and requirements of the County SELPA, and shall be provided by the Charter School.
- I. Interim Placement: For students who enroll in the Charter School with a current IEP, it is the responsibility of the Charter School to implement the existing IEP at the Charter School. The Charter School will also require, as part of its admissions process that prospective students consent to acquisition from the student's prior school of their cum files, including all special education files. For students who were previously enrolled in the district classes, the district agrees to forward the student's cumulative file including all special education files to the Charter School within ten (10) days of notification.

- J. Educational Services and Program: To the extent that the agreed upon IEP requires educational or related services to be delivered by staff other than the Charter School staff, the Charter School shall provide such services through a contract with a third party special education provider(s). All services required by the IEP will be provided by the Charter School and its contractor(s).
- K. Parent/Guardian Concerns: The Charter School shall ensure all parents of students with disabilities receive their parent's rights. Parent/guardian concerns regarding special education services shall be directed to the Charter School. The Charter School shall address the parent/guardian concerns. The Charter School shall distribute with its admissions material information pertaining to the provision of special education services provided by the Charter School.
- L. Complaints: The Charter School shall address, respond, investigate, and take any and all necessary action to respond to all complaints received under, including but not limited to the uniform complaining procedure, involving special education and IDEA compliance, complaints received from the California Department of Education, Special Education Division, Office of Civil Rights (OCR) or other entities or parties.
- M. Due Process Hearing: The Charter School may initiate a due process hearing or mediation on behalf of the student enrolled in the Charter School as the Charter School determines is legally necessary to meet the Charter School's responsibilities under federal and State law. In the event that parents/guardians file for a due process hearing, the Charter School shall be responsible for the defense, resolution, **costs**, and implementation of the required actions.
- N. SELPA Activities and Meetings: Reports to the Charter School regarding SELPA decisions, policies, etc., shall be communicated to the Charter School. To the extent that the district and/or SELPA provide training opportunities and/or information regarding special education to site staff, such opportunities/information shall be made available to the Charter School and its staff. To the extent that site staff has the opportunity to participate in committee meetings of the SELPA as representatives of the district, such opportunities shall be made available to Charter School Staff.
- O. Special Education Funding: The cost of all special education services and instruction shall be borne by the Charter School. The District will pass-through the AB602 funds based on the Charter School P2 ADA designated from the SELPA.

Any special education funding received from the District by the Charter School that is not used for special education expenditures shall be returned to the District.

## VI. FUNDING

- A. The District sponsored the Charter School as a non-classroom based independent study charter under Education Code Section 47612.5. In order to receive one-



the Charter School and shall not be used for purposes other than those set forth in the approved Charter, any authorized amendments, and this agreement. The Charter School agrees to comply with all regulations related to expenditures and receipt of such funds.

- F. The Charter School agrees to indemnify and hold harmless the District and District for claims, causes of action, funds owed or other actions taken by the State or third parties as a result of the ADA or expenditure dispute and any issues brought forward in the independent auditor's report.

## VII. FISCAL RELATIONSHIP

- A. The Charter School has contracted with the District to act as the fiscal agent for the Charter School. The Charter and District have outlined the business services to be performed in Appendix A.
- B. Absent an agreement otherwise, the District shall not advance any funds to Charter School. In addition, the District shall not act or provide a line of credit for Charter School.
- C. The Charter School shall maintain a minimum in reserves in accordance with California Department of Education guidelines, with a written plan submitted to District to remedy if reserves fall below said amounts that are subject to legislative changes.

## VIII. FISCAL CONTROLS

- A. Charter School shall meet generally accepted accounting principles and shall adopt policies to ensure the Charter School's funds are used to most effectively support the school's mission and to ensure that funds are budgeted, accounted for, expended and maintained in an appropriate fashion. Such policies will include, but not be limited to, principles that ensure that:
  - 1. Expenditures are authorized in accordance with amounts specified in the Board adopted budget;
  - 2. The Charter School's funds are managed and held in a manner that provide a high degree of protection of the School's assets; and
  - 3. All transactions are recorded and documented in an appropriate manner that allows reporting to the State as required by the District or California Department of Education

All financial reporting shall be performed using the State of California Standardized Account Code Structure (SACS) and attendant reporting forms including State adopted criteria and standards, annual budget, interim reports, and multi-year projections.

The budget structure used by the charter school during operations shall be based on, in the format applicable to, standard California public schools, clearly separating costs for certified and classified staff, and shall separate instructional from non-instructional staff.

The Charter School shall develop and monitor its budget in accordance with the State's annual budget development and monitoring calendar. State required financial reports shall be forwarded to the District within one month of its due date.

- B. Segregation of Duties: The Charter School will use and maintain purchase requisitions, reimbursements and purchase order forms to document the authorization of all expenditures. All proposed expenditures must be approved by the Charter Director who will review the proposed expenditure to determine whether it is consistent with the Board-adopted budget and sign the appropriate form. All transactions will be posted on the financial system by District personnel.
- C. Banking Arrangements: The Charter School will maintain an account with the County Treasurer. The Charter School may also maintain an account at a federally insured commercial bank or credit union. The Charter School will follow guidelines set forth by the District and Auditors.

If the charter school contemplates incurring debt, including loans from the state Treasury, it will require the Charter School Governing Board to approve such loans and a plan for repayment and notify the District prior to applying for such loans in a timely manner.

- D. Property Inventory: The Charter School Director shall establish and maintain an inventory of all non-consumable goods and equipment over \$500.00. This inventory shall include the original purchase price and date, a brief description, serial numbers and other information appropriate for documenting the Charter School's assets. Property will be inventoried on an annual basis and lists of any missing property or other dispositions shall be presented to the Board of Directors and to the District.
- E. Business Services: The Charter School agrees to contract with the District for business services, such as budget, payroll, personnel, purchasing, accounts receivable and accounts payable as outlined in Appendix A.
- F. Attendance Accounting: The Charter School shall use the State School Attendance Register approved by the State of California and track such information pursuant to Education Code 51747.5(b) using forms as suggested by the California Independent Study Operations Manual or as provided by the District. If the Charter purchases an attendance accounting system; it must be approved system by the District. The attendance accounting process shall additionally be approved by the State of California using the same requirements that exist for all other K-12 public schools. State approvals shall be in writing

prior to the first day of operation of the system and any change to the attendance accounting process shall be approved in advance of the change.

The Charter School will be responsible for its daily and monthly attendance accounting. Charter School will submit the attendance reports in accordance with the District guidelines. The Charter has contracted for attendance consolidation services under Appendix A.

The Charter School attendance will be included in the annual independent audit of the Charter School.

- G. Annual Audit: The Charter School's independent annual financial audit will be performed by a firm selected by the District. The Charter School shall be responsible for their portion of the financial audit fee. The Charter School will comply and cooperate with the District and audit firm during the audit process.

In order for the Charter School to receive a favorable recommendation for renewal, each annual audit must be free of findings and exceptions, or corrective action plans must have been implemented in a timely manner, such that there are no findings or deficiencies identified in the following year.

- H. Indemnification: The Charter School agrees to defend, indemnify, and hold harmless the District, its officers, agents, employees, and/or volunteers from any and all claims, demands, losses, damages and expenses, including legal fees and costs, or other obligations or claims arising out of any liability or damage to person or property, or any other loss, sustained or claimed to have been sustained arising out of activities of the Charter School or those of any of its officers, agents, employees, or subcontractors of the Charter School, whether such act or omission is authorized by this Agreement or not. Charter School shall also pay for any and all damage to the Real and Personal Property of the District, or loss or theft of such Property, done or caused by such persons. District assumes no responsibility whatsoever for any property placed on District premises by the Charter School, its agents, employees or subcontractors. Charter School further hereby waives any and all rights of subrogation that it may have against the District. The provisions of this Agreement do not apply to any damage or losses caused solely by the negligence of the District or any of its officers, agents, employees, and/or volunteers.

- I. Insurance: The Charter School has joined the County Schools Self-Funding Authority for all of its insurance coverage. The Charter School will be covered at its own cost and expense for the following types of insurance coverages as outlined in the annual memorandum of Coverage (MOC):

1. Workers' Compensation/Employer's Liability Insurance
2. Commercial General Liability Insurance
3. Property Insurance

4. Automobile Liability and Physical Damage
5. Machinery Breakdown
6. Crime

The Charter School will follow all the insurance limits, policies, procedures, rules and regulations of the VCSSFA.

- J. Other Fiscal Control Policies: Charter School shall develop and maintain other fiscal control policies as recommended by independent certified public accountants retained by the District to advise on fiscal control policy matters.

## IX. OVERSIGHT

- A. The Charter School and the District agree that "oversight" and "supervisory oversight," as used in Education Code Sections 47604(c) and 47613 shall include the following:
  1. All activities related to the charter revocation and renewal processes, and described in Education Code section 47607;
  2. Activities relating to monitoring the performance and compliance of the Charter School with respect to the terms of its charter, related agreements, and all applicable laws;
  3. Participating in the dispute resolution process as described in the charter;
  4. Review and timely reporting of financial and other data, including but not limited to, the Charter School's Annual School Performance Report and Annual Independent Fiscal Audit, according to federal, state, and local guidelines;
  5. Identification of at least one District staff member as a contact person for the Charter School;
  6. A visit to the Charter School at least annually;
  7. Ensuring that the Charter School complies with all reports required of charter schools by law;
  8. Monitoring the fiscal condition of the Charter School.
  9. Providing timely notification to the Department of Education if any of the following circumstances occur or will occur with regard to the Charter School:
    - a) a renewal of the charter is granted or denied;
    - b) the charter is revoked;



- c) the Charter School will cease operation for any reason.
- B. The parties agree that should the District be requested or required to perform services other than as outlined above, the Charter School will incur additional costs. The Charter School and District will mutually agree upon the arrangement in a separate services agreement.
- C. A complete board packet, including without limitation all Board meeting agendas, Parent Council meeting agendas, budget, enrollment, cash-flow updates and all other meeting information being disseminated to any legislative body of the Charter School will be sent to the District prior to the date of meeting.
- D. Charter School agrees to provide information to the District on the workings of the Charter School upon request. This information may be requested by District as part of its oversight and supervision duty as provided in the Education Code. The District will receive an amount equal to 1% of all Charter School revenues (excluding grants and monies outside of the LCFF entitlement). This amount shall be paid on an annual basis to the District.

X. FULFILLING CHARTER TERMS

- A. Material Amendments to Charter: Changes to the charter deemed to be material amendments may not be made without District Board of Trustees consideration and approval. Amendments to the charter considered to be material changes include, but are not limited to, the following:
  - 1. Substantial changes to the educational program (including the addition or deletion of an educational program), mission, or vision
  - 2. Changing to (or adding) a classroom-based program, since originally approved as a non-classroom based program
  - 3. Proposed changes in enrollment
  - 4. Addition or deletion of grades or grade levels to be served
  - 5. Adding (or deleting) facility sites
  - 6. Admissions preferences
  - 7. Governance structure
- B. State Assessments: The Charter School agrees to comply with and adhere to the state requirements for participation and administration of all state mandated tests. The state tests required to be administered are:
  - 1. California Standards Tests through spring 2014; then Smarter Balance beginning in 2015
  - 2. California Alternate Performance Assessment (CAPA) through spring 2014; to be determined in 2015
  - 3. California High School Exit Examination

4. Physical Fitness Test
5. California English Language Development Test

C. Site Visits: The site visits will consist of the following:

1. The District will conduct at least one site visit annually in order to assess the Charter School's progress in governance and organizational management, educational performance, fiscal operations, and fulfillment of the terms of the charter. The primary focus of the visits will be on teaching and learning and the Student Achievement Plan

The site visit may include review of the facility, review of records maintained by the School, interviews with the director, staff, and clients, and observation of instruction in the classroom. The evaluations for each year will constitute the basis upon which a renewal decision will be made at the end of the term of the charter. Any deficiencies will be reviewed with the Charter School administration.

2. The District will arrange periodic and scheduled safety inspections by the District or a representative of the District.
3. The District reserves the right to make unannounced visits to the Charter School.

D. Renewals: The Charter School may seek renewal of its charter prior to expiration of the term of the charter in accordance with statutory provisions. If the renewal is denied by the District to which the renewal is submitted, the Charter School may submit the renewal request to the County Board of Education. The Charter School will submit its renewal petition for the next charter term along with a copy of the most recent Annual Update and Student Achievement Plan (if applicable) to the County Board of Education, with a copy to the California Department of Education, no later than December 1 of the year in which the Charter School would cease operations without renewal.

E. Notice to Cure and Revocation: The District Board of Trustees retains the right to revoke the Charter as set forth in Education Code sections 47604.5 or 47607 for specified reasons with written notice that shall specify District concerns and issues of non-compliance. Prior to instituting revocation proceedings, the District will provide for a system of progressive notices that correction of a problem by the Charter School needs to occur with specified time lines. The progression of notification of corrective action is as follows:

1. Direct contact with the Charter School specifying the concerns, followed by Letter No.1.
2. Letter No. 2: Restatement of concerns, if there has been little or no response by the Charter School to the first letter, and a request for a response from the Charter School informing the District about steps the Charter School is taking to address the concern; the State Board of Education will be apprised informally of situation. The District Board of Trustees may conduct a site visit.

3. Letter No. 3 (Notice of Concern): Restatement of concerns and direction to the Charter School to take corrective action by a specified date; the District Board of Trustees will be formally apprised.
4. Letter No. 4 (Notice to Cure or Face Revocation): Letter identifying history of failure to correct or address the concerns and directing the Charter School to take specific enumerated actions or submit documentation by a specified date. Failure to do so will result in the institution of revocation proceedings. The District Board of Trustees will formally approve or deny the Notice to Cure.
5. Revocation: Schedule an agenda item for the District Board of Trustees to hold a public hearing and consider revocation of the charter.

The exception to the above process is under circumstances where the District determines there is an immediate threat to the health and safety of students and/or staff of the Charter School. An immediate action may be taken to assure the safety and well being of the students, staff, and community, as deemed appropriate by the District, including but not limited to closure of the Charter School. The District Board of Trustees will be apprised of the situation immediately before action is taken. In the event that a substantial fiscal concern is identified, the California Department of Education may directly issue a Notice of Concern and may take (or direct the Charter School to take) immediate steps to remediate the problem.

During the period prior to revocation, the Charter School shall have the opportunity to work collaboratively with the District or its designee to address the concerns and develop a plan to remediate all areas to the satisfaction of the District and District Board of Trustees. During this period of time the Charter School shall attempt to resolve the concerns and complete remediation. This provision may also require a charter amendment to be discussed.

F. Closure Procedures: At all times it is operational, the Charter School will have information posted on the Internet (and will update the posting as quickly as possible whenever the information changes) a description of the procedures to be used in the event the Charter School closes.. Procedures must be compliant with requirements contained in *CCR*, Title 5, Section 11962, and at a minimum, must include the following:

1. Identification of a responsible person(s), e.g. Director, Financial Officer, President of the Charter School Governing Board, to oversee and conduct the closure process. This provision shall include a process to ensure that it is updated no less than annually or when any change is made.
2. Notification of students and families of school closure;
3. Security of student and business records;
4. Processing of final employee payroll and benefits;
5. Identification of all assets and liabilities and plan for transfer as detailed in the charter;

6. Final close-out audit to be paid for by the charter school.
7. Identification of a source of funding to be used for closeout expenses including the final audit
8. Dissolution of the School and/or nonprofit corporation.

If the Charter School is to close permanently for any reason (i.e., voluntary surrender, non-renewal, or revocation), the California Department of Education will serve written notice on the Charter School that the closure procedures have been invoked. The Charter School will immediately identify to the California Department of Education the specific individual who is responsible for coordinating the Charter School's close out activities. California Department of Education will identify a staff person who will work with the School to accomplish all close out activities.

The Charter School expressly acknowledges the right of the California Department of Education, on behalf of the State Superintendent of Public Instruction (pursuant to Education Code Section 47604.3), to take immediate and direct control of all the School's student and business records at any time after the California Department of Education gives written notice that it is invoking the closure procedures

#### XI. SPECIAL PROGRAM/SERVICES

- A. In the event that either party to this agreement wishes to have its staff and or faculty participate in a program offered by the other, advanced approval and arrangements must be made. It is fully recognized that expenses for such events are negotiable at the time of the event. Such arrangements must be made with the appropriate site administrator or District personnel in advance and confirmed in writing.

#### XII. OTHER PROVISIONS

- A. Nondiscrimination: The parties recognize and agree that the Charter School shall not charge tuition, shall be nonsectarian and shall be open to all students regardless of ethnicity, national origin, gender, or disability and those provisions of nondiscrimination shall apply as well to employment.
- B. Charter School will be responsible for procuring its counsel and the costs of such service.
- C. Charter School reserves the right to subcontract any and all services specified in this agreement to the District and/or to public or private subcontractors as permitted by law.
- D. Arbitration: Any dispute arising under this agreement, including, without limitation, all disputes relating in any manner to the performance or enforcement of this agreement shall be resolved by binding arbitration in the County pursuant to the rules of the American Arbitration Association (AAA), as amended

or as augmented in this agreement (the “rules”). The parties acknowledge that one of the purposes of utilizing arbitration is to avoid lengthy and expensive discovery and allow for prompt resolution of the dispute.

Arbitration shall be initiated as provided by the rules, although the written notice to the other party initiating arbitration shall also include a description of the claim(s) asserted and the facts upon which the claim(s) are based. Arbitration shall be final and binding upon the parties and shall be the exclusive remedy for all claims subject hereto, including any award of attorneys’ fees and costs. Either party may bring an action in court to compel arbitration under this agreement and to enforce an arbitration award.

All disputes shall be decided by a single arbitrator. The arbitrator shall be selected by mutual agreement of the parties within 30 days of the effective date of the notice initiating the arbitration. If the parties cannot agree on an arbitrator, then the complaining party shall notify the AAA and request selection of an arbitrator in accordance with the rules. The arbitrator shall have only such authority to award equitable relief, damages, costs, and fees as a court would have for the particular claim(s) asserted. In no event shall the arbitrator award punitive damages of any kind.

The arbitrator shall have the power to limit or deny a request for documents or a deposition if the arbitrator determines that the request exceeds those matters, which are directly relevant to the claims in controversy. The document demand and response shall conform to Code of Civil Procedure section 2031. The deposition notice shall conform to Code of Civil Procedure section 2025. The parties may make a motion for protective order or motion to compel before the arbitrator with regard to the discovery, as provided in Code of Civil Procedure Sections 2025 and 2031.

- E. Nature of agreement: This agreement constitutes a binding expression of the understanding of the parties with respect to the services to be provided hereunder and is the sole contract between the parties with respect to the subject matter thereof. There are no collateral understandings or representations or agreements other than those contained herein. This agreement represents the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any and all other agreements and communications however characterized, written or oral, between or on behalf of the parties hereto with respect to the subject matter hereof. This agreement may only be modified by a written instrument signed by authorized representatives of each of the parties hereto.
- F. Binding effect: This agreement shall inure to the benefit and shall be binding upon all of the parties to this agreement, and their respective successors in interest or assigns.
- G. Severability: It is intended that each paragraph of this agreement shall be treated as separate and divisible, and in the event that any paragraphs are deemed

unenforceable, the remainder shall continue to be in full force and effect so long as the primary purpose of this agreement is unaffected.

- H. Non-Assignment: No portion of this MOU or the charter petition approved by the State Board of Education may be assigned to another entity without the prior written approval of the District.
- I. Waiver: No claim or right arising out of a breach of this agreement can be discharged in whole or in part by a waiver or renunciation of the claim or right unless such waiver is in writing.
- J. Paragraph headings: The headings of paragraphs hereof are inserted only for the purpose of convenient reference. Such headings shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this agreement or any part or portion thereof, nor shall they otherwise be given any legal effect whatsoever.

### XIII. NOTIFICATION

Any notices required or permitted to be given under this Agreement shall be deemed fulfilled by written notice, demand or request personally served on (with proof of service endorsed thereon, or mailed to, or hereinafter provided) the party entitled thereto or on its successors and assigns. If mailed, such notice, demand, or request shall be mailed certified or registered mail, return receipt requested, and deposited in the United States mail addressed to such party at its address set forth below or to such address as either party hereto shall direct by like written notice and shall be deemed to have been made on the third (3<sup>rd</sup>) day following posting; or if sent by a nationally recognized overnight express carrier, prepaid, such notice shall be deemed to have been made on the next business day following deposit with such carrier. For the purposes herein, notices shall be sent to the District and the Charter School as follows:

Unified School District  
PO Box XXXX

XXXX, CA 93024

Attn: Assistant Superintendent

XXXX Charter  
XXX Main Street  
XXX, CA 9XXXX

Attn: Director

This agreement contains the entire agreement of the parties with respect to the matters covered hereby, and supersedes any oral or written understanding or agreements between the parties with respect to the subject matter of this agreement. No person or party is authorized to make any representations or warranties except as set forth herein, and no agreement, statement representation or promise by any party hereto which is not contained herein shall be valid or binding. The undersigned acknowledges that she/he has not relied upon any warranties representations, statements or promises by any of the parties here in or any of their agents or consultant except as may be expressly set forth in this Agreement. The parties further recognize that this agreement shall only be modified in writing and by the mutual agreement of the parties.

Approved by:

\_\_\_\_\_  
, Director XXXX  
Charter

\_\_\_\_\_  
Date

\_\_\_\_\_  
, Superintendent XXXX Unified  
School District

\_\_\_\_\_  
Date

## **Appendix A**

### **Agreement for District Services**

The Charter School shall contract from the District a number of administrative and financial services. The agreement is based upon the Charter School complying with all of the District's procedures relating to the services.

The services shall include the following:

#### **Financial Reporting**

Administer Charter School's financial program within the State and County legal requirements; assure timely and accurate financial reporting; assure proper internal controls, audit trails, and records management.

Oversee Charter School budget, expenditures, and revenues; preparation of the Charter School budget revisions; and preparation for required governmental reports.

Review and reconcile the Charter School reports and prepare accounting adjustments in the computerized financial system as necessary.

Perform other accounting functions including expenditure transfers, account coding, and internal auditing.

#### ***Accounts Payable***

Foot, cross foot, and compare the Charter School invoices to purchase orders. Check for proper authorizations and prepare payment; input payments into a computerized financial system; verify checks and registers prepared by County Superintendent of Schools; mail checks; respond to accounts payable inquiries; maintain 1099 vendor records.

#### ***Accounts Receivable***

Receive, deposit, and audit the Charter School income; prepare and maintain records of cash received; prepare and input transfer into a computerized financial system.

#### ***Budget***

Compile, analyze, and consolidate budget information. Assist in the development, preparation, and revision of the Charter School budget; assist in monitoring of Charter School expenditures and revenue; prepare required reports.

#### ***Purchasing***

Coordinate with Charter School personnel to record and process purchase orders and transfer data into a computerized financial system, as needed.



The revised purchasing internal controls will need to be reviewed by the District and independent auditors to ensure compliance with generally accepted auditing standards.

Prepare annual insurance survey for the Charter School.

### **Personnel**

Read, interpret, apply, and explain regulations, rules, policies, and procedures related to credentials, and other certificated personnel employment issues. Prepare employment contracts, audit transcripts for column placement; process and monitor Department of Justice and other employment clearances, obtain necessary credential or board authorization for new employees; monitor credentials/board/supplementary authorizations; read, interpret, apply, and explain rules, regulations, policies, and procedures related to personnel; maintain personnel records.

Act as District liaison for Department of Justice, State of California Attorney General's Office, and other official contacts. Act as email and confidential contact for all fingerprinting clearances; custodian of notices and rap sheet records to be reported to the Charter School and District.

### ***Payroll / Retirement***

Review and verify timesheets; compute gross salary; prepare and input payroll worksheets into payroll system; maintain employee information related to withholding tax, insurance, and other miscellaneous deductions; verify payroll distribution into financial system; compile a variety of statistical reports on payroll operations including Federal and State payroll reports. Ensure proper retirement reporting for State Teachers Retirement System (STRS) and Public Employees Retirement System (PERS).

### ***Health and Welfare***

Process Charter School employee change requests for employee benefits; reconcile vendor billings to health and welfare reports generated by payroll system; prepare for payment; reconcile payroll clearing accounts and adjust as necessary; serve as liaison between Charter School employees and insurance company representatives. Process stipends in lieu of health and welfare vendor reporting.

### ***Staff Development***

The Charter will be eligible to benefit from professional development activities and training offered by the District.

### **Student Enrollment / Attendance**

Perform Charter School consolidation of attendance accounting reports; coordinate attendance detail with Charter School; monitor completion and receipt of required attendance reports including follow-up with Charter School and County

