

Proposal of Professional Services

PREPARED ESPECIALLY FOR

Blue Oak Charter School

CDS# 04 61424 6119523

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September 26, 2019

Blue Oak Charter School
Board of Directors
450 West East Ave.
Chico, CA 95926-7238

Dear Members of the Board:

Thank you for providing CharterWise Management with the opportunity to submit a proposal for back office support and financial services for **Blue Oak Charter School**. We are very excited for the prospect of working with you! CharterWise Management is a professional accounting firm that prides itself on being open, accessible and experienced.

Customer service is our number one priority and we know that you will be pleased with the quality of service we provide. We understand the daily challenges that come with operating a charter school, and we would love the opportunity to allow you to focus on education and the heart of your school's mission by ensuring that we provide comprehensive back office support and financial services.

The CharterWise team is led by CPAs with financial accounting expertise who are also leading charter school industry experts with over 15 years of experience advising clients on matters of state and federal compliance. We look forward to building a strong relationship with you as your trusted advisor.

Attached please find our proposal of professional services for the **2019-20 fiscal year plus two optional renewal years**. Our proposal includes details regarding our scope of services, proposed fees, and a sample financial package. If you have any questions, please do not hesitate to contact me. We look forward to hearing from you and helping you find peace of mind with the professionals at CharterWise Management.

Sincerely,



Christy White, CPA
President
CharterWise Management

Summary of Services Offered

CharterWise helps charter schools focus on the heart of their mission by providing comprehensive back office support and financial services. A summary of the services offered are described below.

- 1) Accounting and Finance
- 2) Payroll Processing
- 3) Compliance and Accountability
- 4) Grants Administration
- 5) New and Existing Charter School Development

1) ACCOUNTING AND FINANCE

While you keep your focus on education, CharterWise ensures that you maintain accurate financial data through a full range of accounting and budgeting services. CharterWise uses **QuickBooks Online** as its accounting software; a leading software for non-profit organizations that allows for the tracking of restricted and unrestricted funding sources. These services are outlined below.

- Budgeting
- Monthly Financial Statements
- Monthly Budget Analysis
- Monthly Cash Flow Projections
- Accounting
- Accounts Payable and Receivable
- Government Financial Reporting
- Audit Support
- Board Meeting Support

Clients will have access to online **QuickBooks** to view real time financial information including revenues, expenses, cash on hand and year to date budget analysis.

Summary of Services Offered (continued)

2) PAYROLL PROCESSING

CharterWise interfaces between the school and the school's external payroll processor and performs quality control checks to verify correctness of information and reduce errors in payroll processing. CharterWise works with payroll processor to accomplish the following tasks.

- Payroll Entry and Processing
- Sick and Vacation Time Accruals and Monitoring
- W-2 Processing
- Federal and State Withholdings Tax Deposits
- SUI/SDI Tax Deposits
- Affordable Care Act Reporting
- STRS/PERS and Other Retirement Plan Reporting

3) COMPLIANCE AND ACCOUNTABILITY

The compliance and accountability will be the responsibility of the School; however, CharterWise will provide advice on certain matters but this list is not comprehensive.

- Every Student Succeeds (ESSA) and Special Education Compliance Support
- Funding Compliance
- District and State Regulation Compliance
- Federal Cash Management Data Collection Submission
- Consolidated Application and Reporting System
- Annual Information Survey Completion
- Property Tax Exemption Filing
- Preparation of Compliance Calendar with Deadlines and Instructions for Meeting those Deadlines
- Compliance Deadline Reminders
- LCAP Expenditure Tracking
- Board Meeting Agenda Development

Summary of Services Offered (continued)

4) GRANTS ADMINISTRATION

CharterWise tracks grant awards and prepares financial reports as required. You can count on us to help you prepare various funding applications to keep your school thriving financially.

- Customized Financial Reports for Grant Reporting Purposes
- Fund Accounting
- Tracking of Direct and Allocated Grant Costs
- Submission of Required Quarterly and/or Year End Expenditure Reports for Grants
- Title III Consortium Administration

5) NEW AND EXISTING CHARTER SCHOOL DEVELOPMENT

CharterWise assists schools in new and existing charter school development. We support charter school leaders with the expansion phase by providing the services below.

- SB 740
- Prop 39
- Pupil Estimates for New or Significantly Expanding Charters (PENSEC)
- Charter Renewal Budget

Summary of Services Offered (continued)

EXCLUDED SERVICES

Excluded Services include, and are not limited to:

- Outside Legal Costs
- Grant-Writing or Fundraising
- Petition Writing
- Hiring and Associated Legal Requirements
- Personnel Recordkeeping
- Human Resources
- Negotiations and Financing Support
- Meetings Outside the Scope Outlined Above
- Special Ed Administration
- Testing Assessment
- Compliance with Government Grant Requirements
- Attendance Reporting

PROPOSED AGREEMENT TERM

November 1, 2019 through June 30, 2020 (the “Initial Term”), unless **Blue Oak Charter School** renews its Agreement with CharterWise for two (2) optional renewal periods.

The Agreement shall automatically renew for consecutive two (2) year terms unless either party provides written notice of non-renewal to the other at least ninety (90) days prior to the expiration of the current-term.

PROPOSED PRICING AND PAYMENT

BACK OFFICE SERVICES: CharterWise will provide these services on the following rate schedule:

- **Blue Oak Charter School: \$5,650.54 monthly** for the **2019-20** fiscal year.

	2019-20 Fee	OPTIONAL RENEWAL	
		2020-21 Fee	2021-22 Fee
Blue Oak Charter School	\$ 71,375	\$ 73,160	\$ 74,991
Less discount	(3,569)	(2,195)	(1,875)
Totals	\$ 67,806	\$ 70,965	\$ 73,116

CharterWise, does not bill for extra services related to the scope or added costs (such as printing). Our fees are all-inclusive and will not change unless there are significant changes in the scope.

- 1. CONSULTING:** Should the School(s) require additional services not in the aforementioned scope of work, we would be pleased to provide these at **\$165/hour**. The rate includes normal phone, copying, and incidental costs. Additional costs would include mileage reimbursement for travel, overnight delivery chargers, and any other pre-approved out-of-pocket expenses.
- 2. SET-UP CHARGES: Fee Waived.** CharterWise will absorb the expenses of setting up clients on our systems. However, if reconciliations due to incomplete or unorganized records require more than twenty (20) hours of our staff time, we will charge for the additional reconciliation time at our hourly consulting rate.
- 3. CONVERSION FEE: Fee Waived.** Schools already in operation prior to commencing CharterWise back office services will typically pay a one-time fee to convert their data and records into our systems. However, if the conversion requires more than forty (40) hours of our staff time, we will charge for the additional time at our hourly consulting rate.
- 4. RUSH CHECK FEE:** CharterWise allows for up to one rushed check per month. All other rushed checks will be charged a \$15 fee in addition to the overnight delivery fees charged by the postal carrier.

PROPOSED PRICING AND PAYMENT (continued)

- 5. SERVICES PRIOR TO NOVEMBER 1, 2020:** CharterWise is pleased to provide **Blue Oak Charter School** consulting services that are within the above scope of services and that otherwise would be required to assist in the successful transition at our consulting hourly rate.

Scope of Service Summary

CharterWise helps charter schools focus on the heart of their mission by providing comprehensive back office support and financial services. You can trust our Certified Public Accountants and experienced industry professionals to help you grow great schools and nurture bright students.

<p>ACCOUNTING AND FINANCE</p>	<p>Budgeting:</p> <ul style="list-style-type: none"> • Annual and multi-year budgets including cash flows- In the spring or when services begin, CharterWise works with the school leader to create annual and multi-year budgets in time for submission to the state by July 1. • Budget revisions- CharterWise revises budgets as needed to reflect changing circumstances at the school or in state funding. • Updated monthly forecasts- CharterWise tracks budget to actuals and updates the budget forecast monthly. <p>Financial Statements:</p> <ul style="list-style-type: none"> • Monthly year-to-date financial statements- CharterWise prepares YTD financials compared to budget in time for monthly board meetings. • Monthly cash flow projections- CharterWise monitors the school’s cash position and tries to anticipate any cash shortfalls in future months • Customized financial analysis- CharterWise performs reasonable financial analysis that the staff or board requests, e.g. providing a comparative analysis of the school’s budget relative to industry norms or fulfilling a request from the authorizing agency. CharterWise will also provide customized reports (within reason) for grant proposals. • Support in resolving financial issues- CharterWise helps the school leader find solutions to financial issues by recommending budget changes and/or identifying sources of potential funding. <p>Accounting:</p> <ul style="list-style-type: none"> • Setup of school’s chart of accounts and general ledger- CharterWise sets up and maintains the school’s chart of accounts, based on CharterWise’s standard structure which is designed to be compliant with SACS. • Transaction recording- CharterWise records in detail all transactions in a computerized accounting system. • Bank reconciliation: CharterWise reconciles primary bank and investment accounts to general ledger monthly or upon receipt of statements. Revolving and petty cash accounts are reconciled quarterly or as required. • Capital Assets- CharterWise records capitalized assets as provided by the school. On an annual basis, CharterWise records related depreciation and
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<p>ACCOUNTING AND FINANCE (CONTINUED)</p>	<p>amortization in the general ledger and reconciles expenditures to fixed asset listing.</p> <p>Accounts Payable and Receivable:</p> <ul style="list-style-type: none"> • Accounts Payable- CharterWise processes vendor invoices for payment including verifying approval of payment, determining cash flow availability, verifying non-duplication of payment, logging appropriate accounting entries, producing check payments, and verifying check security. CharterWise will use authorized signature stamp provided by client to stamp checks for signature and payment. Signature stamp will only be used for approved vendor invoices by the client that will be evidenced by a signed weekly accounts payable recap form. • Accounts Receivable- CharterWise monitors the receipt of revenue to ensure that the school receives all entitlements and that the amounts received are correct. • 1099 Processing- CharterWise prepares and sends Form 1099 to employees and/or contractors, and government, provided that this Service Agreement remains in effect at the end of the applicable calendar year, and subject to the timely receipt of accurate and complete information and data from the Client, in accordance with CharterWise policies throughout the term and including for any portion of the applicable calendar year that preceded the provision of services under this Agreement. CharterWise is not responsible for submitting 1099 forms to vendors in which a W-9 form has not been provided by the client. <p>Governmental Financial Reporting:</p> <ul style="list-style-type: none"> • Preliminary and final budget reports- CharterWise prepares and files the preliminary budget report by July 1 based on the board adopted budget and a final budget as required. • Interim Financial Reports- CharterWise prepares the first and second interim reports and files them with the district and county by the December 15 and March 15 deadlines. • Unaudited Actuals Financial Report- CharterWise prepares the unaudited actuals financial report by the September 15 deadline. • Other Required Financial Reports- CharterWise prepares and submits all other financial reports required by the district, county office education and the California Department of Education. <p>Audit:</p> <ul style="list-style-type: none"> • Audit Support- CharterWise prepares financial documents for the auditors and works side by side with the auditors to help ensure a smooth and timely audit process. • Audit compliance training- CharterWise helps the school develop financial policies designed to meet the requirements and help protect the school from financial mismanagement.
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<p>ACCOUNTING AND FINANCE (CONTINUED)</p>	<ul style="list-style-type: none"> • Federal Single Audit- CharterWise provides support in school compliance with accounting and related audit requirements, including the Single Audit Act of 1984. • IRS Form 990 Support- CharterWise supports the school and the auditor in preparing Form 990 tax-exempt organization annual filing. Fees for audit and 990 are paid by the school and it is the school’s and auditor’s sole responsibility to ensure these forms are filed. <p>Board Meeting Support:</p> <ul style="list-style-type: none"> • Board Meeting Financial Package- CharterWise prepares a monthly financial package complete with a financial analysis to be provided at each board meeting. • Board Meeting Attendance- CharterWise attends board meetings quarterly or by teleconference as requested and presents its financial analysis presentation. CharterWise can assist the board in staying in compliance with the Brown Act.
<p>PAYROLL PROCESSING</p>	<p>CharterWise works with the third party external payroll processor of the Client’s choice to accomplish the following tasks. CharterWise interfaces between the school and the payroll processor and performs quality control checks to verify correctness of information and reduce errors in payroll processing.</p> <ul style="list-style-type: none"> • Payroll Processing- CharterWise calculates and processes payroll and payroll-related payments for salary and hourly employees based on information submitted by the school. CharterWise generates checks for signatures by authorized client representative (or through electronic signature). • Payroll Record Maintenance- CharterWise keeps track of employee payroll information. School maintains employee files. • W-2 Processing- CharterWise works with the payroll processor to complete and submit Form W-2 to employees and government, provided that this Service Agreement remains in effect at the end of the applicable calendar year, and subject to the timely receipt of accurate and complete information and data from the Client, in accordance with CharterWise policies throughout the term and including for any portion of the applicable calendar year that preceded the provision of services under this Agreement. • STRS/PERS Reporting- CharterWise works with school’s County Office of Education and/or authorizer to process reports and payments for STRS and PERS. The school is responsible for STRS/PERS account setup, administration and enrollments and any fees from outside parties including late fees and interest levied by STRS/PERS.

<p>COMPLIANCE AND ACCOUNTABILITY</p>	<ul style="list-style-type: none"> • Every Student Succeeds Support- CharterWise helps the school understand the requirements of NCLB. • Funding Compliance- CharterWise makes compliance recommendations regarding funding requirements such as Federal PCSGP implementation grant funding and other restricted funds. • District and state regulation compliance- CharterWise can help the school identify areas where it may not be in compliance with district or state regulations. • Consolidated Application – CharterWise works with the school to complete Parts 1 and 2 of the Consolidated Application, which is used to apply for federal funds. • Federal and Cash Data Management Collection- CharterWise will prepare and submit quarterly federal cash balances on behalf of the school. • LCAP Expenditure Tracking- CharterWise will work with the schools to track LCAP expenditures throughout the year and input actual/estimated expenditures in the LCAP. • General Reporting- CharterWise will prepare any necessary program, state, county and district reports related to financial activity. • Agenda Development- CharterWise will work with the school to make sure important compliance items are placed on the board agenda for approval by the compliance deadline.
<p>GRANTS ADMINISTRATION</p>	<ul style="list-style-type: none"> • Financial Reports- CharterWise prepares customized financial reports for grant purposes. • Fund Accounting- CharterWise sets up fund accounting to track direct and allocated costs to grant awards. • Grant Reporting- CharterWise will prepare and submit the grant reporting for Prop 39 Energy Efficiency, Educator Effectiveness, Education Protection Act, Special Education, and all other grants that require expenditure reporting. • Submission of Required Reports- CharterWise will submit all necessary monthly, quarterly and/or year end expenditure reports required by any grant.
<p>NEW AND EXISTING CHARTER SCHOOL DEVELOPMENT</p>	<ul style="list-style-type: none"> • SB 740- CharterWise will help the school prepare and submit SB740 facilities reimbursement on the school’s behalf. • Prop 39- Upon the school’s request CharterWise helps the school prepare and submit compliant Prop 39 requests. • Pupil Estimates for New or Significantly Expanding Charters (PENSEC) - CharterWise prepares the PENSEC and submits it by the required deadline. • Charter Renewal Budget- CharterWise will prepare a multi-year budget, multi-year cashflow flow forecast with assumptions for charter renewal.

EXCLUDED SERVICES

Other than the services outlined, CharterWise is not responsible for any other activities, unless mutually agreed to in writing.

Meet Your CharterWise Team

Christy White, CPA President



Christy White has served hundreds of local educational agencies over the past thirty years with twenty-two years in public accounting auditing over 250 educational agencies and seven years with School Services of California, Inc., a leading public education financial consulting and policy group. She has provided audit and financial consulting services in areas of organizational analysis, budgeting, negotiations and multi-year planning, in addition to developing and conducting six workshop series throughout the State. Christy is known as a leading expert in attendance accounting, school district organization, and fiscal analysis. As the founding partner of Christy White Associates and CharterWise Management, Christy provides her clients with creative and practical solutions to problems. Christy holds a Bachelor of Science in Business Administration from California State University, Chico.

In her spare time, Christy enjoys traveling, playing the piano, tennis and giving back through Rotary service.

Alexis McKeon, CPA Executive Director



Alexis McKeon joined Christy White Associates shortly after earning her bachelor's degree in Business Administration with an emphasis in Accountancy from California State University San Marcos. Alexis managed audit engagements for independent charter schools, K-12 local education agencies (LEAs), governmental entities, and not-for-profit organizations all throughout the state of California. She has knowledge and experience with auditing for K-12 LEA State compliance requirements, Federal compliance under Uniform Guidance, governmental and non-profit accounting, developing internal control frameworks, multi-year budgeting, and cash flow management. Alexis' passion for working with her charter school clients in addition to her technical expertise led her to be a crucial component of the development and launch of CharterWise Management, a division of Christy White Associates. Alexis regularly receives continuing professional education by attending conferences held by the American Institute of Certified Public Accountants and CalCPA on non-for-profit and governmental entities. She also annually attends budget updates held by School Services of California and the California Charter Schools Association.

In her spare time Alexis enjoys staying active, experimenting with new recipes in the kitchen, soaking up the sunshine in her beautiful hometown of San Diego and spending time with her family, friends and husband.

Meet Your CharterWise Team, (continued)

Stephanie Whitehouse, CPA

Director



Stephanie Whitehouse has been helping small businesses stay fiscally solvent for twenty years. Her background includes assurance, tax and consulting services. She has served the firm in various roles including managing audit engagements for independent charter schools, K-12 local education agencies (LEAs), governmental entities, and not-for-profit organizations all throughout the state of California where she gained crucial compliance experience and expertise. Currently, she is a lead for providing back office solutions to Charter Schools. She holds a bachelor's Degree in Business Administration with a major in accounting from Benedictine

University in Lisle, IL. She has been a licensed CPA with the state of California since 2008 and is a member of the California Charter School Association. In her spare time, Stephanie stays active and enjoys spending time with her two children and husband.

CLIENT REFERENCES

City Heights Preparatory Charter School

Services: Full Back Office Services
Elias Vargas, School Director
3770 Altadena Ave, San Diego, CA 92105
Phone: (619) 795-3137
E-mail: Evargas@cityheightsprep.org

Holly Drive Leadership Academy

Services: Full Back Office Services
Alysia Shaw, School Principal
4801 Elm St, San Diego, CA 92102
Phone: (619) 266-7333
E-mail: HDLAPrincipal@msn.com

Valley Life Charter School

Services: Payroll
Lori Lackey, Principal/ Superintendent
3737 W Walnut Ave, Visalia, CA 93277
Phone: (559) 625-8527
E-mail: llackey@vlcs.org

A CHRISTY WHITE SOLUTION

WHAT DIFFERENTIATES US?

▪ We Are a Professional Accounting Firm

- Our professional staff is composed of individuals who are CPA's or CPA eligible in order to provide your school with a piece of mind in dealing with the complexities of fund accounting and financial reporting.
- Only CPA's or CPA eligible staff will be responsible for handling the accounting and financial reporting for your school.

▪ We Are Compliance and Audit Experts

- With over 15 years in the audit industry, our firm has served hundreds of charter schools and K-14 school districts and has advised them how to remain in compliance with state and federal requirements.
- We help your school develop and maintain proper internal control procedures that will result in a smooth audit process and overall clean audit.
- We advise the school of a correction plan immediately as soon as we become aware any instances of non-compliance with state and federal requirements.

▪ Customer Service is Our Priority

- We pride ourselves in going above and beyond for our clients and building a strong relationship as their trusted advisor.
- We make ourselves accessible to our clients to answer any questions or provide training or advice in certain areas.
- We make ourselves available for in-person meetings as requested by the school.

▪ We Provide Flexibility

- We completely understand how hectic the day to day operations of a school is for a school leader and we are here to make their lives easier by developing customizable procedures that are convenient in order to optimize everyone's time.
- Our overall goal is to allow school leaders more time to focus on the heart of their school's mission- educating their students.

