

**ADDENDUM TO CHARTER SCHOOL CONTRACT
Lincoln Academy Charter School**

This Addendum to Charter School Contract ("Addendum"), dated this 1st day of July, 2015, is made and entered into by and between Jefferson County School District No. R-1 ("School District") and Lincoln Academy Charter School ("the School"), and shall become effective July 1, 2016. This Addendum amends the Charter School Contract effective July 1, 2015 between the School District and Lincoln Academy Charter School ("Contract") by adding to, deleting from and modifying the Contract. To the extent any such addition, deletion or modification results in any conflict or inconsistency between the Contract and this Addendum, this Addendum shall govern and the terms of the Contract that conflict with this Addendum or are inconsistent with this Addendum shall be of no force or effect.

RECITALS

WHEREAS, the School District and the School entered into the Contract pursuant to the Charter Schools Act, C.R.S. 22-30.5-101 et seq.; and

WHEREAS, the Charter Schools Act provides that the contract between a charter school and a school district may be amended or modified upon agreement of the parties; and

WHEREAS, the School District's Board of Education ("Board") and the School agree that certain modifications to the Contract are necessary and appropriate.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual understandings, releases, covenants, and payments described in the Contract and herein, the parties agree to amend the Contract as follows:

AGREEMENT

1. Section 7.1(A)(ii) is amended to reflect that, during the 2016-2017 school year, the District shall retain Four Hundred Dollars (\$400) per funded pupil enrolled in the School from the revenues provided under paragraph 7.1(A)(i) for special education services.

2. 7.1(A)(iii) is amended to reflect that, during the 2016-2017 school year, the School District shall retain One Hundred Ten Dollars (\$110) per funded pupil enrolled in the School from the revenues provided under paragraph 7.1(A)(i) for District-wide English as a Second Language (ESL) services.

3. Section 7.4 shall be amended by adding the following sentence at the end of the section:

At any time during the term of this Contract that the School's funded FTE pupil count falls below 95% of the pupil count upon which any currently approved School budget is based, the School shall prepare and submit for School District approval a revised budget properly reflecting the lower funded FTE pupil count.

4. Section 7.6 is amended by inserting the following sentence in between the second and third sentences in the section:

The School District reserves the right to review contracts between the School and any subcontractor.

5. Section 8.2 shall be deleted in its entirety and replaced with the following new Section 8.2:

The School shall comply with the Patient Protection and Affordable Care Act ("PPACA") and its related regulations, as applicable. To the extent permitted by law, the School shall indemnify and hold the District and its board members, employees, and agents harmless from and against all damages, losses, and expenses arising out of or resulting from the School's failure to comply with PPACA and its related regulations. The School's indemnification obligation hereunder shall survive the termination of this Contract. The School will sign the Cafeteria Plan Notice and Approval Form attached hereto as Attachment 11.

6. Attachment 11 is deleted in its entirety and replaced with a new Attachment 11, attached hereto and incorporated herein by reference.

7. Section 8.3 is amended by adding the following sentence at the end of the section:

If School elects to contract for payroll and accounting services outside of the District, School shall comply with the procedures, requirements and purchases set forth in Attachment [15].

8. Attachment 12 is deleted in its entirety and replaced with the new Attachment 12, attached hereto and incorporated herein by this reference.

9. Attachment 13 is deleted in its entirety and replaced with a new Attachment 13, attached hereto and incorporated herein by this reference.

[Remainder of page intentionally left blank, signatures appear on next page]

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date first above written.

Lincoln Academy Charter School

By: Douglas C. Kelly

President

ATTEST:

Kristi A. Seisig

Secretary

JEFFERSON COUNTY SCHOOL DISTRICT NO. R-1

By: Paul Stitt

President, Board of Education

ATTEST:

Harold Starnes

Secretary, Board of Education

ATTACHMENT 11 Cafeteria Plan Notice and Approval Form

These will be provided separately and attached once approved and submitted by the School.

Attachment 12

CENTRAL ADMINISTRATIVE OVERHEAD COSTS, SPED AND ESL SERVICES, AND DISTRICT PURCHASED SERVICES

See attached PDF

ATTACHMENT 13 Insurance

Insurance policies and limits have not been finalized for the new school year. Current year requirements for charter schools can be found on the Risk Management web page.

ATTACHMENT [15]

Applies only to schools outside the District's financial and payroll systems 2016-17

The decision to move out of or return to the district for financial, payroll and HR services must be communicated to the district by April 1 of the year prior to the change.

Financials:

- 1) All fund balances and reserves will be transferred to the school's new accounts by July 1 of the year in which the school elects to move out of the district for financial services.
- 2) State equalization funding is allocated to districts monthly and will be sent to the school monthly via ACH by the 25th or within five business days of the district's receipt of the funds, as per C.R.S. 22-30.5-111.5.
- 3) All other funds will be distributed as received at the District. Additional funds, such as SpEd or ELPA funding, will be added to the school's monthly payment as received.
- 4) Mill levy override funds will be sent by April 1st each year as a lump sum for the current year instead of in multiple payments from April through June as received by the district. (i.e. 2016/2017 funding will occur by 4/1/17).
- 5) The District will adjust monthly funding to reflect any changes at from CDE or corrections of funding. The school will be notified of all funding changes. The district reserves the right to correct funding allocations as per CDE audit adjustments.
- 6) All financial reports, audits, and maintenance will be in a format that comports with CDE guidelines and charts of account. Notwithstanding the foregoing, the School shall provide information required for the annual audits in accordance with the School District's closing schedule and reporting deadlines, and adequate documentation to support financial information required for the audits, in a format prescribed by the auditor.
- 7) Final school audits including the auditor's opinion are due to the district by September 15th. School funding will be held until receipt of the information should the submittal date be missed.
- 8) The school complete and submit the District financial pipeline information data, which includes operating and balance sheet financial, information by September 15th using CDE Chart of Accounts. School funding will be held until receipt of the information should the submittal date be missed.
- 9) Fees for district services such as SPED, ESL and a 3.45% administrative overhead fee will be withheld from each monthly payment made from the District to the school. The following areas will not be billed except for administrative overhead costs as allowed per C.R.S.22-30.5-112: Payroll, Accounts Payable, Purchasing, Central Services, Employee Relations, Personnel Insurance Benefits, Support Services Management, Application Support (Technology) 50% and Enterprise Application Architecture 50%.
- 10) Billable services as agreed to by the contract will be deducted from the monthly payment to the school.
- 11) The school will be responsible for maintaining their website in compliance with statutory Financial Transparency requirements. Noncompliance will constitute a material breach of the Contract.
- 12) The following services will not be available: select IT services, purchasing card program, purchasing department and possibly district pricing. The school will not have financial support – SAST, Audit preparation, armored car service through the district or access to Authorize.Net for parent on-line fee payments.
- 13) Per CDE's guidance, Capital Construction funds will flow through Jeffco as charter authorizer. These funds will be disbursed once a month with the state equalization funding.
- 14) Should the school purchase their building through a bond or capital lease, state intercept payments will be subtracted from their state equalization funds.

- 15) Budgets must be submitted by April 1st, June 30th and January 8th as outlined in the Charter Contract and/or the Documents Due form.
- 16) Quarterly Reporting must be submitted by January 30th, April 30th, July 31st and October 31st.
- 17) The school is responsible for all payroll functions including the submission of withholdings directly to PERA, state and federal government.
- 18) The school is responsible to submit all their tax filings, W-2's/1099's, workers comp and other reports as required of employers. The school is required to run a PERA reporting scan prior to paying any 1099 vendors and pay PERA directly as required by law.
- 19) The school will be responsible for adhering to CRS 22-32-117 (Miscellaneous Fees) including but not limited to compiling a complete list of fees, how the amount of each fee was derived, the purpose of each fee and will make that available to the district upon request.
- 20) Should the district include the school in any bond fund projects, the funds will be administered by the district.
- 21) The school is responsible for the annual reporting of any unclaimed assets to the state. (The Great Colorado Payback)
- 22) Should the district receive a CORA request for information held at the school, the school will comply with the timeline as requested by the district to meet the CORA obligations.

Grants:

Any state or other grant that is awarded to Jeffco Schools and all Federal grants will be maintained at Jeffco and passed through to the school as per the requirements of the grants.

1. The school will be responsible for following all requirements for expenditures charged to Jefferson County Public School Grant Awards benefitting the charter school:
 - a. Part III of the Office of Management and Budget - Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards including but not limited to Procurement Standards.
 - b. Education Department General Administrative Regulations (EDGAR)
2. The school will be required to submit a monthly reimbursement packet to the district for expenditures incurred during the previous month that are on the budget approved by the grantor. The packet will include copies of vendor invoices, proof of Federal debarment check, proof of competition for procurement, and written standards of conduct covering conflict of interest, as well as other records that the District reasonably requests. If the school is requesting reimbursement of staff salary, they will provide time and effort records as backup to the time they are requesting.
3. The school will be reimbursed via the monthly ACH for the monthly reimbursement request after the district has received reimbursement from the grantor and compliance grant processes are demonstrated.
4. In the event that the district has to return reimbursed funds associated with the charter school to the grantor due to an audit finding, an item is identified as a disallowed expense or other errors, the funds will be withheld from the monthly disbursement.

Student Data/State Reporting:

As per the Charter Contract, schools are required to maintain the district's Student Information System (SIS) current with all relevant and required information. This includes but may not be limited to:

1. Teacher data and assignments/classroom etc. (required for Teacher Student Data & Course Completion submittals to CDE)
2. Grades are not required except for Term Final grades

3. Scheduling in IC is required for October 1 count and Hourly "seat time" submittals
4. Jeffco Connect is required to complete IC data information for families
5. If a school desires to use another system and run a data dump into InfiniteCampus (SIS):
 - a. The school shall be required to accurately update IC weekly prior to CDE reporting times
 - b. All IC data shall be required excluding daily grades
 - c. Term Final grades may be entered by hand
 - d. The school shall research if a data dump/weekly update is possible
 - e. If programing or other work is required to make this possible, any costs to the district associated with this process shall be incurred by the school
 - f. The cost for IC shall continue to be charged as a purchased service because the district SIS is required for CDE reporting
 - g. The school shall develop a proposal for this process and secure approval
 - i. From Student Data Services
 - ii. Information Technology Service
 - h. Any "Bad Data" in the district's information system
 - i. Shall be corrected by the school per established deadlines
 - ii. If the school fails to correct the data by the specified due date
 1. The district may correct the data and charge the school
 2. The school shall provide a person during this process to research and provide the correct information for data updates
 - i. Approval by all parties must be finalized prior to August 1 each year to use another system while keeping IC (SIS) up to date
 - j. This process shall be reviewed and revised annually

Human Resources:

If a school is not using the district's HR, financial and payroll systems, the following requirements apply:

1. School employee information shall be submitted to HR using "Person of Interest" forms in order to be given access to appropriate software and included in appropriate CDE reporting
2. Employee paperwork shall be submitted within 5 days from the date of hire
3. All instructional staff shall submit
 - a. licenses, endorsements, transcripts (24 hour count), applicable qualifying tests (Place, Praxis) to ensure they are Highly Qualified for CDE reporting
 - b. the required documentation must be submitted within 5 days from the date of hire
4. In addition, the following items apply
 - a. Annual validation of teacher assignments in the district's systems must be completed by the School prior to the specified due date
 - b. Failure to submit licenses, endorsements, transcripts and applicable qualifying tests (Place, Praxis) in a timely manner shall constitute a material breach of the Contract
 - c. Employee Background checks are not available as a purchased service
 - d. Substitute teachers are not available as a purchased service
 - e. The district must be notified of School employee address and/or name changes