

Esperanza Cyber Charter
Board Retreat of Trustees Meeting
August 12, 2021
9:30 AM to 3:30 PM

Board Members Present: Rev. Magaly Martinez, Mr. Jorge Calixto, Dr. David Hurtado, Ms. Carmen Infante, Ms. Judy Torres-Lynch, Mrs. Carmen Rocha, Ms. Amanda Roman Canales, Mrs. Carmen Torres

Board Members Absent: None

Staff/Management Present: Rev. Danny Cortes, Mr. Greg Artman, Dr. Jon Marsh, Ms. Jasmina Campos-Rivera, Mr. Joseph Papeika, Mr. John Madden, Mr. Daniel Schroeder, Mr. Artemio Rodriguez, Mr. Zachary Devlin, Ms. Amber Mendoza, Ms. Maryelis Santiago, Mrs. Heather High-Kennedy, Dr. Michelle Wiley.

WELCOME/GREETINGS

Rev. Magaly Martinez called the meeting to order at 9:30 AM.

ANNUAL ELECTIONS

Rev. Magaly Martinez recommended the Board elect the 2021-22 Officers as nominated.

Rev. Magaly Martinez moved, Ms. Judy Torres-Lynch seconded.

APPROVAL OF MINUTES

Ms. Judy Torres-Lynch recommended the Board approve the June 10th, 2021 Board Minutes as corrected.

Rev. Magaly Martinez moved, Mr. David Hurtado seconded.

Final Resolution: Motion Carries

Yea: Mr. Jorge Calixto, Ms. Carmen Infante, Ms. Judy Torres-Lynch, Mrs. Carmen Rocha, Ms. Amanda Roman Canales, Mrs. Carmen Torres

Nay: 0

Abstention: 0

PRESENTATIONS AND REPORTS

Grants, Initiatives, and the 2021-22 Path Forward Presentation

Dr. Marsh presented an overview of all the school's grants and how that ties into ECCS's long-term viability and the direction for the next two to three years. The first ESSER I grant was received as part was of the CARES ACT (Coronavirus Aid, Relief, and Economic Security Act). ECCS received \$235, 487 with a close-out date of 9/30/21. The funds were used to purchase COVID-related cleaning supplies and technology. The second grant received in January was the ESSER II grant with a funding amount of \$2,836,976. ESSER II is a two-year grant to be used by September of 2023. The third ARP (American Recovery Plan) ESSER funds received is a three-year grant. No reports have been submitted yet, however, plans are being made on how ECCS will be using those funds. ECCS is the highest funded per student cyber school in the commonwealth. This is primarily due to ECCS' economically disadvantaged student population. Ninety-five percent of students fall under the category of the free/reduced lunch program.

As part of the plan and direction for the next three years, three goals were created.

Goal 1: The Social Worker Initiative. The goal is to staff and implement a pupil services department with at least six social workers and supports, have staff in the field within the community engaging students and families, and decrease the number of disengaged students by half.

Goal 2: MTSS School Improvement goal.

By June 30, 2022, the goal is to have one year's worth of recorded/tracked assigned attendance tiers (severe, moderate, at-risk, satisfactory) and implement interventions. ECCS students have struggled to show attendance and academic growth. The plan is to improve attendance and academic growth significantly. The team moving this goal forward comprises an MTSS Coordinator, Reading Specialist, Math Specialist, and Puerto Rico team of Academic Specialist. Showing a year and halves growth academically would also remove ECCS from the CSI School designation.

Goal 3:Curriculum Development. The objective is to staff, implement and improve the online curriculum standardization process developed in the 2020-21 school year. The focus will be on increasing the blended percentage from ten percent to fifty percent and improving the cultural responsiveness of our online curriculum. Ms. Heather High-Kennedy is leading this initiative and writing a curriculum specifically for the ECCS student population.

Dr. Marsh reported the need for reserve because charter school funding rates will decrease by 10% every year (the equivalent of one million dollars). The plan is to allocate some of it for the reserves for three years. The American Recovery Plan does allow a portion of the funding to be used for reserves.

ECCS Board Retreat CSI Report

Mr. Jon Maddens shared the CSI presentation. Overall, ECCS maintained school performance during the COVID pandemic in attendance, test scores, staff retention. Attendance for the year remained concordant with reports of previous years. ECCS staff turnover was very low this year. Ninety percent of staff will be returning in the fall. CDT testing was administered in May 2021. The Math CDTs results indicated 90 percent of students were in the red, 9% in the green, and 1% in the blue. The ELA CDTs showed students scoring seventy-eight percent in the red, twenty-one percent in the green, and one percent of students scoring in the blue.

ECCS sent out two surveys. One for students and families and the other for the educators for the end-of-year feedback. Overall, both surveys were positive despite all the stress during the COVID pandemic. In the educator feedback, staff reported they continued to think highly of the school despite all the 2020-2021 school year challenges. Overall last year, ECCS lost 14 staff members mainly to relocation. The percentages for staff retention were very low in comparison to the local Philadelphia School District.

Action Item: Ms. Carmen Rocha would like to see a comparison between ECCS and other Cyber schools as opposed to just local community schools in the future.

ECCS is currently in phase two of the Comprehensive Plan (Comprehensive Plan), a three-year plan. Phase two focuses on implementing and showing the data results and analysis, which coincides with year one in the Comprehensive Plan. The goals are similar.

Main Concerns are:

- Grade 6-12 test participation rate strongly tied to Attendance and Passing Classes. Simply put, students who Pass Classes and Attend Consistently are also students who participate in State Tests
- 30-40% of students have active participation, consistent attendance, and pass classes.
- 30-40% of students log on but don't regularly participate, attend sporadically, and fail at least one class.
- 10-20% of students do not participate in any meaningful way, are considered chronically absent, and have under 10% grades in classes

Both the response plan and the CSI goals focus on attendance and academics. The goal in attendance is to have 67.4 percent of students demonstrating regular attendance by the end of June 30, 2022.

Elementary

The first year of kindergarten has been completed. There will be extra support such as a remediation period and a reading specialist that will provide guided reading and reading levels that tie into MTSS and competency-based education in the next school year.

Schoology will be used for the upcoming school year, which allows for a revamped elementary orientation that is bilingual.

Many students come to ECCS behind/midyear. A blended curriculum is in the process of being developed to help catch those students up. Teachers are also working on translating and modifying the already existing curriculum so that it will be bilingual. A great team of academic assistants also provides class, live translation for students who need extra support. Workbooks for each class and computers will be distributed Monday.

Secondary

ECCS is ramping up blended learning, ensuring that 100% of standards will be covered through 50% of learning modules being presented in a blended format by the end of the year. It gives the flexibility to provide synchronous, asynchronous, and independently paced curriculum while still covering all required content. This will mesh nicely with MTSS, competency-based education, and the social work initiative.

Ms. Abigail Huber has developed an International Studies social studies elective that touch on international issues that faculty and students have wanted to incorporate. A blended course on Lifetime Financial Literacy is also being added; it will support high school students in developing financial literacy.

The teacher evaluation protocol has been revised; it maintains the standards from Charlotte Danielson and iNACOL/Arora Institute while adding the element of teachers being co-owners of the larger organizational goals. As a result, each certified staff member has the opportunity to reflect on and join in the larger vision and goals by reporting on how they are moving those organizational goals forward.

Ms. Judy Torres-Lynch asked about how we are supporting teachers in getting their ratings up. Mr. Gregory Artman explained that staff is endowed with all staff development and individual coaching, specifically focused on new teachers at the beginning of the year. Then concentrate on teachers that are struggling by providing coaching and modeling to help bring up teacher ratings. Mr. Joseph Papieka added that formal action plans are presented as necessary in addition to Mr. Gregory Artman and the team of coaches. Meetings with supervisor and coaches with frequent

feedback for “needs improvement teachers.” An employee will not be separated until all opportunities have been exhausted to help teachers grow and change.

They are continuing the dual enrollment program with the college to provide at least 100 credits during two semesters. A second cohort will be added in January, and early reports about the current cohort are doing well so far. For example, an 11th-grade student is attending full-time at Esperanza College. She is on track to graduate in June 2023 with both a high school degree and an associate’s degree.

Mr. Joseph Papeika proposed that ECCS should lower the credit graduation requirement to 21. ECCS currently offers 24 credits to graduate; the state-required legal minimum is 21 credits. In general, the neighboring cyber schools do not require a full 24 credits for graduation. Moving to 21 credits allows us to focus our credits and time on the tested subjects and the core features of what is considered a college and career-ready student. The education and rigor are present, but our menu of electives is not as expansive as it could be if we stick with 24 credits. As it stands, the 24 credits stand as a barrier for many of our students rather than providing academic rigor. When students attend with us and engage with us, they have a positive and educational experience. The proposed 21 credits would eliminate the Spanish, computer science, and one elective credit requirement. These new requirements would not discontinue the Spanish and computer science classes, but they would give those students who need more wiggle room to graduate.

Ms. Judy Torres-Lynch expressed her concerns about the computer science credit being eliminated because it is an integral part of today’s society. Mr. Joseph Papeik explained that most students generally take the computer science course, but we could certainly make it more general in excluding two electives while requiring computer science.

Ms. Carmen Rocha explained that she is very concerned about eliminating that many credit requirements and asked for a list of the current electives offered. Mr. Joseph Papeika outlined the current electives offered: Health/Physical Education, Computer Science, Technology (Computer Science Part II), Engineering and Design (Computer Science Part III), three levels of Music, two levels of Spanish, Sociology, Digital Media, Creative Writing, Pre-Calculus, Consumer Math, Personal Finance Literacy, and International Studies. Mr. Joseph Papeika explained that no courses would be eliminated; however, the requirement to take and pass 24 credits will be changed. So students will continue to be enrolled in all offered courses. They just will not need to give them all to graduate. Rev. Danny Cortes asked how we codify the nuance of eliminating credit requirements but maintaining that students will still be enrolled in 24 courses. Dr. Jon Marsh clarified that not all students would be enrolled in 24 classes because they have failed courses in the past, and it would not be feasible.

Mr. Jorge Calixto expressed concern that students will seek out ECCS because we require fewer credits. He also wondered if we could add courses that are more engaging for students to want to attend. He also asked if there could be an amendment to the required amount of electives on a case-to-case basis. Mr. Jorge Calixto also wondered if the students have been surveyed to see what elective courses they would be interested in. Dr. Jon Marsh explained that the previously mentioned electives are those that our teachers offer, but there is the opportunity for students to take apex electives. He noted that the students coming to ECCS are generally one to one and a half years behind, limiting their pathway. Mr. Joseph Papeika mentioned that it is possible students would come to ECCS because of lower credit requirements but noted that the 24 credit requirement is likely pushing students to drop out. Dr. David Hurtado asked what the current dropout rate is at ECCS and mentioned that ECCS, at one point, did have a 21 credit requirement and asked what has changed to cause ECCS to go back to 21 credits. Rev. Danny Cortes answered the later question explaining that when ECCS was initially formed, the concept of cyber was not understood. The brick and mortar model was moved to the cyber. However, it did not consider the type of student that cybers draw. The Academy's mission is to get students to college, but ECCS was never that. It was a response to students in crisis. Dr. Jon Marsh showed the board the withdrawal data for 2020-2021 and noted that four seniors were dropped.

Action Item: Dr. David Hurtado stated that there needs to be a comparison of dropout rates with other cyber schools, particularly Aspira.

Rev. Danny Cortes noted that this is a justice issue, that ECCS needs to consider what external barriers are going to be placed on students in particular situations. Ms. Judy Torres-Lynch agreed, pointing out the importance of a high school diploma in careers after school.

Ms. Carmen Rocha asked what the logistics are of eliminating the Spanish I as a core subject. Dr. Jon Marsh explained that it is a bit of a challenge to keep it as a requirement because there would need to be another Spanish teacher to handle the load of students. Rev. Danny Cortes suggested we make course requirements more flexible so that administrators and teachers could better serve students. Ms. Carmen Rocha recommended that Spanish be kept as a core class to learn Spanish literature. From others' explanations, Dr. Jon Marsh stated that Spanish in high school is very different from the Spanish that most of our students speak. Dr. David Hurtado pointed out that most Spanish I classes do not cover literature. Rev. Danny Cortes pointed out that all curriculum needs to incorporate a Latinx perspective because most of our students are from that background.

Instructional Supports

Mr. John Madden noted that IXL would be used to track most of the CSI goals. These tests will be performed quarterly. Teachers can also assign specific content tests to individual students to

track progress. Mr. John Madden outlined the MTSS level descriptions broken down on a daily and weekly basis.

Mr. John Madden described the varying ways that attendance is tracked and interventions based on attendance will be implemented through MTSS.

He also explained the goals for both the ELD and Special Education programs and reported that the cyclical monitoring for Special Education went smoothly.

Ms. Carmen Rocha asked about the reward given to the students that came to ACCESS testing and where it was allocated in the budget. Dr. Jon Marsh explained that it was coded as technology. When they came to take the test, the students got their technology and received two \$25 gift cards. Dr. Jon Marsh explained that this would not continue during the school year.

Instructional Coaching

Mr. Gregory Artman overviewed the instructional coaching program focusing on professional development, small group support, and individual support to improve student outcomes by improving teacher effectiveness. This is the third year the instructional program has been used at ECCS. Teacher evaluations and surveys have proven the effectiveness of this program. Mr. Gregory Artman explained that instructional coaches are being empowered by getting more involved in professional development through summer preparation for staff onboarding/orientation.

Mr. Gregory Artman reported that there would be around 20 new staff members starting at the beginning of the school year. In addition, there are 10 Puerto Rico staff members, several from the last school year have moved to teacher status with PA certification, and several are on their way.

Family & Community Engagement

Ms. Maryelis Santiago explained that the FACE team wants to focus on family and student engagement by including more professional development and parent training. The team has been working closely with Anthony Roman, the Federal Programs Coordinator, to identify funding that can be utilized for the training and outreach. The FACE team is also working on finding community partners for the social work team to collaborate in presenting parent workshops.

Ms. Maryelis Santiago explained that the FACE team would be establishing a parent/guardian committee of at least five members. The team will also be compiling a parent/guardian resource library.

Ms. Judy Torres-Lynch asked where most of the ECCS students are coming from. Ms. Maryelis Santiago explained that most of the students from ECCS are from close surrounding zip codes. Therefore, the resources will target the specific needs of those communities.

Operations

Ms. Jasmin Campos-Rivera updated the board that 82% of ECCS students are confirmed to be returning next school year. She also asked the board's preference on Zoom or in-person meetings. Ms. Judy Torres-Lynch recommended that the board be treated as employees in regards to the COVID-19 policy. Therefore, all board members will be required to come onsite, and if unvaccinated, follow the procedure that employees follow. Rev. Danny Cortes agreed, stating that the policy speaks to the expectation of visitors and the requirement/expectations of the staff. Dr. Jon Marsh noted that the board meeting could now be done in the new cyber space. Ms. Amanda Roman stated that she would like the flexibility of doing the meetings virtually or in person.

Ms. Judy Torres-Lynch noted that 678 students are confirmed to be returning. She asked if it was anticipated that more students would enroll because of the pandemic. Ms. Jasmin Campos-Rivera stated that the enrollment number has since increased to 696 and expects enrollment to increase.

Technology

Mr. Daniel Schroeder explained the summer work that the tech department has been working on, including the back-end setup for all the new programs and preparing the technology for students and staff.

Mr. Jorge Calixto recommended a new program called ClassKick, where teachers could monitor students' lives and include student incentives. Mr. Daniel Schroeder stated that he would look into the program. Ms. Heather High-Kennedy explained that several of the teachers are using ClassKick and other math programs.

CEO Reports

Dr. Jon Marsh updated the board that he has been working with Walter on modifying the bylaws, some of which are outdated. One of the bylaws that ECCS would like to add is a board attendance policy, but it required a $\frac{1}{3}$ majority that was not expected for the board retreat. It is also necessary that the board has a 30-day notice of a change in the bylaws. He explained that this would be voted on in the next board meeting and several other bylaws that need updating. Walter Toliver will be working with ECCS on drafting up a resolution.

Dr. Jon Marsh discussed Act 84 of 2020 and Act 65 of 2021 and the new rules required of ECCS and the board. Ms. Judy Torres-Lynch asked if the board meetings were public. Dr. Jon Marsh stated that the board meetings are public and advertised on the website and let Ms. Judy Torres-Lynch know that community members could join board meetings by reaching out to get the meeting link or coming onsite (when that commences).

CONSENT AGENDA

2021-22 Assistive Technology Policy
2020-21 Annual Report
2021-22 Technology Resource Student-Parent Handbook

Ms. Judy Torres-Lynch asked who had reviewed the annual report to verify it was correct. Dr. Jon Marsh explained that Anthony Roman puts it together and is approved by the CEO. It is a count of what the ECCS population is. This is the first year that it is being required to be approved by the board before August 1st.

Rev. Magaly Martinez recommended the Board approve the Annual Report.
Mr. Jorge Calixto moved, Ms. Judy Torres-Lynch seconded.
Final Resolution: Motion Carries

Yea: Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Mrs. Carmen Rocha, Ms. Amanda Roman Canales, Mrs. Carmen Torres

Nay: 0
Abstention: 0

Rev. Magaly Martinez recommended the Board approve the Assistive Technology Policy and Technology Resource Student-Parent Handbook.
Ms. Judy Torres-Lynch moved, Dr. David Hurtado seconded.
Final Resolution: Motion Carries

Yea: Mr. Jorge Calixto, Rev. Magaly Martinez, Ms. Carmen Infante, Mrs. Carmen Rocha, Ms. Amanda Roman Canales, Mrs. Carmen Torres

Nay: 0
Abstention: 0

Monthly Financial Statements

Mr. Artemio Rodriguez reviewed the preliminary reports of the financial statement as of June 30, 2021. Ms. Judy Torres-Lynch asked about the cash increase. Mr. Artemio Rodriguez explained that this was mainly because of the rise in enrollment.

Dr. Jon Marsh presented the preliminary monthly finance report variance narrative of July 2021-June 2021. Ms. Judy Torres-Lynch requested a forecast for the end of the year budget.

Rev. Magaly Martinez recommended the Board approve the April Financial Statements. Mr. Jorge Calixto moved, Mrs. Carmen Rocha seconded.
Final Resolution: Motion Carries

Yea: Ms. Judy Torres-Lynch, Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Mrs. Carmen Rocha, Ms. Amanda Roman Canales, Mrs. Carmen Torres

Nay: 0
Abstention: 0

Improvement Plan

Dr. Jon Marsh explained the updated CSI plan that has been submitted. Then, Mr. John Madden broke down some of the essential elements of the plan.

Rev. Magaly Martinez recommended the Board approve the revised CSI Plan. Ms. Judy Torres-Lynch moved, Mrs. Carmen Torres seconded.
Final Resolution: Motion Carries

Yea: Mr. Jorge Calixto, Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Mrs. Carmen Rocha, Ms. Amanda Roman Canales

Nay: 0
Abstention: 0

New Business

Contracts

Dr. Jon Marsh and Mr. John Madden presented the contracts for approval.
Rev. Magaly Martinez recommended the Board approve all presented contracts.
Mr. Jorge Calixto moved, Ms. Amanda Roman Canales seconded.

Final Resolution: Motion Carries

Yea: Ms. Judy Torres-Lynch, Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante,
Mrs. Carmen Rocha, Ms. Amanda Roman Canales, Mrs. Carmen Torres

Nay: 0
Abstention: 0

Health and Safety Plan

Dr. Jon Marsh explained the health and safety plan that was required for one of the ESSR grants.
It outlines safety guidelines for those staff members onsite and students onsite.

Rev. Magaly Martinez recommended the Board approve the Health and Safety Plan.
Ms. Judy Torres-Lynch moved, Mr. Jorge Calixto seconded.

Final Resolution: Motion Carries

Yea: Ms. Amanda Roman Canales, Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen
Infante, Mrs. Carmen Rocha, Ms. Amanda Roman Canales, Mrs. Carmen Torres

Nay: 0
Abstention: 0

Curriculum Approval

Dr. Jon Marsh presented the curriculum-related applications/programs that needed approval.
Rev. Magaly Martinez recommended the Board approves the curriculum-related
application/programs.

Mr. Jorge Calixto moved, Ms. Amanda Roman Canales seconded.
Final Resolution: Motion Carries

Yea: Ms. Judy Torres-Lynch, Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante,
Mrs. Carmen Rocha, Mrs. Carmen Torres

Nay: 0
Abstention: 0

Curriculum Development

Dr. Jon Marsh outlined the curriculum that was written over the summer for board approval. Ms. Heather High-Kennedy will be working closely with all the teachers that wrote the curriculum going forward.

Rev. Magaly Martinez recommended the Board approve the summer curriculum development. Mr. Jorge Calixto moved, Dr. David Hurtado seconded.
Final Resolution: Motion Carries

Yea: Ms. Judy Torres-Lynch, Rev. Magaly Martinez, Ms. Carmen Infante, Mrs. Carmen Rocha, Ms. Amanda Roman Canales, Mrs. Carmen Torres

Nay: 0
Abstention: 0

Response to Law Enforcement Activity Policy

Dr. Jon Marsh presented the response to law enforcement activity policy for board approval.

Rev. Magaly Martinez recommended the Board approve the law enforcement activity policy. Mrs. Carmen Rocha moved, Mrs. Carmen Torres seconded.

Final Resolution: Motion Carries

Yea: Ms. Judy Torres-Lynch, Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Ms. Amanda Roman Canal, Mr. Jorge Calixto

Nay: 0
Abstention: 0

The Discipline of Student Convicted of Sexual Assault Policy

Dr. Jon Marsh described Act 110 of 2020 Discipline of Students Convicted of Sexual Assault Policy. Ms. Judy Torres-Lynch commented that this policy alarmed her in that the student convicted of sexual assault is just being pushed into another school. Dr. Jon Marsh informed her that the sexual assault record would follow the student once expelled. Ms. Amanda Roman asked if ECCS would be responsible for transitioning the student, and Dr. Jon Marsh stated that would be more than likely.

Rev. Magaly Martinez recommended the Board approve the discipline of students convicted of sexual assault policy.

Ms. Judy Torres-Lynch moved, Mrs. Carmen Rocha seconded.
Final Resolution: Motion Carries

Yea: Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Ms. Amanda Roman Canal, Mr. Jorge Calixto, Mrs. Carmen Torres

Nay: 0
Abstention: 0

Enrollment Policy

Dr. Jon Marsh presented the updated enrollment policy drafted by a solicitor. This policy included the discipline of students convicted of sexual assault policy.

Rev. Magaly Martinez recommended the Board approve the enrollment policy.
Mr. Jorge Calixto moved, Mrs. Carmen Torres seconded.

Final Resolution: Motion Carries

Yea: Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Ms. Amanda Roman Canal, Ms. Judy Torres-Lynch, Mrs. Carmen Rocha

Nay: 0
Abstention: 0

Parent Student Handbook

Dr. Jon Marsh overviewed the parent-student handbook for board approval. He explained that the credit requirements in the handbook need to be revised. The board discussed their disagreement on whether to move forward with a 21 credit requirement. Dr. David Hurtado recommended that the computer science and Spanish credits remain a requirement and eliminate three electives. Mr. Jorge Calixto expressed hesitation about eliminating three because it is harder to add more credit

requirements once removed and suggested that the requirement be 22 credits and revisited next school year. Rev. Danny Cortes stated that an amendment needs to be voted on the current request for 21 credits.

Rev. Magaly Martinez recommended the Board vote on the amendment for a 21 credit requirement to a 22 credit requirement.

Mr. Jorge Calixto moved, Ms. Amanda Roman seconded.

Discussion on the amendment commenced; Ms. Judy Torres-Lynch expressed great concern about students' ability to get employment without diplomas. Ms. Amanda Roman noted that 21st Century Cyber Charter School is currently at 22 credit requirements, and 22 credit requirements could be a good compromise. Dr. Jon Marsh clarified what the top three cyber charter schools were and have renewed charters because of their test scores. Rev. Danny Cortes noted that those schools' student population is much different than ECCS. Dr. Jon Marsh confirmed, stating ECCS has the highest ELD student population of the named cyber charters. Dr. David Hurtado recommended that ECCS offer an honors diploma with 24 credits and a standard diploma be at 21 credits. Ms. Judy Torres-Lynch asked how many of the students close to graduation for the 2021 school year were 22 credits. Mr. Joseph Papeika could not answer off the top of his head.

Final Resolution of amendment: Motion Failed

Rev. Magaly Martinez recommended the Board approve the revision of the credit requirements in the handbook from 24 credits to 21: eliminating three electives.

Dr. David Hurtado moved, Ms. Judy Torres-Lynch seconded.

Final Resolution: Motion Carries

Yea: Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Mrs. Carmen Torres, Ms. Judy Torres-Lynch, Mrs. Carmen Rocha, Mr. Jorge Calixto

Nay: 0

Abstention: 0

Rev. Magaly Martinez recommended the Board approve the parent-student handbook.

Mrs. Carmen Torres moved, Mr. Jorge Calixto seconded.

Final Resolution: Motion Carries

Yea: Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Ms. Amanda Roman Canal, Ms. Judy Torres-Lynch, Mrs. Carmen Rocha

Nay: 0

Abstention: 0

Code of Conduct

Dr. Jon Marsh explained that the only thing added to the code of conduct was the discipline of students convicted of sexual assault policy.

Rev. Magaly Martinez recommended the Board approve the code of conduct.
Ms. Judy Torres-Lynch moved, Mr. Jorge Calixto seconded.

Final Resolution: Motion Carries

Yea: Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Ms. Amanda Roman Canal, Ms. Judy Torres-Lynch, Mrs. Carmen Rocha, Mrs. Carmen Torres

Nay: 0
Abstention: 0

Personnel Actions

Ms. Amber Mendoza presented the new hires, transitioning staff, and departures. She also proposed a Parent and Family Enrollment Coordinator position and outlined the open positions.

Rev. Magaly Martinez recommended the Board approve the new hires and the addition of the Parent and Family Enrollment Coordinator position.

Mrs. Carmen Rocha moved, Dr. David Hurtado seconded.

Final Resolution: Motion Carries

Yea: Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Ms. Amanda Roman Canal, Ms. Judy Torres-Lynch, Mrs. Carmen Torres, Ms. Judy Torres-Lynch, Mr. Jorge Calixto

Nay: 0
Abstention: 0

Dr. Jon Marsh outlined the COVID -19 Vaccination Policy for board approval. The policy will be the same as Esperanza Inc. Ms. Judy Torres-Lynch asked if exemptions are offered. Dr. Jon Marsh confirmed that religious and medical exemptions will be provided and that ECCS reserves the right to terminate if an employee does not get a vaccination or exemption. It was also noted that staff would not work remotely because they did not want to be vaccinated.

Rev. Magaly Martinez recommended the Board approve the new hires and the addition of the Parent and Family Enrollment Coordinator position.

Ms. Judy Torres-Lynch moved, Mr. Jorge Calixto seconded.

Final Resolution: Motion Carries

Yea: Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Ms. Amanda Roman Canal, Mrs. Carmen Rocha, Mrs. Carmen Torres, Dr. David Hurtado

Nay: 0

Abstention: 0

Dr. Jon Marsh presented the educator handbook and explained that all highlighted items had been changed. He also noted that a work from home policy was added and a \$500 internet stipend. Mr. Jorge Calixto asked about the removal of teachers not needing to use school-issued computers. Dr. Jon Marsh explained that there were some teachers who preferred their own devices.

Carmen Rocha recommended the Board approve the educator handbook.
Dr. David Hurtado moved, Ms. Carmen Torres seconded.

Final Resolution: Motion Carries

Yea: Rev. Magaly Martinez, Dr. David Hurtado, Ms. Carmen Infante, Ms. Amanda Roman Canal, Mrs. Carmen Rocha, Mrs. Carmen Torres, Dr. David Hurtado, Ms. Judy Torres-Lynch, Mr. Jorge Calixto

Nay: 0

Abstention: 0

Next Meeting Announcements

The next regular Board meeting is scheduled for Thursday, October 21, 2021, at 3:30 PM.

ADJOURNMENT

The meeting was adjourned at 4:00 PM.

Minutes were taken by Ms. Amber Mendoza.

Complete the following information for all professional staff members.

Staff No.	Name of employee (List all names in alphabetical order)	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assigjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
1	Stacey Adams	Instructional I Grades PK-4	PK-4	Elementary Teacher - 4th Grade (RESIGNED)	800	100%	0%
2	Stephanie Albitz	Instruction I & II Elementary K-6	K-6	Middle School Teacher - 6th Grade ELA	1280	100%	0%
3	Synae Allen	Emergency Certified General Science & Biology		Science Teacher	1480	0%	100%
4	Chall'ee Allen	Instructional I Elementary K-6 & Instructional I Special Education PK-12	7th-12th	High School Special Education ELA teacher	1480	100%	0%
5	Erica Apter	Instructional I Grades 4-8 (All Subjects 4-6, ELA & Reading 7-8)	4th-8th	MTSS Teacher	1280	100%	0%
6	Gregory Artman	Instructional I Technology Education PK-12	K-12th	Professional Learning Coordinator	1480	100%	0%
7	Ronda Atwater	Instructional I Music PK-12 Instructional I English 7-12	7th-12th	English teacher	1480	100%	0%
8	Morgan Baker	Instructional I Grades 4-8 (All subjects 4-6, Science 7-8) Instructional I Chemistry 7-12 Instructional I Biology 7-12 Administrative Provisional I Principal PK-12	K-12th	Science Teacher	1480	100%	0%
9	Jamey Barber	Instructional I Social Studies 7-12 Instructional I Technology Education PK-12 Instructional I Grades 4-8 (All subjects 4-6, Science 7-8) Instructional I Grades 4-8 (All subjects 4-6, Social Studies 7-8) Instructional I Grades 4-8 (All subjects 4-6, English Language Arts and Reading 7-8) Instructional I Bus-Computer-Info Tech PK-12 Instructional I Computer Science 7-12	7th-12th	7-12 Teacher	1480	100%	0%
10	Melissa Bijas	Educational Specialist I Elementary & Secondary School Counselor PK-12	K-5th	Elementary Guidance Counselor	1440	100%	0%
11	Tammy Brooks	Instructional I Elementary K-6 Instructional I English 7-12 Instructional II Elementary K-6 Instructional II English 7-12	9th-12th	High School ELA Teacher	1480	100%	0%
12	Anthony Castro-Hernandez	Instructional I General Science 7-12	7th-12th	Science Teacher	1480	100%	0%
13	Daniel Cote	Instructional I Social Studies 7-12 Instructional I Special Education PK-12	K-12th	Special Education Coordinator	1480	100%	0%

Staff No.	Name of employee (List all names in alphabetical order)	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assigjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
14	Amirah Cutts-McManus	Instructional I Mid-Level Mathematics 6-9 Instructional II Mid-Level Mathematics 6-9 Instructional II Elementary K-6 Instructional I Elementary K-6 Instructional I Special Education PK-12	K-5th	Elementary Special Education Teacher	1120	100%	0%
15	Jill DeLeon	Instructional I Art PK-12 Instructional I Grades 4-8 all subjects, Social Studies 7-8 Instructional I Grades 4-8 all subjects, Math 7-8 Instructional I Social Studies 7-12 Instructional II Art PK-12 Instructional II Social Studies 7-12 Instructional II Grades 4-8 (All Subjects 4-6, Mathematics 7-8) Instructional II Grades 4-8 (All Subjects 4-6 Social Studies 7-8)	K-5th	Elementary School Teacher	1480	100%	0%
16	Tiffany Delgado	Instructional I English 7-12 Instructional I Reading Specialist PK-12	6th-8th	MS ELA Teacher	1120	100%	0%
17	Zachary Devlin	Instructional I Grades PK-4 Program Specialist ESL PK-12 Admin. Provisional I Principal PK-12 Administrative I Principal PK-12	K-5th	Elementary Director of Instruction (RESIGNED)	1480	100%	0%
18	Andrew Dinsmore	Instructional I English 7-12 Instructional II English 7-12	7th-12th	English Language Arts Teacher	1480	100%	0%
19	Jidvett Fabian	Educational Specialist I Elementary & Secondary School Counselor PK-12	6th-12th	Guidance Counselor	1280	100%	0%
20	Jessica Fernandez	Instructional I Art PK-12 Program Specialist English as a Second Language (ESL) PK-12 Instructional II Art PK-12	K-5th	Elementary Newcomer Teacher	320	100%	0%
21	Amanda Fiegel	Instructional I English 7-12 Program Specialist ESL PK-12 Instructional II English 7-12	7th-12th	ELD ELA Teacher (RESIGNED)	1280	100%	0%
22	Joy Fobbs	Instructional I PK-4 Instructional I Special Education PK-8	K-5th	Elementary Special Education Teacher (RESIGNED)	560	100%	0%

Staff No.	Name of employee (List all names in alphabetical order)	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assigjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
23	Kelieanne Gazak	Instructional I Elementary K-6 Instructional I Special Education PK-12 Instructional I Mid-Level English 6-9 Instructional I Mid-Level Math 6-9 Instructional I Mid-Level Science 6-9 Instruction I Mid-Level Citiz. Ed 6-9 Instructional II Elementary K-6 Instructional II Special Education PK-12 Instructional II Mid-Level English 6-9 Instructional II Mid-Level Math 6-9 Instructional II Mid-Level Science 6-9 Instruction II Mid-Level Citiz. Ed 6-9		Special Education Teacher	1480	100%	0%
24	Christina Gomez	Instructional I Grades PK-4	K-4th	1st Grade Teacher	1480	100%	0%
25	Ydaliza Gomez	Educational Specialist I Elementary & Secondary School Counselor PK-12	K-8th	K-8 School Counselor (RESIGNED)	960	100%	0%
26	James Grammond	Intern Social Studies 7-12 (converted) Instructional I Social Studies 7-12 Instructional I Grades 4-8 (All subjects 4-6, Mathematics 7-8) Emergency Permit: LT Sub with Educational Obligation Mathematics 7-12	7th-12th	HS Social Studies	1480	100%	0%
27	Laurel Grau	Instructional I Grades PK-4	K-4th	Ist Grade Teacher	1480	100%	0%
28	Christine Gross	Instructional I Social Studies 7-12 Instructional I Mid-Level Science 6-9 Instructional I Elementary K-6 Instructional I Mid-Level English 6-9 Instructional li Elementary K-6	6th Grade	6th grade teacher	1480	100%	0%
29	Jessica Grous (Hirschhorn)	Instructional I Early Childhood N-3 Instructional I Elementary K-6 Program Specialist ESL PK-12 Instructional I Special Education PK-8 Instructional II Early Childhood N-3 Instructional II Special Education PK-8 Instructional II Elementary K-6		Elementary Special Education	1480	100%	0%
30	Adrian Gutierrez-Sanchez	Instructional I English 7-12	9th-12th	HS ELD Teacher (RESIGNED)	1280	100%	0%
31	Kira Gutter	Instructional I Social Studies 7-12 Instructional I Special Education 7-12 Instructional II Social Studies 7-12 Instructional II Special Education 7-12	7th-12th	Special Education Liaison	1120	100%	0%
32	Schnell Hall (Washington)	Instructional I English 7-12 Instructional I Social Studies 7-12	9th-12th	High School ELA/Social Studies Teacher	1480	100%	0%

Staff No.	Name of employee (List all names in alphabetical order)	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assigjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
33	Jill Hardenburg	Instructional I Biology 7-12 Instructional I Chemistry 7-12 Instructional II Biology 7-12 Instructional II Chemistry 7-12	7th-12th	MS Science Teacher	320	100%	0%
34	Jessica Hein	Instructional I English 7-12 Emergency Certified Educational Obligation English as a Second Language PK-12	7th-12th	ELD ELA Teacher		0%	100%
35	Heather High-Kennedy	Instructional I English 7-12 Program Specialist ESL PK-12		Coordinator of Curriculum	1480	100%	0%
36	Michael Hopkins	Instructional I Social Studies 7-12 Program Specialist ESL PK-12	K-12th	ELD Coordinator	1480	100%	0%
37	Adriane Hoyt	Instructional I Grades K-6 Instructinal II Elementary K-6	K-3	3rd Grade Teacher	640	100%	0%
38	Alexander Isham	Intern Grades 4-8 (All Subjects 4-6, Math 7-8) Instructional I Social Studies 7-12 Program Specialist ESL PK-12	7th-12th	HS Social Studies	1480	100%	0%
39	Andrew Isom	Instructional I Mathematics 7-12	7th-12th	MTSS Teacher (RESIGNED)	800	100%	0%
40	John Kenney	Instructional I Social Studies 7-12 Instructional I English 7-12	7th-12th	Social Studies Teacher (ELD)	1480	100%	0%
41	Alexa Koletas	Instructional I Early Childhood N-3 Instructional I Elementary K-6 Instructional II Early Childhood N-3 Instructional II Elementary K-6	K-5th	Elementary teacher, Lead	1480	100%	0%
42	Kelly Krelove	Instructional II General Science 7-12 Instructional I General Science 7-12 Admin. Provisional I Principal PK-12	7th-12th	Science teacher, MS Lead	1480	100%	0%
43	Claudia Lamk	Instructional I Elementary K-6 Instructional I Spanish PK-12	9th-12th	Spanish Teacher	1480	100%	0%
44	Kimberly Levine	Instructional I Elementary K-6	K-5th	Elementary Specials Teacher	1480	100%	0%
45	Kaela Lind	Instructional I English 7-12	7th-12th	ELA Teacher	1480	100%	0%
46	Megan Lomax	Instructional I PK-4	Kindergarten	Kindergarten Teacher	1480	100%	0%
47	Rebecca Luccia	Instructional I Grades PK-4	2nd Grade	2nd Grade Teacher (RESIGNED)	704	100%	0%
48	John Madden	Instructional I Special Education PK-12 Supervisory Supvr Special Education PK-12 Supervisory Supvr Curriculum & Inst. PK-12 Administrative I Principal PK-12	K-12th	Director of Instructional Support (RESIGNED)	1000	100%	0%
49	Jon Marsh	Admin. I Principal PK-12 Letter of Eligibility Superintendent PK-12	K-12th	Chief Executive Officer	1480	100%	0%
50	Purvi Mehta	Instructional I Physics 7-12	7th-12th	ELD Science Teacher (RESIGNED)	728	100%	0%
51	Carla Miller	Educational Specialist I School Psychologist PK-12	K-12th	School Psychologist	1480	100%	0%
52	Tico Moore	Instructional I Special Education PK-12 Instructional I English 7-12	6th-8th	MS ELA SPED Teacher (RESIGNED)	1480	100%	0%

Staff No.	Name of employee (List all names in alphabetical order)	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assigjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
53	Natalia Morales Ortiz	Instructional I English 7-12	9th-12th	High School ELA Teacher	1480	100%	0%
54	Reem Nammour	Instructional I Biology 7-12	7th-12th	Science Teacher	1120	100%	0%
55	Nymira Nelson	Instructional I Reading Specialist PK-12 Instructional I Grades PK-4	Kindergarten	Kindergarten Teacher	1480	100%	0%
56	Desireah Osbourne	Instructional I Special Education PK-12 Instructional I Mid-Level Mathematics 6-9 Administrative I Principal PK-12	K-12th	Special Education Teacher	680	100%	0%
57	Christopher Ostapchuk	Instructional I English 7-12	7th-12th	ELA Teacher	1480	100%	0%
58	Marlo Pace	Instructional I Biology 7-12	7th-12th	HS Biology Teacher	1440	100%	0%
59	Joseph Papeika	Instructional II Social Studies 7-12 Administrative I Principal PK-12 Instructional I Social Studies 7-12 Administrative II Principal PK-12	6th-12th	Director of Instruction, 6-12	1480	100%	0%
60	Michael Peragallo	Instructional I Music PK-12	K-12th	Music teacher	1480	100%	0%
61	Janita Perez	Instructional I Grades PK-4	K-4th	1st Grade Teacher	408	100%	0%
62	Thomas Persing	Administrative II Secondary Principal 7-12 Instructional II English 7-12 Administrative I Secondary Principal 7-12 Instructional I Special Education 7-12 Instructional II Special Education 7-12	7th-12th	Secondary Special Education Teacher (RESIGNED)	1280	100%	0%
63	Zakiyyah Pickett Campbell	Instructional I Elementary K-6 Instructional II Elementary K-6	K-5th	Elementary Teacher (RESIGNED)	280	100%	0%
64	Katherine Raiguel	Instructional I Math 7-12	7th-12th	Math Teacher	1480	100%	0%
65	Michael Rescigno	Instructional I Mathematics 7-12 Instructional II Mathematics 7-12 Instructional II Grades 4-8 (All subjects 4-6, Mathematics 7-8)	9th-12th	High School Math Teacher	1480	100%	0%
66	Stacy Rich	Instructional I Math 7-12	6th-8th	MS Math Teacher	1480	100%	0%
67	Abigail Rissell	Instructional I Social Studies 7-12 Instructional II Social Studies 7-12	7th-12th	Social Studies Teacher	1480	100%	0%
68	Nicole Rivera	Instructional I Elementary K-6	K-5th	4th Grade Teacher	800	100%	0%
69	Stephanie Rossi	Instructional I Elementary K-6	K-5th	5th Grade Teacher	1480	100%	0%
70	Marjorie Rothman	Instructional I Grades PK-4	K-5th	Elementary Teacher	1544	100%	0%
71	Joseph Rozek	Instructional I Biology 7-12	7th-12th	HS Science Teacher	1480	100%	0%
72	Daniel Rutland	Instructional I Mid-Level English 6-9 Instructional I Mid-Level Citiz. Ed 6-9 Instructional I Special Education PK-12 Instructional I Elementary K-6 Instructional II Elementary K-6 Instructional II Mid-Level English 6-9 Instructional II Special Education PK-12 Instructional II Mid Level Citiz. Ed 6-9 HOUSSE Designation Mid-Level Mathematics 6-9	9th-12th	Secondary Special Education Teacher (RESIGNED)	1392	100%	0%

Staff No.	Name of employee (List all names in alphabetical order)	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assigjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
73	Keana Schoennagle	Educational Specialist I Elementary & Secondary School Counselor PK-12	6th-12th	School Counselor	1480	100%	0%
74	Daniel Schroeder	Instructional I Biology 7-12	K-12th	Technology Coordinator	1480	100%	0%
75	Christopher Scull	Program Specialist ESL PK-12 Instructional I Reading Specialist PK-12	7th-12th	ELD Math Teacher	44487	100%	0%
76	Hannah Seabrooks	Instructional I Elementary K-6 Instructional II Elementary K-6	K-5th	2nd Grade Teacher (RESIGNED)	1480	100%	0%
77	Laruen Servais	Instructional I Social Studies 7-12	7th-12th	Social Studies Teacher	1480	100%	0%
78	Melissa Silva	Program Specialist ESL PK-12 Instructional I Elementary K-6 Instructional II Elementary K-6	K-5th	Elementary ELD Teacher	1176	100%	0%
79	April Smith (Washington	Instructional I Special Education PK-12	K-12th	Transition Specialist	1480	100%	0%
80	Guhkee Song	Program Specialist English as a Second Language (ESL) PK-12	K-12th	ELD Professional Developer	960	100%	0%
81	Jeanette Soriano	Instructional I Elementary K-6 Letter of Equivalency Master's Equivalency Program Specialist ESL PK-12	K-5th	Elementary ELD Teacher	1232	100%	0%
82	Michelle Speece	Instructional I PK-4	K-4th	4th Grade Teacher	1480	100%	0%
83	Danielle Springer-Mills	Emergency Permit: LT Sub with No Educational Obligation Special Education 7-12 Emergency Permit: LT Sub with No Educational Obligation Special Education PK-8	7th-12th	Special Education Teacher	1480	0%	100%
84	Daniel Steinmetz	Instructional I Social Studies 7-12 Instructional I Special Education 7-12 Instional II Social Studies 7-12 Instructional II Special Education 7-12	7th-12th	Social Studies Special Education Teacher	1480	100%	0%
85	Thersa Stelmach	Instructional I English 7-12 Instructional I Special Education 7-12	7th-12th	ELA Special Education Teacher	1480	100%	0%
86	Lori Sweeney	Instructional I Health and Physical Education PK-12	7th-12th	Health and PE Teacher	1480	100%	0%
87	Denise Taufalele	Private School - Teacher Computer Technology K-12 Instructional I Mathematics 7-12 Instructional II Mathematics 7-12 Administrative I Principal PK -12	K-12th	Supervisor of Instructional Supports	1480	100%	0%
88	Thomas Liceloet	Instructional I English 7-12	7th-12th	ELA Teacher	1280	100%	0%
89	Sallymar Tomassini Lebron	Instructional I Mathematics 7-12	7th-12th	MS Math Teacher	1120	100%	0%
90	Kenroy Wallace	Instructional I Health & Physical Educ PK-12	6th-12th	Middle School Health & PE Teacher	1280	100%	0%
91	Jennifer Wheeler	Instructional II Mid-Level English 6-9 Instructional II Elementary K-6 Instructional II Mid-Level Citiz. Ed 6-9 Instructional I Elementary K-6	K-5th	5th Grade Teacher	1480	100%	0%
92	Rosalie Williams	Instructional I English 7-12	7th-12th	MS Math Teacher (RESIGNED)	216	0%	100%

Staff No.	Name of employee (List all names in alphabetical order)	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assigjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignment	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
93	Kathryn Wilson	Private School Teacher Nursery/Kinder. N-K Instructional I Grades PK - 4 Instructional I Reading Specialist PK-12	K-12th	Reading Specialist	1480	100%	0%
94	Theresa Wright	Instructional I Social Studies 7-12	7th-12th	Personal Finance Teacher (RESIGNED)	640	0%	100%

Total Numl CEO (certified)___1__

Total Number of Teachers: 94 Counselors: 3 School Nurses: 1 Others _____

Total Number of Professional Staff:16

PA Department of Education, 333 Market Street, Harrisburg, PA 17126-0333

ESPERANZA CYBER CHARTER SCHOOL
Financial Statements
June 30, 2021
(With Summarized Comparative Financial Information for the Year Ended June 30, 2020)
With Independent Auditor's Reports

Esperanza Cyber Charter School
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June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Esperanza Cyber Charter School:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Esperanza Cyber Charter School (the "School") as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Esperanza Cyber Charter School as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Esperanza Cyber Charter School's June 30, 2020 financial statements and we have expressed an unmodified audit opinion on those financial statements in our audit report dated November 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it is has been derived.

Other Matters

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of revenues, expenditures and changes in fund balance budget and actual – governmental funds, the schedule of proportionate share of PSERS net pension liability and contributions, and schedule of proportionate share of PSERS OPEB liability and contributions on pages 4 through 7 and pages 30 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards* Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Esperanza Cyber Charter School's basic financial statements. The schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), is presented for purposes of additional analysis, and is not required as part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021 on our consideration of Esperanza Cyber Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Esperanza Cyber Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Esperanza Cyber Charter School's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

December 16, 2021

Esperanza Cyber Charter School

Management's Discussion and Analysis (Unaudited)

June 30, 2021

Management of Esperanza Cyber Charter School (the "School") offers readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the School's financial statements.

Financial Highlights

- During the year ended June 30, 2015, the School was required to adopt GASB 68 relative to its participation in the Commonwealth of Pennsylvania's Public-School Employees' Retirement System ("PSERS") Pension Plan. Charter schools are required to offer this retirement plan to their employees as a condition of their charter. The Commonwealth controls all aspects of the plan including assets and administration. The School makes contributions as defined by the Commonwealth. With the adoption of GASB 68, the School is required to record a liability for its proportionate share of the PSERS plan and expenses related to the performance of plan administration against its goals. The School also recorded \$484,568 in non-cash expense related to plan administrative performance in addition to the required cash contributions of \$473,764. PSERS is reporting a total net pension liability of \$49,239,016,000 as of June 30, 2020. All public schools in Pennsylvania are required to record a proportionate share of the liability in their financial statements. Management is of the opinion that it is highly unlikely the School will ever be required to pay this liability.
- During the year ended June 30, 2018, the School was required to adopt GASB 75 relative to its participation in the PSERS' Health Insurance Premium Assistance Program. The Commonwealth controls all aspects of the plan including assets and administration. The School makes contributions as defined by the Commonwealth. With the adoption of GASB 75, the School is required to record a liability for its proportionate share of the PSERS other postemployment benefit plan ("OPEB") and expenses related to the performance of plan administration against its goals. The School also recorded \$10,512 in non-cash expense related to plan administrative performance in addition to the required cash contributions of \$8,492. PSERS' Health Insurance Premium Assistance Program is reporting a total net OPEB liability of \$2,160,697,000 as of June 30, 2020. All public schools in Pennsylvania are required to record a proportionate share of the liability in their financial statements. Management is of the opinion that it is highly unlikely the School will ever be required to pay this liability.
- At the close of the current fiscal year, the School reported ending net position of \$5,515,970. There was an increase in net position of \$3,715,757 for the activities of the year ended June 30, 2021.
- The School experienced better than expected enrollment numbers for the year. There was an average of 810 regular education students and 199 special education students enrolled for the year against the prior year ended June 30, 2020 of 613 regular education students and 179 special education students.
- The School also recognized income of \$822,025 for the forgiveness of the Paychecks Protection Provider loan during the year ended June 30, 2021.
- The School's cash balance at June 30, 2021 was \$5,054,270, representing an increase of \$1,493,390 from June 30, 2020.

Esperanza Cyber Charter School Management's Discussion and Analysis (Unaudited) June 30, 2021

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements as presented comprise four components: management's discussion and analysis (this section), the basic financial statements, required supplementary schedules and report required under *Government Auditing Standards*.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the School's assets, deferred outflows, liabilities, and deferred inflows with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating. However, with the implementation of GASB 68 and GASB 75 and the entries required to record PSERS liabilities, the net position is negatively skewed.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements report on the function of the School that is principally supported by subsidies from school districts whose constituents attend the School.

Fund Financial Statements

A *fund* is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. The School, like governmental type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School has two governmental funds - general and student activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a school's financial position. However, in the case of the School, as a result of the application of GASB 68 and GASB 75, net position is not a useful indicator of the School's financial position because deferred inflows, deferred outflows, net OPEB liability and net pension liability caused a reduction of \$1,832,925. The deficit in the School's net assets for these items is due to the required recording of its proportionate share of the entire PSERS plan for both pension and OPEB offset by expense related to the performance of plan administration in fiscal year 2020. Assets and deferred outflows exceed liabilities and deferred inflows by \$5,515,970 as of June 30, 2021 inclusive of the pension and OPEB obligations.

**Esperanza Cyber Charter School
Management's Discussion and Analysis (Unaudited)
June 30, 2021**

	<u>2021</u>	<u>2020</u>
Total assets	\$ 7,871,309	\$ 4,575,463
Total deferred outflows	2,184,075	1,086,155
Total liabilities	(4,377,414)	(3,638,405)
Total deferred inflows	<u>(162,000)</u>	<u>(223,000)</u>
Total net position	<u>\$ 5,515,970</u>	<u>\$ 1,800,213</u>

The School's revenues are predominantly from the School District of Philadelphia, based on student enrollment.

	<u>2021</u>	<u>2020</u>
Revenues		
Local education agencies	\$ 11,398,476	\$ 7,303,535
State sources	18,746	17,848
Federal sources	1,458,421	532,658
Other sources	<u>857,671</u>	<u>15,184</u>
	<u>13,733,314</u>	<u>7,869,225</u>
Expenditures		
Instruction	6,625,947	3,991,749
Instruction student support	971,631	804,293
Administrative & financial support services	1,828,214	1,382,185
Other support services	317,752	272,873
Operation & maintenance of plant services	253,377	172,513
Student activities	6,583	6
Depreciation	<u>14,053</u>	<u>17,990</u>
	<u>10,017,557</u>	<u>6,641,609</u>
Change in net position	3,715,757	1,227,616
Net position		
Beginning of year	<u>1,800,213</u>	<u>572,597</u>
End of year	<u>\$ 5,515,970</u>	<u>\$ 1,800,213</u>

Governmental Funds

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of net resources available for spending for program purposes at the end of the fiscal year.

The School's governmental funds (the General and Student Activities Funds) reported an ending fund balance of \$6,110,992. For the year ended June 30, 2021, the School's revenues (\$12,911,289) exceeded its expenditures (\$10,646,013) by \$2,265,276. For the year ended June 30, 2020, the School's revenues (\$7,869,225) exceeded its expenditures (\$6,717,025) by \$1,152,200.

**Esperanza Cyber Charter School
Management's Discussion and Analysis (Unaudited)
June 30, 2021**

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2021, the School's net investment in capital assets for its governmental activities totals \$1,237,903 (net of depreciation). This investment in capital assets consists of furniture and equipment.

There was \$1,137,589 worth of fixed assets purchased during the year ended June 30, 2021, including \$1,137,589 of construction in progress.

Economic Factors and Next Year's Budgets and Rates

The School's primary source of revenue, the subsidy provided by the School District of Philadelphia, is expected to increase for fiscal year 2021-2022 due to an increase in subsidy per student and an increase in the number of students enrolled for the year.

Contacting the School's Financial Management

The financial report is designed to provide interested parties a general overview of the School's finances. Questions regarding any of the information provided in this report should be addressed to the Chief Academic Officer, Esperanza Cyber Charter School, 4261 N. 5th Street, Philadelphia, PA 19140.

Esperanza Cyber Charter School
Statement of Net Position
June 30, 2021
(With Summarized Comparative Financial Information at June 30, 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 5,054,270	\$ 3,560,880
Federal subsidies receivable	681,605	268,120
State subsidies receivable	769,175	581,092
Other receivables	-	19
Prepays	<u>128,356</u>	<u>50,985</u>
Total current assets	<u>6,633,406</u>	<u>4,461,096</u>
Capital assets, net	<u>1,237,903</u>	<u>114,367</u>
	<u>1,237,903</u>	<u>114,367</u>
Total assets	7,871,309	4,575,463
Deferred outflows		
Deferred outflows of resources (see Notes 12 and 14)	<u>2,184,075</u>	<u>1,086,155</u>
	<u>\$ 10,055,384</u>	<u>\$ 5,661,618</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 95,613	\$ 44,762
Accrued payroll and payroll taxes	294,824	273,409
Due to related parties	130,207	297,209
Deferred revenue	<u>1,770</u>	<u>-</u>
Total current liabilities	<u>522,414</u>	<u>615,380</u>
Long-term liabilities		
PPP Loan	-	822,025
Net OPEB liability (see Note 14)	162,000	96,000
Net pension liability (see Note 12)	<u>3,693,000</u>	<u>2,105,000</u>
Total long-term liabilities	<u>3,855,000</u>	<u>3,023,025</u>
Total liabilities	<u>4,377,414</u>	<u>3,638,405</u>
Deferred inflows		
Deferred inflows of resources (see Note 12 and Note 14)	<u>162,000</u>	<u>223,000</u>
Net position		
Invested in capital assets	1,237,903	114,367
Unrestricted	<u>4,278,067</u>	<u>1,685,846</u>
Total net position	<u>5,515,970</u>	<u>1,800,213</u>
	<u>\$ 10,055,384</u>	<u>\$ 5,661,618</u>

The Notes to Financial Statements are an integral part of these statements.

Esperanza Cyber Charter School
Statement of Activities
Year Ended June 30, 2021
(With Summarized Comparative Financial Information for the Year Ended June 30, 2020)

Functions	Expenses	Program Revenues		2021	2020
		Charges for Service	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
				Total Governmental Funds	Total Governmental Funds
Governmental activities					
Instruction	\$ 6,625,947	\$ -	\$ -	\$ (6,625,947)	\$ (3,991,749)
Instruction student support	971,631	-	-	(971,631)	(804,293)
Administrative & financial support services	1,828,214	-	-	(1,828,214)	(1,382,185)
Other support services	317,752	-	-	(317,752)	(272,873)
Operation & maintenance of plant services	253,377	-	-	(253,377)	(172,513)
Student activities	6,583	-	-	(6,583)	(6)
Depreciation	14,053	-	-	(14,053)	(17,990)
	<u>10,017,557</u>	<u>-</u>	<u>-</u>	<u>(10,017,557)</u>	<u>(6,641,609)</u>
General Revenues					
Grants, subsidies & contributions not restricted				<u>13,733,314</u>	<u>7,869,225</u>
				<u>13,733,314</u>	<u>7,869,225</u>
Change in net position				3,715,757	1,227,616
Net position - beginning of year				<u>1,800,213</u>	<u>572,597</u>
Net position - end of year				<u>\$ 5,515,970</u>	<u>\$ 1,800,213</u>

The Notes to Financial Statements are an integral part of these statements.

**Esperanza Cyber Charter School
Balance Sheet – Governmental Funds
June 30, 2021**

(With Summarized Comparative Financial Information at June 30, 2020)

	<u>General</u> <u>Fund</u>	<u>Student</u> <u>Activities</u> <u>Fund</u>	<u>2021</u> <u>Total</u> <u>Governmental</u> <u>Funds</u>	<u>2020</u> <u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets				
Cash and cash equivalents	\$ 5,054,270	\$ -	\$ 5,054,270	\$ 3,560,880
Federal subsidies receivable	681,605	-	681,605	268,120
State subsidies receivable	769,175	-	769,175	581,092
Other receivables	-	-	-	19
Prepays	<u>128,356</u>	<u>-</u>	<u>128,356</u>	<u>50,985</u>
	<u>\$ 6,633,406</u>	<u>\$ -</u>	<u>\$ 6,633,406</u>	<u>\$ 4,461,096</u>
Liabilities				
Accounts payable	\$ 95,613	\$ -	\$ 95,613	\$ 44,762
Accrued payroll and payroll taxes	294,824	-	294,824	273,409
Due to related parties	130,207	-	130,207	297,209
Deferred revenue	<u>1,770</u>	<u>-</u>	<u>1,770</u>	<u>-</u>
Total liabilities	<u>522,414</u>	<u>-</u>	<u>522,414</u>	<u>615,380</u>
Fund Balances				
Nonspendable	128,356	-	128,356	50,985
Unassigned	<u>5,982,636</u>	<u>-</u>	<u>5,982,636</u>	<u>3,794,731</u>
Total fund balance	<u>6,110,992</u>	<u>-</u>	<u>6,110,992</u>	<u>3,845,716</u>
	<u>\$ 6,633,406</u>	<u>\$ -</u>	<u>\$ 6,633,406</u>	<u>\$ 4,461,096</u>

The Notes to Financial Statements are an integral part of these statements.

Esperanza Cyper Charter School
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of
Net Position
June 30, 2021

Total Fund Balance for Governmental Funds \$ 6,110,992

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Construction in progress	\$ 1,191,394	
Furniture	196,511	
Accumulated depreciation	<u>(150,002)</u>	1,237,903

On the statement of net position, the School's net pension liability and net OPEB liability for the defined benefit plan and the other postemployment retirement benefit plan are reported as non-current liabilities. Additionally, deferred outflows and deferred inflows of resources related to these plans are also reported.

Net pension liability	(3,693,000)	
Net OPEB liability	(162,000)	
Deferred outflows of resources related to pensions and OPEB	2,184,075	
Deferred inflows of resources related to pensions and OPEB	<u>(162,000)</u>	<u>(1,832,925)</u>

Total net position of governmental activities \$ 5,515,970

The Notes to Financial Statements are an integral part of this statement.

Esperanza Cyber Charter School
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2021
(With Summarized Comparative Financial Information for the Year Ended June 30, 2020)

	General Fund	Student Activities Fund	2021 Total Governmental Funds	2020 Total Governmental Funds
Revenues				
Local educational agency assistance	\$ 11,398,476	\$ -	\$ 11,398,476	\$ 7,303,535
State sources	18,746	-	18,746	17,848
Federal sources	1,458,421	-	1,458,421	532,658
Other sources	35,646	-	35,646	15,184
	<u>12,911,289</u>	<u>-</u>	<u>12,911,289</u>	<u>7,869,225</u>
Expenditures				
Instruction	7,395,960	-	7,395,960	4,082,642
Support services	2,990,092	-	2,990,092	2,461,864
Non-instructional services	259,961	-	259,961	172,519
	<u>10,646,013</u>	<u>-</u>	<u>10,646,013</u>	<u>6,717,025</u>
Excess of revenues over expenditures	2,265,276	-	2,265,276	1,152,200
Other financing sources - PPP loan	-	-	-	822,025
Net change in fund balance	2,265,276	-	2,265,276	1,974,225
Fund balance				
Beginning of year	3,845,716	-	3,845,716	1,871,491
End of year	<u>\$ 6,110,992</u>	<u>\$ -</u>	<u>\$ 6,110,992</u>	<u>\$ 3,845,716</u>

The Notes to Financial Statements are an integral part of these statements.

**Esperanza Cyber Charter School
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
 Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2021**

Net Change in Fund Balance - Total Governmental Funds \$ 2,265,276

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 1,137,589	
Depreciation expense	<u>(14,053)</u>	1,123,536

Governmental funds report loan proceeds as other financing sources. This is the amount of PPP loan money received and recognized in the prior period.

PPP loan		822,025
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures or income in governmental funds.

Change in OPEB expense	(10,512)	
Change in pension expense	<u>(484,568)</u>	<u>(495,080)</u>

Change in Net Position of Governmental Activities \$ 3,715,757

The Notes to Financial Statements are an integral part of this statement.

Esperanza Cyber Charter School

Notes to Financial Statements

June 30, 2021 and 2020

1. ORGANIZATION AND PURPOSE OF CORPORATION

In 1987 the Hispanic Clergy of Philadelphia founded and incorporated the non-profit Nueva Esperanza, Inc. ("NEI"), dba Esperanza, to provide support to Hispanic communities. For more than 30 years NEI's efforts have focused on creating opportunities for Hispanic children and families living in Philadelphia's Hunting Park community. NEI's intentional focus on creating quality education delivery systems and facilities included founding Esperanza Cyber Charter School as a continued effort to raise the economic and social levels of the Hispanic community through quality education.

Esperanza Cyber Charter School is a charter school located in Philadelphia, Pennsylvania. The School serves grades kindergarten through twelve. The School was established and operates under the provisions enacted by the General Assembly of the Commonwealth of Pennsylvania in 1997. Esperanza Cyber Charter School began operations in July 2012. The School provides instruction in the form of interactive distance learning classrooms, one-to-one tutoring, computer-supported collaborative learning, project-based learning, and instruction tailored to each student's individual education needs. Students access their courses online where worksheets, study material, quizzes and tests are all provided for the student to either read and complete on the computer or print for their own reference or completion by hand.

The Cyber Charter School contract was approved effective June 2012 and expired in June 2017. A charter renewal application was submitted to the Commonwealth on October 1, 2016 and is pending approval. The Commonwealth is significantly behind in its renewal reviews and the Cyber Charter School continues to operate under the original agreement. Esperanza Cyber Charter School has financial accountability and control over all activities related to the students' education. The School receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the School is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB") pronouncement. In addition, there are no component units as defined in the standards established for defining and reporting on the financial reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles ("GAAP") for state and local governments.

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report on the School as a whole. The statement of activities demonstrates the degree to which the direct expenses of the School's function are offset by program revenues.

The fund financial statements (governmental funds balance sheet and statement of governmental funds revenues, expenditures, and changes in fund balances) report on the School's general and student activities funds.

Esperanza Cyber Charter School
Notes to Financial Statements
June 30, 2021 and 2020

Measurement Focus, Basis of Accounting and Financial Statement Presentation

- Government-wide Financial Statements - The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by providers have been met.

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources.

- Fund Financial Statements - Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The government reports the following major governmental funds:

General Fund: The General Fund is the operating fund of the School and accounts for all revenues and expenditures of the School, excluding food services and student activities.

Student Activities Special Revenue Fund: The Student Activities Special Revenue Fund is used to account for student activity revenues and expenditures.

Method of Accounting

The School has adopted the provision of the accounting pronouncement on financial reporting for state and local governments. The accounting pronouncement on financial reporting for state and local governments established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, and a statement of activities and changes in net position. It requires the classification of net position into three components - invested in capital assets; restricted; and unrestricted.

These classifications are defined as follows:

- Invested in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset's component as the unspent proceeds. The School presently has not incurred any related debt.
- Restricted - This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The School presently has not temporarily or permanently restricted net position.
- Unrestricted - This component of net position consists of net positions that do not meet the definition of "restricted" or "invested in capital assets".

Esperanza Cyber Charter School

Notes to Financial Statements

June 30, 2021 and 2020

- In the Fund Statements - Governmental funds report non-spendable portions of fund balance related to such items as prepaid expenses and long-term receivables. Restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Committed fund balances represent amounts constrained for a specific purpose by a governmental entity using its highest level of decision-making authority. Committed fund balances are established and modified by a resolution approved by the Board of Trustees. Assigned fund balances are intended by the School to be used for specific purposes but are neither restricted nor committed. Unassigned fund balances are considered to be the remaining amounts.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles in the United State of America. An annual budget is adopted for the governmental funds.

The Budgetary Comparison Schedule should present both the original and the final appropriated budgets for the accounting period. The School only has a governmental funds budget. The original and final budgets are required supplementary information.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which potentially subject the School to concentrations of credit risk consist of cash and cash equivalents, contributions and grants receivables and revenue. Cash and cash equivalents are held primarily at one high-credit quality financial institution. The School received eighty-three and ninety-two percent of its total revenue from one source for the years ended June 30, 2021 and 2020, respectively.

Accounts Receivable

Accounts receivable primarily consist of amounts due from the Pennsylvania Department of Education for federal and state subsidy programs. Accounts receivable is stated at the amount management expects to collect from outstanding balances. As of June 30, 2021 and 2020, no allowance for doubtful accounts was deemed warranted based on historical experience.

Capital Assets

Capital assets, which include furniture, are reported in the government-wide financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. The School does not possess any infrastructure. Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are not. Capital assets of the School are depreciated using the straight-line method over the useful lives of the assets. The estimated useful lives of furniture and equipment range from five to seven years. Leasehold improvements are amortized over the life of the lease.

Income Tax Status

The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. Accordingly, no provision or liability for income taxes is recorded in the financial statements.

Esperanza Cyber Charter School
Notes to Financial Statements
June 30, 2021 and 2020

The School adopted the accounting pronouncement dealing with uncertain tax positions as of the date of inception in July 2012. Upon adoption of this accounting pronouncement, the School had no unrecognized tax benefits. Furthermore, the School had no unrecognized tax benefits at June 30, 2021. In addition, the School had no income tax related penalties or interest for the periods reported in these financial statements.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources to pensions and pension expense, information about the fiduciary position of the Public-School Employees' Retirement System ("PSERS" or the "System") and additions to or deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported in PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary position of PSERS and additions to or deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported in PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

3. CASH AND CASH EQUIVALENTS

The School considers all highly liquid debt instruments purchased with a maturity of three months or less at the time of acquisition to be cash equivalents.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School does have a policy for custodial credit risk. For the years ended June 30, 2021 and 2020, the School's bank balance exposed to custodial credit risk was \$4,843,140 and \$3,310,910, respectively:

	<u>2021</u>	<u>2020</u>
Uninsured and uncollateralized	\$ 4,843,140	\$ 3,310,910
Plus: Insured amount	250,000	250,000
Less: Outstanding checks	(38,870)	(30)
Plus: Deposits in transit	<u>-</u>	<u>-</u>
Carrying amount - bank balances	5,054,270	3,560,880
Plus: Petty cash	<u>-</u>	<u>-</u>
Total cash per financial statements	<u>\$ 5,054,270</u>	<u>\$ 3,560,880</u>

Esperanza Cyber Charter School
Notes to Financial Statements
June 30, 2021 and 2020

4. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2021 and 2020 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Deletions</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2021</u>
Construction in progress	\$ 53,805	\$ -	\$ 1,137,589	\$ 1,191,394
Furniture	196,511	-	-	196,511
Less: Accumulated depreciation	<u>135,949</u>	<u>-</u>	<u>14,053</u>	<u>150,002</u>
Capital assets, net	<u>\$ 114,367</u>	<u>\$ -</u>	<u>\$ 1,123,536</u>	<u>\$ 1,237,903</u>

	<u>Balance</u> <u>July 1, 2019</u>	<u>Deletions</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2020</u>
Construction in progress	\$ -	\$ -	\$ 53,805	\$ 53,805
Furniture	165,576	-	30,935	196,511
Less: Accumulated depreciation	<u>117,959</u>	<u>-</u>	<u>17,990</u>	<u>135,949</u>
Capital assets, net	<u>\$ 47,617</u>	<u>\$ -</u>	<u>\$ 66,750</u>	<u>\$ 114,367</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$14,053 and \$17,990, respectively.

5. RISK MANAGEMENT

The School is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School carries commercial insurance for such risks. There have been no settled claims resulting from these risks which have exceeded commercial insurance coverage.

6. LOCAL EDUCATIONAL AGENCY REVENUE

Charter schools are funded by the local public-school district in which each student resides. The rate per student is determined annually and is based on the budgeted total expenditure per average daily membership of the prior school year for each school district. The majority of the students of the School reside in Philadelphia. For the years ended June 30, 2021 and 2020, the rate for the School District of Philadelphia was \$10,788 and \$10,128, respectively, per year for regular education students plus additional funding for special education students. The annual rate is earned monthly and paid when billed to the School District of Philadelphia. It is prorated if a student enters or leaves during the year. Total revenue from local sources was \$11,398,476 and \$7,303,535 for the fiscal years ended June 30, 2021 and 2020, respectively.

7. GOVERNMENT GRANTS AND REIMBURSEMENT PROGRAMS

The School participates in numerous state and federal grant and reimbursement programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs and reimbursement programs for retirement (pension) expense are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants and reimbursement programs, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 and 2020 may be impaired.

Esperanza Cyber Charter School
Notes to Financial Statements
June 30, 2021 and 2020

In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

8. LEASING ARRANGEMENTS

The School leases space in the building located at 4261 North 5th Street in Philadelphia, Pennsylvania under an operating lease expiring June 15, 2050 from 199 Hunting Park Corporation (a related party, see Note 9). Rent expense for the building space was \$168,745 and \$124,556 for the years ended June 30, 2021 and 2020, respectively. The total rent is limited to an annual increase in the Consumer Price Index for the City of Philadelphia.

Annual projected rentals for each year subsequent to June 30, 2021 are as follows:

2022	\$ 177,014
2023	182,324
2024	187,794
2025	193,428
2026	199,231
2027-2031	1,089,476
2032-2036	1,263,002
2037-2041	1,464,168
2042-2046	1,697,372
2047-2050	<u>1,550,573</u>
	<u>\$ 8,004,382</u>

9. RELATED PARTY

The School and the related organizations have two common board members.

The School made payments to Nueva Esperanza, Inc. ("NEI") under a Board approved services contract for human resources management, legal representation, financial accounting, reporting and audit, development and funding, real estate development, public relations, government relations, information technology support, management support, and other administrative services provided by NEI in the amount of \$942,601 and \$652,833 for the years ending June 30, 2021 and 2020, respectively. For the years ended June 30, 2021 and 2020, the School owed NEI \$104,852 and \$219,037, respectively.

The School receives services and leased offices under a Board approved contract from Esperanza Academy Charter School ("NEA"). The School incurred expenditures of \$-0- and \$8,955 for management and support services, for the years ended June 30, 2021 and 2020, respectively. For the years ended June 30, 2021 and 2020, the School owed NEA \$5,534 and \$25,521, respectively.

As described in Note 8, the School leases a portion of 199 Hunting Park Corporation's building under a renewable operating lease. In connection with the operation of its charter school, the School made payments to 199 Hunting Park Corporation in the amount of \$215,813 and \$160,683 for the years ended June 30, 2021 and 2020, respectively. This payment includes payment for utilities, repair and maintenance, and rental payments. At June 30, 2021 and 2020, the School owed 199 Hunting Park Corporation \$19,821 and \$52,651, respectively.

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The School advertised under a Board approved contract with Impacto Ads LLC (“Impacto”). The School incurred expenditures of \$34,400 and \$-0- for advertising costs, for the years ended June 30, 2021 and 2020, respectively.

10. COMMITMENTS

Grants received are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although the School expects such amounts, if any, to be immaterial.

11. PENSIONS

Esperanza Cyber Charter School offers two (2) retirement plan options, the Public-School Employees Retirement System (“PSERS”) and a 403b Plan. New employees who are not members of the PSERS retirement plan are automatically enrolled in the 403b Plan. New employees that were participants in PSERS can opt for the 403b Plan or PSERS. Existing employees who are participants in the PSERS Plan remain in that plan.

The 403b Plan is a defined contribution plan. Employees in the 403b Plan contribute a mandatory 5% deferral amount and can contribute a higher percentage up to the maximum dollar amount allowed by the IRS. The School provides matching contributions dollar for dollar up to 5% of compensation based on payroll compensation. Deferrals over 5% of salary are not matched. The 403b Plan has an immediate vesting schedule. The plan offers a diversified lineup of employee directed investment options. The default investment option, if one is not selected at the time of enrollment, is a Target Date Fund corresponding with the employee’s age. Investment options can be changed at any time by the employee. Employer contributions to the 403b Plan for the fiscal years ended June 30, 2021 and 2020 were \$150,311 and \$118,162, respectively.

General Information about the Pension Plan

Plan Description

PSERS is a governmental cost sharing multi-employer defined benefits pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include full-time public-school employees, part-time hourly public-school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.state.pa.us.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (“Act 120”) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (“Class T-E”) and Membership Class T-F (“Class T-F”).

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To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5% depending upon membership class, or the member's final average salary (as defined in the Code) multiplied by the number of years of credited service.

For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Member Contributions

- Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T-C) or at 6.5% (Membership Class T-D) of the member's qualifying compensation.
- Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.5% (Membership Class T-D) of the member's qualifying compensation.
- Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.5% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.
- Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute 10.3% (base rate) of the member's qualifying compensation. Membership T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

Employer Contributions

The School's contractually required contribution rate for the fiscal year ended June 30, 2021 was 34.29% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan for the fiscal years ended June 30, 2021 and 2020 were \$473,764 and \$339,357, respectively. As a result of the changes in the net pension liability the GASB 68 expense (income) for the years ended June 30, 2021 and 2020 was \$484,568 and (\$20,826), respectively.

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12. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2021, the School reported a liability of \$3,693,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2019 to June 30, 2020. The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions to the plan as it relates to the total one-year reported contribution to the plan for the plan as a whole. At June 30, 2020, the School's proportion was 0.0075%, which was an increase of 0.0030% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the employer recognized pension expense was \$945,483. At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Net difference between projected and actual experience	\$ 10,000	\$ 88,000
Changes in assumptions	-	-
Net difference between projected and actual investment earnings	162,000	-
Changes in proportion	1,438,000	64,000
Contributions subsequent to the measurement date	<u>466,095</u>	<u>-</u>
	<u>\$ 2,076,095</u>	<u>\$ 152,000</u>

There was \$466,095 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ 1,045,095
2022	424,000
2023	406,000
2024	<u>49,000</u>
	<u>\$ 1,924,095</u>

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Actuarial Assumptions

The total pension liability as of June 30, 2020 was determined by rolling forward the System's total pension liability as of the June 30, 2019 actuarial valuation to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement.

- Actuarial cost method – Entry Age Normal – level percent of pay.
- Investment return – 7.25% includes inflation at 2.75%.
- Salary increases – Effective average of 5.00%, which reflects an allowance for inflation of 2.75%, real wage growth of 2.25%, and merit or seniority increases of 2.25%.
- Mortality rates were based on the RP 2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience, and projected using a modified version of the MP-2015 Mortality Improvement Scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board of the Plan. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	15.0%	5.2%
Private equity	15.0%	7.2%
Fixed income	36.0%	1.1%
Commodities	8.0%	1.8%
Absolute return	10.0%	2.5%
Infrastructure/MLPs	6.0%	5.7%
Real estate	10.0%	5.5%
Risk parity	8.0%	3.3%
Cash	6.0%	-1.0%
Financing (LIBOR)	-14.0%	-0.7%
	<u>100%</u>	

The above was the PSERS' adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2020.

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Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projections of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net asset position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.25%), or 1% point higher (8.25%) than the current rate:

	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
School's proportionate share of the net pension liability	\$ 4,569,000	\$ 3,693,000	\$ 2,951,000

Pension Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.state.pa.us.

13. OTHER POSTEMPLOYMENT BENEFITS

Esperanza Cyber Charter School offers a post-retirement health insurance premium assistance plan option through the PSERS.

General Information about the Pension Plan

Health Insurance Premium Assistance Program

The System provides Premium Assistance, which is a governmental cost sharing, multi-employer other postemployment benefit plan ("OPEB") for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2012 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program ("HOP"). As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

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Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program

Pension Plan Description

See description of the PSERS Plan in Note 11.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lessor of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The school districts' contractually required contribution rate for the fiscal year ended June 30, 2020 was 0.85% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the other postemployment benefit plan for the fiscal year ended June 30, 2021 was \$8,492. As a result of changes in net OPEB liability, the GASB 75 expense for the year ended June 30, 2021 was \$10,512.

14. OTHER POSTEMPLOYMENT BENEFITS LIABILITIES, EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OTHER POSTEMPLOYMENT BENEFITS

At June 30, 2021, the School reported a liability of \$162,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total actuarially determined OPEB liability as of June 30, 2019 to June 30, 2020. The School's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2021, the School's proportion was 0.0075%, which was an increase of 0.0030% from its proportion measured as of June 30, 2020.

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For the year ended June 30, 2021, the School recognized OPEB expense of \$10,512. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual experience	\$ 1,000	\$ -
Changes in assumptions	7,000	4,000
Net difference between projected and actual investment earnings	-	-
Changes in proportion	87,000	6,000
Contributions subsequent to the measurement date	<u>12,980</u>	<u>-</u>
	<u>\$ 107,980</u>	<u>\$ 10,000</u>

\$12,980 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2021	\$ 27,980
2022	15,000
2023	15,000
2024	19,000
2025	12,000
Thereafter	<u>9,000</u>
	<u>\$ 97,980</u>

Actuarial Assumptions

The Total OPEB Liability as of June 30, 2020, was determined by rolling forward the System's Total OPEB Liability as of the June 30, 2019 actuarial valuation to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level percent of pay.
- Investment return – 2.66%– S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.

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- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience, and projected using a modified version of the MP-2015 Mortality Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2018 determined the employer contribution rate for fiscal year 2020.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience, and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan policy in regard to the allocation of invested plan assets is established and may be amended by the Board of the plan. Under the program, as defined in the retirement code, employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	50.3%	-1.00%
US Core Fixed Income	46.5%	-0.10%
Non-US Developed Fund	3.2%	-0.10%
	<u>100%</u>	

The above was the Board of the plan's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2020.

Esperanza Cyber Charter School
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Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.66%. Under the plan's funding policy, contributions are structured for short-term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.79%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2020, was applied to all projected benefit payments to measure the Total OPEB Liability.

Sensitivity of the System Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2020, retirees' Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2020, 93,693 retirees were receiving the maximum amount allowed of \$1,200. As of June 30, 2020, 688 members were receiving less than the \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2021. Calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School's proportionate share of the OPEB liability	\$ <u>162,000</u>	\$ <u>162,000</u>	\$ <u>162,000</u>

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 2.79%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease 1.79%</u>	<u>Current Discount Rate 2.79%</u>	<u>1% Increase 3.79%</u>
School's proportionate share of the net OPEB liability	\$ <u>185,000</u>	\$ <u>162,000</u>	\$ <u>143,000</u>

OPEB Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.pa.gov.

Esperanza Cyber Charter School
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15. NEW ACCOUNTING PRONOUNCEMENT

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the school's leasing activities. The provisions in Statement No. 87 are effective for reporting periods beginning after June 15, 2021. The School has not yet completed the process of evaluating the impact of GASB 87 on its financial statements.

16. PAYCHECK PROTECTION PROGRAM

During April 2020, the School received a loan from a financial institution authorized through the Paycheck Protection Program ("PPP") authorized by the Coronavirus Aid, Relief and Economic Security Act ("CARES") in the amount of \$822,025. The loan may be forgiven upon a review by the financial institution of the School's use of the loan proceeds in accordance with the CARES Act. If the financial institution determines that the criteria for forgiveness has not been met, the loan matures 2 years from the date of the loan and interest accrues at 1% per year.

The Governmental Accounting Standards Board released a technical memo addressing the accounting considerations for the forgivable loan received in accordance with the PPP. Based on the GASB's technical memo 2020-1, the school should account for the PPP loan in accordance with GASB 33, paragraph 15. As a result, the school has recognized the loan as revenue from the Coronavirus Relief Fund ("CRF") as grant revenue in the statement of activities as the loan has been forgiven during the year ended June 30, 2021.

17. RISKS AND UNCERTAINTIES

The current outbreak of novel strain coronavirus ("COVID-19") is significantly impacting businesses across the world. While the duration of business interruption from this outbreak and related financial impact cannot be reasonably estimated at this time, financial results, including investment results, may be adversely affected in future years. The extent to which the coronavirus impacts operations will depend on future developments, including changes to government orders in effect as well as actions taken to contain the coronavirus and its impact.

18. SUBSEQUENT EVENTS

The School has evaluated subsequent events occurring after the statement of net position date through the date of December 16, 2021, which is the date the financial statements were available to be issued. Based on this evaluation, the School has determined that no subsequent events have occurred which require disclosure in or adjustment to the financial statements.

SUPPLEMENTARY INFORMATION

Esperanza Cyber Charter School
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Governmental Funds (Unaudited)
Year Ended June 30, 2021

	Budget			(Over) Under Final (Unaudited) Budget
	(Unaudited) Original	(Unaudited) Final	Actual Amounts	
Revenues				
Local educational agency assistance	\$ 8,185,780	\$ 8,185,780	\$ 11,398,476	\$ (3,212,696)
State sources	114,453	114,453	18,746	95,707
Federal sources	691,466	691,466	1,458,421	(766,955)
Other sources	-	-	35,646	(35,646)
	<u>8,991,699</u>	<u>8,991,699</u>	<u>12,911,289</u>	<u>(3,919,590)</u>
Expenditures				
Regular programs	4,680,235	4,680,235	6,929,019	(2,248,784)
Special programs	1,356,336	1,356,336	939,268	417,068
Pupil personnel services	736,019	736,019	399,181	336,838
Instructional support services	151,963	151,963	129,098	22,865
Administrative services	912,558	912,558	969,139	(56,581)
Pupil health	33,600	33,600	30,415	3,185
Business services	372,908	372,908	496,526	(123,618)
Operation & maintenance of plant services	213,511	213,511	267,154	(53,643)
Support services central	410,980	410,980	317,136	93,844
Capital reserve fund	106,960	106,960	161,876	(54,916)
Student activities	16,500	16,500	7,201	9,299
	<u>8,991,570</u>	<u>8,991,570</u>	<u>10,646,013</u>	<u>(1,654,443)</u>
Net change in fund balance	<u>\$ 129</u>	<u>\$ 129</u>	2,265,276	<u>\$ (2,265,147)</u>
Fund balance				
Beginning of year			3,845,716	
End of year			<u>\$ 6,110,992</u>	

See Independent Auditor's Report.

Esperanza Cyber Charter School
Schedule of Proportionate Share of PSERS OPEB Liability and Contributions
(Unaudited)

PSERS Measurement Date (Unaudited)

<u>Fiscal Year</u>	<u>PSERS Net Pension Liability</u>			<u>School's Proportion</u>	<u>PSERS Fiduciary</u>
	<u>School's Proportion</u>	<u>School's Proportion Share</u>	<u>School's Covered Employee Payroll</u>	<u>Share of NPL as a % of Employee Payroll</u>	<u>Net Position as a % of Total Pension Liability</u>
2014/15	0.0045%	\$ 1,781,000	\$ 580,508	307%	57.2%
2015/16	0.0027%	1,169,000	350,675	333%	54.4%
2016/17	0.0026%	1,288,000	337,162	382%	50.1%
2017/18	0.0019%	938,000	251,125	374%	51.8%
2018/19	0.0040%	1,920,000	532,384	361%	54.0%
2019/20	0.0045%	2,105,000	618,888	340%	55.7%
2020/21	0.0075%	3,693,000	351,842 (A)	1050%	54.3%

(A) Note for the year ended June 30, 2020 the Pennsylvania Public School Employees' Retirement System Pension Plan change the employer n covered payroll to reported contributions.

PSERS Schedule of Contributions (Unaudited)

<u>Fiscal Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions Recognized by PSERS</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a % of Covered-Employee Payroll</u>
2014/15	\$ 90,000	\$ 90,000	\$ -	\$ 580,508	15.5%
2015/16	70,000	70,000	-	350,675	20.0%
2016/17	83,000	83,000	-	337,162	24.6%
2017/18	73,000	73,000	-	251,125	29.1%
2018/19	170,000	170,000	-	532,384	31.9%
2019/20	202,000	202,000	-	618,888	32.6%
2020/21	378,000	378,000	-	351,842 (A)	107.4%

PSERS Schedule of Employers' Changes in Proportion (Unaudited)

<u>Fiscal Year</u>	<u>Original</u>	<u>Pension Expense</u>	<u>Deferred Outflow/ (Inflow)</u>
2014/15	\$ 942,000	\$ 183,000	\$ 27,000
2015/16	(763,000)	(153,000)	(153,000)
2016/17	(44,000)	(9,000)	(17,000)
2017/18	(318,000)	(64,000)	(64,000)
2018/19	980,000	245,000	245,000
2019/20	236,000	59,000	118,000
2020/21	1,433,000	358,000	1,075,000

See Independent Auditor's Report.

**Esperanza Cyber Charter School
Schedule of Proportionate Share of PSERS OPEB Liability and Contributions
(Unaudited)**

PSERS Measurement Date (Unaudited)

<u>Fiscal Year</u>	<u>PSERS OPEB Liability</u>			<u>School's Proportion</u>	<u>PSERS Fiduciary</u>
	<u>School's Proportion</u>	<u>School's Proportion Share</u>	<u>School's Covered Employee Payroll</u>	<u>Share of OPEB as a % of Employee Payroll</u>	<u>Net Position as a % of Total OPEB Liability</u>
2017/18	0.0019%	\$ 39,000	\$ 251,125	16%	5.73%
2018/19	0.0040%	\$ 83,000	\$ 532,384	16%	5.56%
2019/20	0.0045%	\$ 96,000	\$ 618,888	16%	5.56%
2020/21	0.0075%	\$ 162,000	\$ 1,052,902	15%	5.69%

PSERS OPEB Schedule of Contributions (Unaudited)

<u>Fiscal Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions Recognized by PSERS</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-Employee Payroll</u>	<u>Contributions as a % of Covered-Employee Payroll</u>
2017/18	\$ 2,000	\$ 2,000	\$ -	\$ 251,125	0.8%
2018/19	\$ 4,000	\$ 4,000	\$ -	\$ 532,384	0.8%
2019/20	\$ 5,000	\$ 5,000	\$ -	\$ 618,888	0.8%
2020/21	\$ 9,000	\$ 9,000	\$ -	\$ 1,052,902	0.9%

PSERS OPEB Schedule of Employers' Changes in Proportion (Unaudited)

<u>Fiscal Year</u>	<u>Original</u>	<u>Pension Expense</u>	<u>Deferred Outflow/ (Inflow)</u>
2017/18	\$ (15,000)	\$ (2,000)	\$ (11,000)
2018/19	45,000	6,000	38,000
2019/20	11,000	2,000	9,000
2020/21	63,000	9,000	54,000

Note: Ten years are required. Additional years will be added as they become available.

See Independent Auditor's Report.

**Esperanza Cyber Charter School
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/ Pass-Through Grantor Program Title	Source Code	Assistance Listing Number	Pass- Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award	Total Received for the Year	Accrued or (Deferred) Revenue at 7/1/20	Receipts or Revenue Recognized	Federal Expenditures	Accrued or (Deferred) at 6/30/21
U.S. Department of Education										
Pass-Through Pennsylvania										
Department of Education										
Title I - Improving Basic Programs	I	84 010	013-21-1118	08/28/2020-09/30/2021	\$ 768,268	\$ 447,818	\$ -	\$ 768,268	\$ 768,268	\$ 320,450
Title I - Improving Basic Programs	I	84 010	013-20-1118	08/31/2019-09/30/2020	286,737	163,822	163,822	-	-	-
Title I - School Improvement Set Aside	I	84 010	042-20-1118	09/30/2020-09/30/2021	102,647	31,584	-	78,050	78,050	46,466
Title I - School Improvement Set Aside	I	84 010	042-19-1118	09/30/2019-09/30/2020	104,066	31,929	70,045	-	-	38,116
Title II - Improving Teacher Quality	I	84 367	020-21-1118	08/28/2020-09/30/2021	58,832	34,100	-	58,832	58,832	24,732
Title II - Improving Teacher Quality	I	84 367	020-20-1118	08/31/2019-09/30/2020	31,048	9,369	9,369	-	-	-
Title III - Language Instruction (LEP)	I	84 365	010-21-1118	08/28/2020-09/30/2021	18,019	18,019	-	18,019	18,019	-
Title III - Language Instruction (LEP)	I	84 365	010-20-1118	08/31/2019-09/30/2020	11,345	7,293	7,293	-	-	-
Title IV, Part A- Student Support	I	84.424	144-21-1118	08/28/2020-09/30/2021	21,744	6,212	-	21,742	21,742	15,530
Title IV, Part A- Student Support	I	84.424	144-20-1118	08/31/2019-09/30/2020	21,825	15,589	15,589	-	-	-
COV D-19 - SEC M	I	84.027	252-20-1118	07/01/2020-09/30/2021	5,000	1,667	-	3,750	3,750	2,083
COV D-19 Elementary and Secondary School Emergency Relief Fund	I	84.425	200-20-1118	07/01/2020-09/30/2021	235,487	111,546	-	235,487	235,487	123,941
						<u>878,948</u>	<u>266,118</u>	<u>1,184,148</u>	<u>1,184,148</u>	<u>571,318</u>
Pass-Through School										
District of Philadelphia										
DEA Part A	I	84 389	DEA-B-2020-2021	07/01/2020-06/30/2021	110,287	-	-	110,287	110,287	110,287
DEA Part A	I	84 389	DEA-B 2018-2019	07/01/2019-06/30/2020	44,208	74,012	-	74,012	74,012	-
						<u>74,012</u>	<u>-</u>	<u>184,299</u>	<u>184,299</u>	<u>110,287</u>
Total U.S. Department of Education						<u>952 960</u>	<u>266 118</u>	<u>1 368 447</u>	<u>1 368 447</u>	<u>681 605</u>
U.S. Department of Treasury										
Pass-Through Pennsylvania Commission										
On Crime and Delinquency										
COV D-19 Coronavirus Relief Fund	I	21 019	2020-CS-01-3462	03/01/2020-10/30/202	90,000	89,974	-	89,974	89,974	-
Total U.S. Department of Treasury						<u>89,974</u>	<u>-</u>	<u>89,974</u>	<u>89,974</u>	<u>-</u>
Total federal awards						<u>\$ 1 042 934</u>	<u>\$ 266 118</u>	<u>\$ 1 458 421</u>	<u>\$ 1 458 421</u>	<u>\$ 681 605</u>

D - Direct Funding

I - Indirect Funding

Note: There were no awards passed through to subrecipients.

See Independent Auditor's Report.
See accompanying Notes to Schedule of Expenditures of Federal Awards.

Esperanza Cyber Charter School
Notes to Schedule of Expenditures of Federal Awards
June 30, 2021

1. GENERAL INFORMATION

The accompanying schedule of expenditures of federal awards presents the activities in all of the federal financial assistance programs of Esperanza Cyber Charter School. Financial awards received directly from federal agencies, as well as financial assistance passed through other governmental agencies of non-profit organizations, are included in the schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the School and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, and *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The schedule of expenditures of federal awards presents only a selected portion of the activities of the School. It is not intended to and does not present either the balance sheet, revenue, expenditures, or changes in fund balances of governmental funds. The financial activity for the aforementioned awards is reported in the School's statement of revenues, expenditures, and changes in fund balance - governmental funds.

4. INDIRECT COST RATE

The School has not made an election pursuant to 2 CFR Part 200 "*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*" to receive a 10% de minimis indirect cost rate. Furthermore, the School does not receive any federal indirect costs.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Esperanza Cyber Charter School:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Esperanza Cyber Charter School (the "School"), as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated December 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Esperanza Cyber Charter School's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Esperanza Cyber Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Esperanza Cyber Charter School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Esperanza Cyber Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Withum Smith + Brown, PC

December 16, 2021

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees,
Esperanza Cyber Charter School:

Report on Compliance for Each Major Federal Program

We have audited Esperanza Cyber Charter School's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Esperanza Cyber Charter School's major federal programs for the year ended June 30, 2021. Esperanza Cyber Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Esperanza Cyber Charter School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Esperanza Cyber Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Esperanza Cyber Charter School's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Esperanza Cyber Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Esperanza Cyber Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Esperanza Cyber Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Esperanza Cyber Charter School's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

December 16, 2021

**Esperanza Cyber Charter School
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2021**

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Control deficiencies identified that are not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Control deficiencies identified that are not considered to be material weaknesses? None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance? No

The following federal program was designated as a major program:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I – Improving Basic Programs

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

Section 2 – Financial Statement Findings

None reported.

Section 3 – Federal Award Findings and Questioned Costs

None reported.

Section 4 – Follow Up Prior Year Audit Findings

This is the first year the school qualifies for an audit under Uniform Guidance.

ESPERANZA

**Accounting & Financial
Policies and Procedures Manual**

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INTRODUCTION

Esperanza is incorporated in the state of Pennsylvania. *Esperanza* is exempt from federal income taxes under IRC Section 501(c)(3) as a nonprofit corporation.

This manual shall document the financial operations of the Organization. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

GENERAL POLICIES

ORGANIZATIONAL STRUCTURE

The Role of the Board of Directors

Nueva Esperanza (d/b/a Esperanza) and its subsidiaries, is governed by its Board of Directors, which is responsible for the oversight of the organization by:

1. Undertaking basic fiduciary responsibilities for finances and legal actions of the corporation, including retaining appropriate professional advisors.
2. Planning for the future.
3. Establishing broad policies.
4. Identifying and dealing with emerging issues.
5. Interpreting the organization's mission to the public.
6. Soliciting prospective contributors and developing partnerships with similar and complementary stakeholder entities.
7. Establishing and maintaining programs and systems designed to assure compliance with terms of contracts and grants.

The board is responsible for hiring, approving compensation and periodically evaluating the organization's CEO/President, who shall be responsible for the day-to-day oversight and management of Esperanza.

Committee Structure

The board of directors shall form committees in order to assist the board in fulfilling its responsibilities. These committees represent vehicles for parceling out the board's work to smaller groups, thereby removing the responsibility for evaluating all of the details of particular issues from the full board's consideration. Standing board-level committees of Esperanza consists of the following:

1. Executive / Personnel Committee
2. Finance / Audit Committee
3. Development Committee

Specific guidelines regarding the composition and election of the board of directors and committees are described in the organization's by-laws. However, roles of committees with direct responsibilities for the financial affairs of the organization are further described in this manual. These committees shall be referred to in appropriate sections of this manual.

Finance/Audit Committee Responsibilities

The Finance/Audit Committee is responsible for direction and oversight regarding the overall financial management of Esperanza. Functions of the Finance/Audit Committee include:

1. Review and recommendation of the organization's annual budget (prepared by the staff) for final approval by the full board
2. Long-term financial planning
3. Establishment of investment policy and monitoring investment performance
4. Evaluation of Internal Control Environment and procedures in effect.
5. Evaluation and approval of facilities decisions (i.e. leasing, purchasing property)
6. Monitoring actual vs. budgeted financial performance
7. Oversight of reserve funds

The review of the organization's financial statements shall not be limited to the finance committee, but shall involve the entire board of directors.

Audit Responsibilities of the Finance/Audit Committee

The Finance/Audit Committee is responsible for recommending the hiring of an independent CPA firm and for directly communicating with the CPA firm to fulfill the requirement for an annual audit, as described in the organization's by-laws. The Audit Committee shall also review and approve the final audited financial statements, as well as any communications received from the auditor regarding internal controls, illegal acts, or fraud.

The Audit Committee also serves as the primary point of contact for any employee, manager or officer who suspects that fraud has been committed against the organization or by one of its employees or board members.

The Audit Committee's role in the annual audit is more fully explained in the section of this manual covering the annual audit.

Executive/Personnel Committee Responsibilities

The Executive/Personnel Committee is responsible to develop procedures to plan for the future, establish broad policies, identify emerging issues, make recommendations to the Board on hiring and evaluating the CEO/President, and on personnel policies and procedures, and to take action between Board meetings when authorized by the Board and permitted by law.

Development Committee Responsibilities

The Development Committee is responsible for reviewing issues related to interpreting the organization's mission to the public, soliciting contributions and developing partnerships.

The Roles of the CEO/President and Staff

The Board of Directors hires the CEO/President, who reports directly to the Board of Directors. The CEO/President is responsible for hiring and evaluating the Executive Team.

The Executive Team is responsible for hiring employees to work in their departments. All employees within a department shall report directly to that department's director, usually a Vice President, who shall be responsible for managing and evaluating the employees within the department.

FINANCE DEPARTMENT OVERVIEW

Organization

The Finance Department consists of two staff members who manage and process financial information for Esperanza. The positions comprising the Finance Department of Esperanza are as follows:

- Senior Vice-President of Finance/CFO
 - Controller
 - Accounting Manager
 - Senior Accountant
 - Senior Accountant
 - Staff Accountant
 - Accounts Payable Coordinator

Other officers and employees of Esperanza who have financial responsibilities are as follows:

- CEO/President
- Executive Vice Presidents
- Senior Vice-Presidents
- Vice-Presidents
- Program Supervisor/Manager
- Treasurer-Board Level
- Finance Committee/Audit Committee
- Executive Committee
- Full Board of Directors

The Executive Management Staff is comprised of the President, Executive Vice Presidents and Senior Vice Presidents and any other staff appointed by the Esperanza President.

Responsibilities

The primary responsibilities of Finance are:

ACCOUNTING

- Annual Audit
- Bank Reconciliation
- Budgeting
- Compliance with Government Reporting Requirements
- External and Internal Reporting of Financial Information
- Financial Statement Processing
- General Ledger
- Maintenance & Reconciliation of Sub-Ledgers
- Grants and Contracts Administration

CASH MANAGEMENT

- Accounts Payable
- Accounts Receivable and Billing
- Bank Account Administration
- Cash Disbursements
- Cash Management
- Compliance with Government Reporting Requirements
- Credit Card Administration
- Financing

BUSINESS CONDUCT

Ethical Conduct in Purchasing

Ethical conduct in managing the organization's purchasing activities is an absolute essential. Staff must always be mindful that they represent the organization and share a professional trust with other staff.

Staff shall discourage the offer of, and decline, individual gifts or gratuities that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate Supervisor if they are offered such gifts. Gifts to the organization(s), viewed as normal business incentives to obtain future Organization-approved business such as for meeting sites, are acceptable donations. For guidelines concerning how and when to notify when gifts are received, please see the organizations Gift Policy.

Conflicts of Interest Prohibited

No officer, board member, employee, or agent of the organization(s) shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.

Officers, board members, employees and agents of the organization(s) shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements.

Esperanza does not tolerate the willful violation or circumvention of any Federal, state, local, or foreign law by an employee during the course of that person's employment; nor does the Organization tolerate the disregard or circumvention of Esperanza policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

Implementation of the provisions of this policy is one of the standards by which the performance of all levels of employees will be measured.

Disciplinary Action

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the organization or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken against:

1. Any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Any Director, Manager or Supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

FRAUD POLICY

Scope

This policy applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with Esperanza, any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with Esperanza.

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the CEO/President or to the Chair of the Esperanza Audit Committee, who coordinates all investigations.

Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to Esperanza
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of Esperanza
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to Esperanza
8. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
9. Any similar or related irregularity

Other Irregularities

Department managers and the CEO/President will resolve irregularities concerning an employee's moral, ethical, or behavioral conduct.

If there is a question as to whether an action constitutes fraud, contact the Chair of the Audit Committee for guidance.

Investigation Responsibilities

The Audit Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Audit Committee may use whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Audit Committee will issue reports to appropriate designated personnel and, if appropriate, to the Esperanza Executive Committee and/or the Board of Directors. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

If suspected fraud or other wrongdoing involves programs funded in whole or in part with federal funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to the organization. It is the policy of Esperanza to fully comply with all additional reporting, disclosure and other requirements pertaining to suspected acts of fraud as described in award documents.

Confidentiality

The Audit Committee and the CEO/President treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the CEO/President or the Audit Committee Chair immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedures section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Esperanza from potential civil liability.

Note: As part of this confidentiality policy, the audit committee has been formally authorized to conduct closed meetings (not open to anyone else) at which such matters may be discussed.

Authority for Investigation of Suspected Fraud

Members of the Esperanza Audit Committee will have:

1. Free and unrestricted access to all Esperanza records and premises, whether owned or rented.
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody or any such items or facilities when it is within the scope of their investigations.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the CEO/President or the Chair of the Audit Committee immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Audit Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Esperanza legal counsel or the Audit Committee.

SECURITY

Finance Department

A lock will be maintained on the door leading into the Esperanza Finance Department. This door shall be closed and locked in the evenings and whenever the Finance Department is vacant. The key to this lock will be provided to the Accounting Manager, Controller, and the Senior Vice President of Finance. The lock will be changed whenever any of these individuals leaves the employment of Esperanza without turning in their key.

Blank check stock shall be stored in a locked cabinet accessible by the Accounts Payable Coordinator, and the Accounting Manager when the Accounts Payable Coordinator is not available.

Petty cash is stored in a locked drawer. The Senior Accountants, Staff Accountant and Controller will be the only employees with the combination to the safe where the petty cash box is kept.

Access to Electronically Stored Accounting Data

It is the policy of Esperanza to use passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system. Accounting personnel are expected to keep passwords secret.

Storage of Back-Up Files

It is the policy of Esperanza to maintain back-up copies of electronic data files off-site in a secure, fire-protected environment. The IT contractors will provide the off-site storage location. Access to back-up files shall be limited to individuals authorized by management.

General Office Security

During normal business hours, all visitors are required to check in with the receptionist. After hours, a security key is required for access to the offices of Esperanza

TECHNOLOGY AND ELECTRONIC COMMUNICATIONS

Purpose and Scope

The purpose of this policy is to identify guidelines for the use of Esperanza technologies and communications systems. This policy establishes a minimum standard that must be upheld and enforced by users of the organization's technologies and communications systems.

The term "user" as used in these policies refers to employees (whether full-time, part-time or limited-term), independent contractors, consultants, and any other user having authorized access to, and using any of, the organization's computers or electronic communications resources.

Computer and electronic communications resources include, but are not limited to, host computers, file servers, stand-alone computers, laptops, printers, fax machines, photocopiers, scanners, phones, on-line services, e-mail systems, bulletin board systems, and all software that is owned, licensed or operated by Esperanza

Acceptable Use of Organization Property

Use of the organization's computers and electronic communications technologies is for programmatic and business activities of Esperanza. All use of such resources shall be in an honest, ethical, and legal manner that conforms to applicable license agreements, contracts, and policies regarding their intended use. Although incidental and occasional personal use of the organization's communications systems are permitted, users automatically waive any rights to privacy.

In addition, the information, ideas, concepts and knowledge described, documented or contained in the organization's electronic systems are the intellectual property of Esperanza. The copying or use of the organization's intellectual property for personal use or benefit during or after employment (or period of contract) with Esperanza is prohibited unless approved in advance by the CEO/President.

All hardware (laptops, computers, monitors, mice, keyboards, printers, telephones, fax machines, etc.) issued by Esperanza is the property of the organization and should be treated as such. Users may not physically alter or attempt repairs on any hardware at any time. Users must report any problems with hardware to the IT Network Administrator.

Password Security

Users are responsible for safeguarding their login passwords. Passwords may not be shared, nor should they be printed or stored on-line. Users should not leave their computers unattended without logging off.

Confidentiality

All information about individuals, families or organizations served by Esperanza is confidential. No information may be shared with any person or organization outside Esperanza without the prior written approval of the individual, family or organization and the CEO/President and/or his designee.

Copyrighted Information

Use of Esperanza electronic communication systems to copy, modify, or transmit documents, software, information or other materials protected by copyright, trademark, patent or trade secrecy laws, without obtaining prior written permission from the owner of such rights in such materials, is prohibited.

Installation of Software

The installation of new software on the computers of Esperanza without the prior approval of the IT Director is prohibited. If an employee desires to install any new programs onto an Esperanza computer, written permission should first be obtained.

Other Prohibited Uses

Other prohibited uses of the organization's communication systems include, but are not limited to:

1. Engaging in any communication that is discriminatory, defamatory, pornographic, obscene, racist, sexist or that evidences religious bias, or is otherwise of a derogatory nature toward any specific person, or toward any race, nationality, gender, marital status, religion, disability, physical characteristic, or age group.
2. Browsing or downloading and/or forwarding and/or printing pornographic, profane, discriminatory, threatening or otherwise offensive material from any source including, but not limited to, the Internet.
3. Engaging in any communication that is in violation of federal, state or local laws.
4. Campaigning for or against any candidate for political office or any ballot proposal or issue.
5. Sending, forwarding, redistributing or replying to "chain letters."
6. Unauthorized use of passwords to gain access to another user's information or communications on Esperanza systems or elsewhere.
7. Advertising, solicitation or other commercial, non-programmatic use.
8. Knowingly introducing a computer virus into the organization's communication system or otherwise knowingly causing damage to the organization's systems.
9. Using the organization's systems in a manner that interferes with normal business functions in any way, including but not limited to, streaming audio from the Internet during business hours, stock tickers, installing unauthorized software, etc.
10. Excessive personal use of the organization's technologies that preempts any business activity or interferes with organizational productivity.
11. Sending e-mail messages under an assumed name or obscuring the origin of an e-mail message sent or received.

Disciplinary Action for Violations

Esperanza requires all users to adhere to this policy. Violations of this policy will result in disciplinary action, which could include termination of employment or cancellation of contracts.

Reporting of Suspected Violations

Suspected violations of these policies should be immediately and confidentially reported to your immediate Supervisor. If you prefer not to discuss it with your Supervisor, you may contact the CEO/President or any member of the Audit Committee.

Esperanza reserves the right to install programs that monitor employee use of the Internet and electronic communication systems and to act on any violations of these policies found through use of such programs. Esperanza further reserves the right to examine any and all electronic communications sent or received by employees via the organization's electronic communications systems. Corrective action may be taken, up to and including termination of employment.

GENERAL LEDGER AND CHART OF ACCOUNTS

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of Esperanza and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

Chart of Accounts Overview

The chart of accounts is the basis for Esperanza's accounting system. The chart of accounts consists of GL account titles and account numbers, company codes, function codes, department codes, program codes and funder codes. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense and gain and loss account. Each transaction is associated with one of two funds, restricted or unrestricted. Revenue and expense entries are tracked to cost centers corresponding to funding sources.

Esperanza's chart of accounts is comprised of six types of GL accounts:

1. Assets
2. Liabilities
3. Net Assets
4. Revenues
5. Expenses
6. Gains and Losses

Each grant/funding source is assigned a three-character funder code, and as needed, a four-character program code. In addition, transactions are associated with a three-character company, function and department code.

Distribution of Chart of Accounts

All Esperanza employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current chart of accounts. As the chart of accounts is revised, an updated copy of the chart of accounts shall be distributed to these individuals promptly.

Control of Chart of Accounts

Esperanza's chart of accounts is monitored and controlled by the Controller. Responsibilities include the handling of all account maintenance, such as additions and deletions. The Controller shall ensure that the chart of accounts is consistent with the organizational structure of Esperanza and meets the needs of each program and department.

Account Definitions

General Ledger

Account Range

10000 – 19999

01000 - 01999

Category

Assets

Definition

Assets are probable future economic benefits obtained or controlled by the organization as a result of past transactions or events. Assets of Esperanza are classified as current assets, fixed assets, contra-assets, and other assets.

Current assets are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash, temporary investments, and receivables that will be collected within one year of the statement of financial position date.

Fixed assets are tangible assets with a useful life of more than one year that are acquired for use in the operation of the organization and are not held for resale.

Contra-assets are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable

Other assets include long-term assets that are assets acquired without the intention of disposing them in the near future. Some examples are security deposits, property and long-term investments.

20000 – 29999

02000 – 02999

Liabilities

Liabilities are probable future sacrifices of economic benefits arising from present obligations of the organization to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities of Esperanza are classified as current or long-term.

Current liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued expenses, short-term notes payable, and deferred revenue.

Long-Term Liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements. An example is the non-current portion of a mortgage loan.

30000 – 39999
03000 – 03999

Net Assets

Net Assets is the difference between total assets and total liabilities. See the next section for Esperanza’s policies on classifying net assets.

Gains are increases in net assets from peripheral or incidental transactions and from all other transactions and other events and circumstances affecting the organization except those that result from revenues or contributions.

Losses are decreases in net assets from peripheral or incidental transactions and from all other transactions and other events and circumstances affecting the organization except those that result from expenses.

Gains or losses occur when Esperanza sells a fixed asset or writes off as worthless a fixed asset with remaining book value.

40000 – 59999
04000 – 04999

Revenues

Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute an organization’s ongoing major or central operations. Revenues of Esperanza include membership dues, conference registrations, and sales of publications.

Revenues of Esperanza also include contributions received from donors and grants received from government agencies, private foundations and corporations.

70000 – 99999
05000 – 07999

Expenses

Expenses are outflows or other using up of assets or the incurrence of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute Esperanza’s ongoing major or central operations.

Classification of Net Assets

At year-end, net assets of the Organization shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

Unrestricted Net Assets - Net assets that are not subject to donor imposed stipulations.

Donor Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be satisfied through the actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that the Organization permanently maintain certain contributed assets. Generally, donors of such assets permit the Organization to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes.

Net assets accumulated by Esperanza that are not subject to donor imposed restrictions, but which the board of directors of the Organization has earmarked for specific uses, shall be segregated in the accounting records as "board-designated" funds within the unrestricted category of net assets.

Fiscal Year of Organization

Esperanza shall operate on a fiscal year that begins on July 1st and ends on June 30th.

Effective Beginning Balances

Effective beginning balances for both trail balance and balance sheet reports shall begin on July 1st, 2003.

Journal Entries

All general ledgers entries shall be supported by explanatory documentation, which shall include a reasonable explanation of each such entry. Examples of such journal entries include:

1. Recording of non-cash transactions
2. Corrections of posting errors
3. Non-recurring accruals of income and expenses
4. Recording of payroll expenses

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but are not limited to:

1. Depreciation of fixed assets
2. Amortization of prepaid expenses
3. Accruals of recurring expenses
4. Amortization of deferred revenue

Support for recurring journal entries shall be in the form of a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, in the form of a journal voucher.

The Controller or Senior Accountant must approve all journal entries.

POLICIES ASSOCIATED WITH REVENUES AND CASH RECEIPTS

REVENUE

Revenue Categories

The organization(s) receives revenue from several sources. Revenue from each source is recognized in the financial statements in the following manner:

Grants & Contracts - Cash received for allowable costs or based on other terms of the award. Grant income can be received in many ways such as monthly, upon invoicing or once at the time of award notification. Types of grants include subsidies and educational title funding. As well as corporate, foundation, organizational, federal, state and local. Contracts are for performances and bookings.

Contributions - Cash recognized as income when received. Contribution income is received in many forms including fundraising event and sales. Contributions can be used for a specific purpose (restricted) or for whatever purpose the organization(s) decide (unrestricted). Types of contributions are individual, corporate, and United Way.

Program Services – Cash received as income for service including but not limited to, program service fees, housing counseling fees, tuition and registration fees, book and computer fees, legal fees, consultation fees, cafeteria sales and student activities fees.

Management Fees– Cash received for administration services provided to each Esperanza affiliate organization monthly. Those services include, but are not limited to, HR, accounting, legal, and management informational systems (MIS).

Investment Income – Interest earned on cash temporarily held in savings accounts, certificates of deposits, or other investments.

Unrealized Gains/Losses–A change in market value of the organization’s investments that have occurred since the last valuation to market.

Tenant Reimbursement – Funds received for reimbursement of housing/commercial real estate costs incurred and paid on behalf of a tenant.

Rental Income – Cash received as income from residential and commercial property leases for rent, common area maintenance (CAM) and electric. Lease payments are received monthly and any rental income received after the date specified in each individual lease agreement, is considered late and those fees are recorded separately.

Miscellaneous – Fees received at regular or specific intervals for individual dues for membership. Cash received from organizational affiliates for office services provided by the management company such as copier and postage fees. Cash received from product and material sales transaction (i.e., books sold by the Office of the President, or materials sold for Immigration). Cash received for anything not specified in any category named above.

CONTRIBUTIONS RECEIVED

Definitions

The following definitions shall apply with respect to the policies described in this section:

Contribution - An unconditional transfer of cash or other assets to the Organization, or a settlement or cancellation of the Organization's liabilities, in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

Condition - A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the donor a right of return of the assets it has transferred to the Organization or releases the donor from its obligation to transfer its assets.

Restriction - A donor-imposed stipulation that specifies a use for the contributed asset that is more specific than broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in Esperanza's articles of incorporation and bylaws. Restrictions on Esperanza's use of an asset may be temporary or permanent.

Nonreciprocal Transfer - A transaction in which an entity incurs a liability or transfers assets to Esperanza without directly receiving value from Esperanza in exchange.

Promise to Give - A written or oral agreement to contribute cash or other assets to Esperanza

Exchange Transaction - A reciprocal transaction in which Esperanza and another entity each receive and sacrifice something of approximately equal value.

Distinguishing Contributions from Exchange Transactions

When Esperanza receives income in the form of contributions, revenue from exchange transactions, or income from activities with characteristics of both contributions and exchange transactions, Esperanza shall consider the following criteria, and any other relevant factors, in determining whether income will be accounted for as contribution income, exchange transaction revenue, or both:

1. Esperanza's intent in soliciting the asset, as stated in the accompanying materials
2. The expressed intent of the entity providing resources to Esperanza (i.e. does the resource provider state its intent is to support Esperanza's programs or that it anticipates specified benefits in exchange?)
3. Whether the method of delivery of the asset is specified by the resource provider (exchange transaction) or is at the discretion of Esperanza's (contribution)
4. Whether payment received by Esperanza is determined by the resource provider (contribution) or is equal to the value of the assets/services provided by Esperanza, or the cost of those assets plus a markup (exchange transaction)
5. Whether there are provisions for penalties (due to non-performance) beyond the amount of payment (exchange transaction) or whether penalties are limited to the delivery of assets already produced and return of unspent funds (contribution), and
6. Whether assets are to be delivered by Esperanza to individuals or organizations other than the resource provider (contribution) or whether they are delivered directly to the resource provider or to individuals or organizations closely connected to the resource provider.

Accounting for Contributions

Esperanza shall recognize contribution income in the period in which the Organization receives restricted or unrestricted assets in nonreciprocal transfers, or unconditional promises of future nonreciprocal asset transfers, from donors. Contribution income shall be classified as increases in unrestricted, temporarily restricted, or permanently restricted net assets based on the existence or absence of such restrictions.

Unconditional promises to give shall be recorded as assets and increases in temporarily restricted net assets (contribution income) of Esperanza in the period that Esperanza receives evidence that a promise to support the Organization has been made. Unconditional promises to give that are to be collected within one year and shall be recorded at their face value, less any reserve for uncollectible promises, as estimated by management. Unconditional promises to give that are collectible over time periods in excess of one year shall be recorded at their discounted net present value. Accretion of discount on such promises to give shall be recorded as contribution income in each period leading up to the due date of the promise to give. The interest rate that shall be used in calculating net present values of unconditional promises to give is the risk-free rate of return available to Esperanza at the time the organization receives a promise from a donor.

When the final time or use restriction associated with a contributed asset has been met, a reclassification between temporarily restricted and unrestricted net assets shall be recorded.

When it receives support in the form of volunteer labor, Esperanza shall record contribution income and assets or expenses if one of the following two criteria is met:

1. The contributed service creates or enhances a non-financial asset (such as a building or equipment),
2. The contributed service possesses all three of the following characteristics:
 - a. It is the type of service that would typically need to be purchased by Esperanza if it had not been contributed
 - b. It requires specialized skills (i.e. formal training in a trade or profession), and
 - c. An individual possessing those specialized skills provides the service.

Contributed services that meet one of the two preceding criteria shall be recorded at the fair market value of the service rendered.

Receipts and Disclosures

Esperanza and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and the underlying Regulations. To comply with those rules, Esperanza shall adhere to the following guidelines with respect to contributions received by the Organization.

For any contribution received, Esperanza shall provide a receipt to the donor. All receipts shall include the following information:

1. The amount of cash received and/or a description (but not an assessment of the value) of any non-cash property received
2. A statement of whether Esperanza provided any goods or services to the donor in consideration, in whole or in part, for any of the cash or property received by the Organization from the donor
3. If any goods or services were provided to the donor by Esperanza, a description and good faith estimate of the value of those goods or services.

When Esperanza receives cash in excess of \$75 or non-cash property with a value in excess of \$75, as part of a quid pro quo transaction, the Organization shall follow additional disclosure procedures. For purposes of this paragraph, a "quid pro quo" transaction is one in which Esperanza receives cash or property in a transaction that is part contribution and part exchange transaction (i.e. the value of the goods or services provided to the donor by Esperanza is less than the value of cash or property provided by the donor). In such instances, Esperanza shall provide to the donor a receipt stating that only the amount contributed in excess of the fair market value of the goods or services provided by Esperanza may be deducted as a charitable contribution. The receipt shall also include a good-faith estimate of the fair market value of the goods or services provided to the donor by Esperanza

For a quid pro quo contribution, a charity must furnish the statement in connection with either the solicitation or the receipt of the quid pro quo contribution. If the disclosure statement is furnished in connection with a particular solicitation, it is not necessary for the organization to provide another statement when the associated contribution is actually received.

No disclosure statement is required when:

1. The goods or services given to a donor meet the standards for insubstantial value set out in Rev. Proc. 90-12, 1990-1 C.B. 471, and Rev. Proc. 92-49, 1992-1 C.B. 987 (as updated);
2. There is no donative element involved in a particular transaction with a charity (for example, there is generally no donative element involved in a visitor's purchase from a museum gift shop); or
3. There is only an intangible religious benefit provided to the donor. The intangible religious benefit must be provided to the donor by an organization organized exclusively for religious purposes, and must be of a type that generally is not sold in a commercial transaction outside the donative context.

IRS rules provide for certain exceptions to the preceding disclosure rules applicable to quid pro quo transactions. As such, Esperanza is not required to comply with quid pro quo disclosure of FMV of goods provided by Esperanza when it receives cash or property in excess of \$75 in any of the following circumstances:

1. The goods provided to the donor bear Esperanza's name or logo and have an aggregate cost of \$75 or less,
2. The goods provided to the donor have a fair market value equal to no more than 2% of the contribution or \$75, whichever is less, or
3. The gift received by Esperanza resulted from the Esperanza's fundraising appeal that included articles worth no more than \$75 as well as a request for contributions and a statement that the recipient may keep the article even if a contribution is not made.

The IRS adjusts the preceding thresholds for inflation on an annual basis. Inflation adjustments subsequent to 2007 are incorporated into this policy manual by reference.

The Finance Department at Esperanza shall prepare estimates of the fair market value of goods or services provided by Esperanza.

It is the policy of Esperanza to comply with all current federal and state rules regarding solicitation and collection of charitable contributions, whether specifically addressed in this manual or not, as well as all future revisions to those rules.

BILLING/INVOICING POLICIES

Responsibilities for Billing and Collection

Esperanza's Finance Department, in coordination with Department Vice Presidents and Executive Directors, is responsible for the invoicing of goods and services as well as the collection of outstanding receivables. (Note: Cash receipts, credit memo, and collection policies will be discussed in subsequent sections).

Accounts Receivable Entry Policies

Posting of customer invoices to the accounts receivable subsidiary ledger shall be performed by individuals independent of the cash receipts function of Esperanza.

Posting of credit memos and other adjustments to customer accounts receivable shall also be performed by an individual independent of the cash receipts function of Esperanza.

Classification of Income and Net Assets

All income received by Esperanza is classified as "unrestricted", with the exception of the following:

1. Grants and other awards received from government agencies or other grantors, which are classified as temporarily restricted
2. Special endowments received from donors requesting that these funds be permanently restricted for specific purposes

From time to time, Esperanza may raise other forms of contribution income, which carry stipulations that Esperanza use the funds for a specific purpose or within a specified time period identified by the donor of the funds, (i.e. Fannie Mae, Freddie Mac). When this form of contribution income is received, Esperanza shall classify this income as Temporarily Restricted income.

As with all Temporarily Restricted net assets, when the restriction associated with a contribution has been met (due to the passing of time or the use of the resource for the purpose designated by the donor), Esperanza will reclassify the related net assets from "Temporarily Restricted" to "Unrestricted" in its Statement of Financial Position and reflect this reclassification as an activity in its Statement of Activities.

From time to time, the Esperanza's Board of Directors may determine that it is appropriate to set funds aside for specific projects. To the extent these set-asides result from a Board action, rather than a donor-imposed requirement, the resulting set-aside shall be classified as "unrestricted". However, to identify these funds as being set aside for special projects, such set-asides shall be labeled "Board-Designated" funds within the unrestricted net assets of Esperanza, and shall be reported as a separate component of unrestricted net assets on the Esperanza financial statements.

CASH RECEIPTS

Overview

Cash (including checks and money orders payable to the organization) is the most liquid asset an organization has. It is the policy of Esperanza that bank deposits will be made on a daily basis, unless the total amount received for deposit is less than \$500.

Processing of Cash Received by Mail

Cash that is received by mail addressed to Esperanza and Esperanza Affiliates is centralized to ensure when received it is appropriately directed, recorded and deposited on a timely basis. Cash received by mail requires two (2) staff persons, the front desk receptionist and a Cash Management staff member, open the mail. Checks and money orders received by mail are entered into a "Cash Received Log" then brought to the Cash Management Department to be deposited through the "Online Check Deposit" system. Copies of checks and the supporting documents are distributed to the appropriate department to keep for their records.

Program Fees Received at Time of Service

External customers, such as tenants and clients paying fees, will submit payment to the front desk receptionist. The receptionist will count and verify for accuracy, then provide customer with a receipt. The receptionist will record cash in a "Cash Received Log" and place all payments into the lockbox located in the receptionist area. The Cash Management Coordinator will empty the contents of the lockbox and deposit daily.

Event Sales, Tuition and Registration Fees

PETTY CASH FOR EVENT SALES

Prior to an event, a request for petty cash form is submitted by an approved expense signer to the Staff Accountant. Cash is counted and verified with signature of the staff member responsible for the event revenue, on the request form. At the end of the event no later than the following business day, the same amount of petty cash is returned to the Staff Accountant.

EVENT SALES

Within **twenty-four (24) hours of receiving funds**, cash collected from fundraisers, class dues, yearbook, field trips, book drives and other organizational sanctioned events is given to the Cash Management Coordinator along with any supporting documents **or** placed in a drop safe near to you.

TUITION AND REGISTRATION FEES

Course registrations and tuition payments are to be paid by cash and/or money order only. The program administrator collects payments and issues a receipt to each payer. The name of the payee should be clearly written on the money order and copies made for the program's records. Within **twenty-four (24) hours of receiving funds**, cash collected is given to the Cash Management Coordinator **or** placed in a drop safe near to you.

Drop Safe

Combination and/or key entry drop safes are located in the Academy Middle School, Esperanza College and Esperanza Administration.

Upon receipt of funds, cash must be counted by two (2) persons. Preferably the person collecting the cash and a director/manager to verify totals. Once cash has been verified:

- For the Academy Drop Safe – located in Middle School:
 - Fill out a deposit slip with calculator tape signed by the two people verifying the cash count.
 - Properly enclose deposit slip and all monies in a deposit bag (coins must be rolled and bag cannot contain more than \$2.00 of loose change)
 - Enter the deposit bag number and bag date into “Deposit Log”
 - Drop bag into the safe box
- For the Esperanza College and Administration Safes:
 - Enclose money and deposit slip into a letter size envelope
 - Enter date, amount and name of program into the “Deposit Log”
 - Drop envelope into the safe box

The Cash Management Coordinator will empty the Academy drop safe on Tuesday and Fridays and the College and Administration drop safes daily. See the Cash Management Department for drop safe supplies.

Reconciliation of Deposits

Bank statements are routed to the Accounting Manager unopened. He/she signs and dates them before passing them on to the Staff Accountant or Accountant. On a monthly basis, the Staff Accountant, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the monthly bank statement. Any discrepancies shall be immediately investigated. The Staff Accountant will return the bank statement with the completed reconciliation to either to the Senior Accountant or Accounting Manager for final review.

ACCOUNTS RECEIVABLE MANAGEMENT

Monitoring and Reconciliations

On a monthly basis, a detailed accounts receivable report, showing aged, outstanding invoices by customer, is generated and reconciled to the general ledger by the Finance Department. All differences are immediately investigated and resolved.

Collections

On a monthly basis, the Accounting Manager will review the accounts receivable aging report. This report shows the current month's activity for each customer and prior months' balances outstanding for 30, 60, 90, and 120 days.

If 90 days have elapsed without payment, the Finance Department will investigate and contact the customer or funding agency to discover expected timing of payment.

The accounting staff will conduct further reasonable attempts to collect. The Finance Department will document customer responses and assess the need to consider legal action. Long-term overdue accounts of a substantial nature will be discussed with legal counsel and the Senior Vice President of Finance.

Credits and Other Adjustments to Accounts Receivable

From time to time, credits against accounts receivable from transactions other than payments and bad debts will occur. Examples of other credits include adjustments for billing errors. The Controller will make entries for credits; it is necessary to keep posting of credits separate from the cash receipts function.

Accounts Receivable Write-Off Authorization Procedures

It is the policy of Esperanza to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. The department associated with the receivable (in conjunction with the Controller) will determine that the amount is not collectible. If an account receivable is deemed uncollectible, the following approvals are required before the write-off is processed:

<u>Amount</u>	<u>Authorized in writing by</u>
Less than \$1,000	Controller
\$1,000 to \$5,000	Senior Vice President of Finance
Greater than \$5,000	Senior Vice President of Finance

Items in excess of \$1,000 will be reported to Executive Management of Esperanza and then to the Finance Committee at their next regularly scheduled meeting.

Once a write-off has been processed, appropriate individuals in the originating department are to be advised to ensure that further credit is not granted. Customers subject to write-off procedures will be extended future credit only if the back debt is paid and the customer is no longer deemed a poor credit risk.

If write-off procedures have been initiated, the following accounting treatment applies:

1. Current year invoices that are written off will either be charged against an appropriate revenue or revenue adjustment account or against the original account credited.
2. Invoices written off that are dated prior to the current year will be treated as bad debt and will reduce the allowance for doubtful accounts, discussed in the next section.

Reserve for Uncollectible Accounts

It is the policy of Esperanza to maintain a reserve for uncollectible accounts receivable. At the end of each fiscal year, the allowance for doubtful accounts is adjusted based on the following factors:

1. An analysis of aged accounts receivable
2. Historical collection and bad debt experience, and
3. Evaluations of specific accounts based on discussions with the department that originated the sale resulting in the receivable

Year-end adjustments to the reserve for uncollectible accounts shall be performed only with authorization from the Senior Vice President of Finance upon the recommendation of the Accounting Manager and/or Controller.

This reserve account is used in the following year to write off those items that are deemed uncollectible from the prior year after further collection efforts have been abandoned, as described earlier.

POLICIES ASSOCIATED WITH EXPENDITURES AND DISBURSEMENTS

PURCHASING POLICIES AND PROCEDURES

Overview

It is the policy of the organization(s) to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. All staff shall adhere to the procedures described in this section of the manual.

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY ESPERANZA

Expense Categories

The organization(s) incurs liabilities from delivering or producing goods, rendering services, and carrying out other activities that constitute ongoing operations. Expense accounts record those activities in the following manner:

Salaries and Fringe Benefits – Salaries and wages of regular employees with benefits that include, health, life/disability, and workers comp insurance. As well as pension plan contributions and employer tax obligations.

Management Fees – Fees for administration and management of Esperanza Affiliates.

Program Costs – Program expenditures for contracts, grants to other organizations, technical assistance, training, educational materials, client incentives, program food, and other costs related to the program.

Consultants – Fees paid to a person or organization that provides professional or expert advice in the area accounting, auditing, legal, payroll, fundraising, curriculum development, communication strategy, and community outreach and support.

Office – Costs for supplies and materials used to conduct business which may include program and training supplies, mailing, print and copy, copier paper and supplies. Office stationary and equipment leases, subscription, and books/reference materials are also included.

Communications – Cost of desk telephone and cellular phone equipment and the services to use them. Internet, postage and courier shipping are also included.

Conference/Events – Cost related to the activities for a field trip by a teacher/students, and staff training which are work-related necessity to develop, improve the skill and performance of staff. Costs include registration, facility rental, audio rental, training logistics and meals served at conference or event and speaking fee/honorarium.

Staff Travel - Costs to attend a business conference/event include mileage, parking and tolls, air and/or ground transportation, auto rental, overnight lodging and meals/per diem for a conference/event held out of town.

Occupancy – Paid rent for facility/office space and other incurred costs include licenses and permits, utilities, trash removal, real estate taxes, maintenance, security and common area maintenance.

Insurance – Premiums paid for insurances such as general and professional liability, Directors & Officers Liability, property insurance, builders risk and other miscellaneous policies that do not fit the definitions previously stated.

Finance Costs – Costs incurred in financing residential, commercial property, and the use of money. Costs include mortgage interest, interest on borrowed money, bank, and late fees, and property settlement fees.

Other Operating – Other business costs include organizational dues, staff development and recruitment, board expenses, bad debt, outside computer services, advertising and contributions to other nonprofit organizations and charities.

Equipment – Cost associated with purchasing or repairing equipment worth less than \$5,000. If equipment is over \$5,000, the expense will be capitalized. Type of equipment include desktop computers, notebooks, printers, computer software and other equipment are also included

Depreciation– Systematic allocation of expenses of the cost of building, furniture/equipment, computer hardware and capital leases over the useful life of the asset.

Allocated Expenses – Program administration allocations used to record each program or activity represented in the direct costs base to assume their fair share of indirect costs when the indirect cost rate is applied.

ADDITIONAL POLICIES APPLICABLE ONLY TO THOSE PURCHASES MADE UNDER FEDERAL AWARDS ARE DESCRIBED IN THE SECTION “POLICIES ASSOCIATED WITH FEDERAL AWARDS.”

It is the policy of Esperanza to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures to which all staff shall adhere.

Responsibility for Purchasing

The Finance Department shall maintain a current list of all authorized purchasers of Esperanza. All department heads shall have the authority to initiate purchases on behalf of their department, within the guidelines described in this policy manual.

The Accounts Payable Coordinator shall be responsible for processing purchase orders. He/she will ensure that amounts are within budget, expenditures are allowable under the grant, and employees adhere to purchasing policies. The Controller will ensure that all purchases and contractual commitments, as defined in this policy, are reasonable and are for a valid business purpose.

PROCUREMENT

Use of Purchase Orders

Purchase Orders (PO) are used to purchase materials for direct consumption and/or services with approval required before an order is placed. A properly completed PO Request authorizes a purchase to be made on account with pre-negotiated net payment terms with binding agreement between buyer and seller using a PO number. **The Purchase Order is the preferred method of purchasing and should be used as a first option when seeking to procure goods and services.** For guidelines on when and how to use, please see Appendix A.

Use of Payment Request Forms

The Payment Request Form (PRF) authorizes a payment to be made after goods and services are received and no PO number was requested before ordering. Requests for payment made using the PRF must have authorized signature(s), proper account coding and an invoice attached. For payment request guidelines, please see Appendix B.

Use of Contracts

Written contract language must be reviewed by Senior Vice-President & General Counsel before execution.

All contracts between the Organization(s) and outside parties must be reviewed and approved by the Department Vice-President or Academy CEO. The President, Executive Vice-Presidents, Senior Vice Presidents, Academy CEO, and General Counsel are authorized to enter into contracts on behalf of the organization(s). These policies shall also apply to renewals of existing contracts.

Contract numbers are used to identify the contract with the funding source and will be issued upon receipt of contract by the Cash Management Department or Esperanza Academy Office of the CEO. Program and account code must be included when submitting initial invoice for payment. This number will be used for subsequent invoiced payments throughout the length of the contract, relieving the need for a PRF.

Purchase decisions for labor, equipment, supplies or services purchased, leased or contracted shall be made only after receiving one or more of the following:

- Single purchase items of \$1,000 to \$5,000 require oral quotes from at least two (2) vendors and documentation of the quotes are to be submitted at time of approval.
- Single purchase items of \$5,000 or more shall be made by obtaining written competitive proposals from at least three (3) responsible vendors and submitted at time of approval.
- For guidelines on the solicitations for goods and services, please see the section for “Required Solicitation of Quotations from Vendors”.

Single purchase items costing less than \$1,000 do not require any of the above.

Authorized Signors

All documents submitted to the Accounting Department must have proper authorization from an individual on the “Authorized Signer for Expenses” list. For more information concerning the signer list and invoice limits, please see Appendix C.

Non-Discrimination Policy

All vendors/contractors who are the recipients of Esperanza funds, or who propose to perform any work or furnish any goods under agreements with Esperanza and Esperanza Affiliates shall agree to these important principles:

1. Vendors/Contractors will not discriminate against any employee or applicant for employment because of race, religion, color or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors/contractors.
2. Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisement and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.

Required Solicitation of Quotations from Vendors

Purchase decisions in excess of \$5,000 for labor, equipment, supplies or services purchased, leased or contracted shall be made only after receiving, whenever possible, written quotations from at least three (3) vendors. Sealed bids shall be utilized when required by a Federal-awarding agency.

Solicitations for goods and services (requests for proposals) should provide all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features, which unduly restrict competition.
2. Requirements of the vendor and all other factors to be used in evaluating bids or proposals.
3. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
4. A description of the proper format, if any, in which proposals must be submitted, including the name of the organization(s) and person to whom proposals should be sent.
5. The date by which proposals are due.
6. Required delivery or performance dates/schedules.
7. Clear indications of the quantities requested and units of measure.

Affirmative Consideration of Minority, Small Business and Women-Owned Businesses

Positive efforts shall be made by the organization(s) to engage small businesses, minority-owned firms, and women's business enterprises, whenever possible. The following steps shall be taken to reach this goal:

1. Ensure that small business, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms and women's business enterprises.

Special Purchasing Conditions

Emergencies:

Where equipment, materials, parts, and/or services are needed, quotes will not be necessary if the health, welfare, safety, etc., of staff and protection of the organization(s)'s property is involved, however, approval by any member of the Executive Management Staff is required.

Telecommunications & Technology:

Please consult the organization's System Administrator when there is a need for hardware such as computers, printers, cellular phones, and/or other technological products before the purchasing process begins. The System Administrator must approve all telecommunication and technology purchases.

Single Distributor/Sole Source for Consultants:

Where there is only one (1) distributor for merchandise needed and no other product meets the stated needs or specifications, quotes will not be necessary. Documentation to validate single sole source is required.

Federally Funded Programs:

Purchases that will be charged to programs funded with federal awards will be subject to additional requirements. Please see the Finance Department for questions regarding special purchasing conditions.

Ethical Conduct in Purchasing

Ethical conduct in managing the organization's purchasing activities is an absolute essential. Staff must always be mindful that they represent the organization and share a professional trust with other staff.

Staff shall discourage the offer of, and decline, individual gifts or gratuities that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate Supervisor if they are offered such gifts. Gifts to the organization(s), viewed as normal business incentives to obtain future Organization-approved business such as for meeting sites, are acceptable donations. For guidelines concerning how and when to notify when gifts are received, please see the organizations Gift Policy.

Conflicts of Interest Prohibited

No officer, board member, employee, or agent of the organization(s) shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.

Officers, board members, employees and agents of the organization(s) shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements.

Receipt and Acceptance of Goods and or/Services

Inspect goods or services when received. Upon receipt of items from a vendor, consultant or contractor, the following actions shall immediately be taken:

1. Remove the packing slip from each box/container
2. Verify all items shipped are in good working order
 - a. Examine goods for physical damage
3. Compare the description and quantity of goods per the receiving slip to the packing slip or contract
4. Record an indication of counts on the receiving slip
5. Note on the receiving slip any discrepancies (missing or damaged item, etc.)
6. Verify with signature all items have been received
7. Remit signed receiving slip and packing documents to the Cash Management Department

It is the policy of the organization(s) to perform the preceding inspection procedures in a timely manner in order to facilitate prompt return of goods and/or communication with vendors.

Extensions of Due Dates and Receipt of Late Proposals

Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date. However, in the event that a prospective vendor requests an extension to a due date specified in a solicitation, and such an extension is both justified and compatible with the requirements of Esperanza, an extension may be granted by the purchasing representative.

Vendor proposals are considered late if received after the due date and time specified in the solicitation. All such late proposals shall be marked "Late Proposal" on the outside of the envelope and retained, unopened, in the procurement folder. Vendors that submit late proposals shall be sent a letter notifying them that their proposal was late and could not be considered for award.

POLITICAL INTERVENTION

Prohibited Expenditures

Consistent with its tax-exempt status under the Internal Revenue Code, it is the policy of Esperanza that the Organization shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the federal, state or local level. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees
2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials included in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

Endorsements of Candidates

It is the policy of Esperanza not to endorse any candidates for public office in any manner, either verbally or in writing. This policy extends to the actions of management and other representatives of Esperanza, when these individuals are acting on behalf of, or are otherwise representing, the Organization.

Prohibited Use of Organization Assets and Resources

It is the policy of Esperanza that no assets or human resources of the organization shall be used for political activities, as defined above. This prohibition extends to the use of Organization assets or human resources in support of political activities that are engaged in by board members, members of management, employees, or any other representatives of Esperanza. While there is no prohibition against these individuals engaging in political activities personally (on their own time, and without representing that they are acting on behalf of the Organization), these individuals must at all times be aware that Organization resources cannot at any time be used in support of political activities.

ACCOUNTS PAYABLE MANAGEMENT

Overview

Esperanza strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

The **accountant**, an individual independent of ordering and receiving, shall record assets, expenses and corresponding liabilities. The amounts recorded are based on vendor invoices for goods or services. The vendor invoice should be matched to an approved purchase order, and packing slip. The appropriate Department Vice-President or his/her designee must review and approve (sign) invoices before they will be processed for payment. Invoices and related general ledger account distribution codes are reviewed prior to posting to the Accounts Payable (AP) ledger.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

Recording of Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation **and coding** shall be recorded as accounts payable in a timely manner.

Accounts payable are processed on a regular basis. Information is entered into the system from approved and **coded** invoices or disbursement vouchers with appropriate documentation attached.

Only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

Accounts Payable Cut-Off

For purposes of the preparation of the Organization's monthly financial statements, all vendor invoices that are received, approved and supported with proper documentation by the tenth day of the following month, shall be recorded as accounts payable as of the end of the immediately preceding month, if the invoice pertains to goods or services delivered by month-end.

Establishment of Control Devices

Vendors will be instructed to mail all invoices directly to the accounts payable department.

Upon receipt, the Accounts Payable Coordinator will date stamp and review each invoice for approval requirements. Those invoices needing departmental approval will be passed on to the Vice-President, Executive Director or Program Supervisor/Manager for signature. A log of invoices awaiting approval will be reviewed regularly. The Accounts Payable Coordinator is responsible for the timely retrieval of logged invoices. [Not currently being done, but should be done, especially at year end]

Preparation of a Voucher Package

Prior to any account payable being processed for payment, a package called a “voucher package” shall be assembled. Each voucher package shall contain the following documents:

1. Vendor invoice or employee expense report, with proper account coding
2. Packing slip, when appropriate
3. Receiving report or other indication of receipt of merchandise and authorization of acceptance
4. Purchase order, as required
5. Other supporting documentation necessary to prove payment request is legitimate and proper
6. Check Request when no vendor invoice exists

Processing of Voucher Packages

The Accountant & Accounts Payable Coordinator will process each voucher package:

Accounts Payable Coordinator

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity and prices of items on the vendor invoice to the purchase order, packing slip and receiving report

Accountant

3. Document the general ledger distribution, using the Organization’s current chart of accounts
4. Obtain the review and approval of the Department Vice-President or Executive Director associated with the goods or services purchased

Approvals by program Vice Presidents and Executive Directors or their designee indicate their acknowledgement of satisfactory receipt of the goods or services invoiced, agreement with all terms appearing on the vendor invoice, agreement with general ledger account coding, and agreement to pay vendor in full. Approvals shall be documented with initials or signatures of the approving individual and dated.

Payment Discounts

To the extent practical, it is the policy of Esperanza to take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form (see further policies under “Travel Expense Reports”). All receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form. It is expected that employees will submit requests for reimbursement on a monthly basis. Each monthly request is due to AP by the fifth (5th) of the following month. **Late requests are subject to funding allowances and may not be paid.** Expenses totaling less than \$50 for the quarter, not per week, may be submitted quarterly rather than monthly. Quarterly

submissions are due the 5th of the month following the quarter ending months of March, June, September and December.

Credit Card Usage and Reporting

Esperanza company credit cards are to be used only to conduct business for Esperanza. The cards may be used for the purchase of supplies & equipment, travel, lodging, certain on-line transactions that require a credit card to enact, and other transactions of a similar kind. Each Department Vice-President and his/her program staff, Executive Director, Executive Vice Presidents and the President, will have responsibility for use and reporting of his/her own card.

Esperanza intends to ensure that payment is made in full and on time for each billing cycle and thereby avoid interest and late payments. Department Vice-Presidents, or their designees, are expected to comply with the following procedure for each use of the credit card.

1. Request a Purchase Order prior to ordering any supplies or services when possible and Complete a Credit Card Usage Form
2. Be sure the purpose clearly explains what the charge is for
3. Record account coding on purchase order or on the Credit Card Usage Form. Attach receipts, purchase order if not already submitted to accounting, packing slip, and/or other documentation to verify that the item is chargeable to a grant.
4. Sign and date as the requestor.
5. Vice-President must sign approval on all Purchase Orders or Invoices indicating it was a credit card purchase – approval signature may not be same as the requestor.
6. Submit form and attachments to the Accounting office within 48 hours. Late submissions will delay processing the entire monthly billing.

Reconciliation of A/P Subsidiary Ledger to General Ledger

At the end of each monthly accounting period, the total amount due to vendors as listed in the accounts payable subsidiary ledger shall be reconciled to the accounts payable control account in the general ledger. Reasons for any differences will be determined and adjustments made to correct.

Also on a monthly basis, the Accounts Payable Coordinator will perform the following procedures:

1. Check all statements received for unprocessed invoices.
2. Check the Purchase Order file for open POs that are more than 60 days old and follow up.

TRAVEL EXPENSE REPORTS

Employee Business Travel

At the conclusion of a business trip, an employee or member of the board of directors that has incurred business-related expenses should complete an Expense Report in accordance with the following policies:

1. Identify each separately incurred business expense (i.e. do not group all expenses associated with one trip together).

2. With the exception of tips and parking meters, all expenses must be supported with receipts. No receipts will result in non-payment of expense. (See exception #10 below).
3. For lodging and expenditures, vendor receipts are required. Credit card charge slips do not represent adequate supporting documentation – a hotel receipt must be obtained to substantiate all lodging expenditures.
4. For airfare and train travel, airline and train issued receipts and boarding passes are required. In the event a receipt is not possible, other evidence may be submitted (for example, a combination of an itinerary, a credit card receipt, a copy of an attendance sheet from a training, or a hotel receipt, if you stayed overnight).
5. Mileage is reimbursed at the standard federal rate in effect at the time of travel. The IRS publishes the rate periodically throughout each year. Proof of miles traveled, (MapQuest or odometer reading), are required when reimbursement is submitted. Lack of proof will result in delay and or non-payment of reimbursement.
6. The business purpose of each trip must be explained on the report.
7. Indicate the project and/or contract along for which the expenditures are incurred.
8. For meals and other business meeting expenditures, clearly identify:
 - a. Names, titles, organizations, and business relationships of all persons present
 - b. The business purpose of the meal or other event (agenda, topics discussed, etc.)
9. Expense reports must be reviewed, signed and dated by the employee and the Department Vice-President. Prior to approving, the Department Vice-President will review for correct program and budget codes before they are submitted to Accounts Payable and before they will be paid.
10. In place of item #2 above, standard IRS/GSA per diem rates may be used for meals and incidentals. When per diem rates are used, there is no requirement to attach receipts to substantiate these components of business travel. In the event that business travel occupies part of a day, or when employees attend a conference where a meal is served, per diem rates should be pro-rated, 25% each for breakfast and lunch, 50% for dinner.

An employee will not be reimbursed for expense reports not meeting the preceding criteria. If the Expense Report results in a balance due to Esperanza (as a result of receiving a travel advance greater than actual business expenditures), the employee must attach a check or sign a statement indicating authorization to settle the balance due through a payroll deduction.

No further travel advances will be issued to any employee who has an outstanding balance due to Esperanza from a previous business trip.

Reasonableness of Travel Costs

Esperanza shall reimburse travelers only for those business-related costs that are reasonably incurred. Accordingly, the following guidelines shall apply:

1. Suites and other upgraded rooms at hotels shall not be allowed; travelers should stay in standard rooms. Every effort should be made to keep cost of lodging at or below the federal per diem rate.
2. When renting vehicles, travelers should rent midsize or smaller cars. Share rental cars whenever possible.
3. Business-related, long-distance telephone calls while away on business travel are permitted, but should be kept to a minimum; expense reports should explain long-distance charges.
4. Whenever possible, travelers should use company issued cell phones or long-distance calling cards when placing calls while away on travel; avoid using the hotel's long-distance service if possible.

5. Personal long-distance calls while away on business will be reimbursed on a per diem basis. The per diem rate of \$3 per day is intended to cover one nightly call home to family. This pertains to staff traveling without a company issued cell phone.
6. Reasonable tips for baggage handling shall be reimbursed; no receipts are required.

Special Rules Pertaining to Air Travel

The following additional rules apply to air travel:

1. Air travel should be at coach class.
2. Memberships in airline flight clubs are not reimbursable.
3. Cost of flight insurance is not reimbursable.
4. When airfare is \$500 or more, two quotes from a travel agency and/or an airline should be obtained and attached to the expense report.
5. When returning on a Sunday or departing on a Saturday, in order to obtain a cost savings in airfare due to the Saturday-night stay-over, travelers should provide a total cost comparison (showing that the lower airfare plus an extra night lodging, meals & incidentals is less costly than airfare without the Saturday night stay-over).
6. Cost of upgrade certificates is not reimbursable.
7. Cost of canceling and rebooking flights is not reimbursable, unless it can be shown that it was necessary or required for legitimate business reasons.
8. Travelers must identify and pay for all personal flights, even if such flights are incorporated into a flight schedule that serves business purposes (i.e. Esperanza will not reimburse for the personal legs of a trip).
9. All air travel must be booked on a U.S. carrier. Air travel that is booked on an international carrier is not chargeable to Federal grants; therefore it cannot be reimbursed to the employee.

Spouse/Partner Travel

It is the policy of Esperanza not to reimburse any employee or board member for separate travel costs associated with his/her spouse or partner.

Travel Advances

Funds will not be advanced for upcoming travel unless a demonstrated need for funds exists. A request for a travel advance must be submitted to the Department Vice-President along with a completed and properly approved travel request. Travel advances are generally limited to \$200 unless there is an extraordinary need for additional funds. Travel advances are to be used only for the purpose intended. Travel expenses are to be made in accordance with the Organization's travel policies. Travel advances to cover Per Diem expenses are excluded.

Employees receiving travel advances are required to sign for the advance signifying their acknowledgement of, and agreement to, these policies. Employees receiving travel advances must submit an expense report within 7 days of returning from travel. Any outstanding advances more than 30 days old will be deducted from an employee's next paycheck.

CASH DISBURSEMENTS (CHECK-WRITING) POLICIES

Check Preparation

It is the policy of Esperanza to print vendor checks and expense reimbursement checks on a monthly basis. The Accounts Payable Coordinator prepares checks. The Accounts Payable Coordinator does not have authority to initiate or approve expenditures, nor is he/she an authorized check signer.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business entertainment policies described in this manual
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors
3. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks
4. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer
5. Checks shall be prepared in numerical order (unused checks are stored in a locked cabinet in the Finance Department)
6. Checks shall never be made payable to "bearer" or "cash"
7. Checks shall never be signed prior to being prepared
8. Upon the preparation of a check, vendor invoices and other supporting documentation shall **immediately be canceled in order to prevent duplicate payments. [Not currently done, but will order a stamp and begin immediately]**

Check Signing

All checks require two signatures; list of authorized check signers is maintained in the Finance Department and updated as needed.

It is the policy of Esperanza that an individual other than the one who approved the transaction for payment must sign each check. Due to the availability of check signers, in the case of Executive Vice Presidents, they may on occasions both approve a transaction and sign the check.

Check signers should examine all original supporting documentation to ensure that each item has been properly authorized prior to signing a check. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

Mailing of Checks

After signature, checks are returned to the Accounts Payable Coordinator, who then mails checks immediately. Individuals who authorize expenditures will never mail checks, unless authorized by the Senior Vice President of Finance.

Voided Checks, Stop Payments, and Stale Dated Checks

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of the bank reconciliation.

Stop payment orders or voiding a check may be made for checks lost in the mail or for other valid reasons. Stop payments or voiding a check are processed by using the bank's online internet banking procedures, by telephone instruction or written authorization to the bank by accounting personnel with this authority. A journal entry is made to record the stop payment and any related bank fees.

When a check that has been issued is outstanding for 120 days, an attempt will be made to contact the vendor and inquire as to the check's status. After 12 months (365 days), the check will be considered dead and the expense reversed.

Record-Keeping Associated with Independent Contractors

Esperanza shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors who are classified as independent contractors. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

PAYROLL AND RELATED POLICIES

Classification of Workers as Independent Contractors or Employees

It is the policy of Esperanza to consider all relevant facts and circumstances regarding the relationship between Esperanza and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between Esperanza and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control
2. Financial control
3. The type of relationship of the parties

Facts associated with each of these categories that will be considered by Esperanza in making employee/contractor determinations shall include:

1. Behavioral control:
 - a. Instructions given by Esperanza to the worker that indicate control over the worker (suggesting an employee relationship), such as:
 - When and where to work
 - What tools or equipment to use
 - What workers to hire or to assist with the work
 - Where to purchase supplies and services
 - What work must be performed by a specific individual
 - What order or sequence to follow
 - b. Training provided by Esperanza to the worker (i.e. employees typically are trained by their employer, whereas contractors typically provide their own training)
2. Financial control:
 - a. The extent to which the worker has reimbursed business expenses (i.e. employees are more likely to be fully reimbursed for their expenses than is a contractor)
 - b. The extent of the worker's investment in the facilities/assets used in performing services for Esperanza (greater investment associated with contractors)
 - c. The extent to which the worker makes services available to the relevant market
 - d. How Esperanza pays the worker (i.e. guaranteed regular wage for employees vs. flat fee paid to some contractors)
 - e. The extent to which the worker can realize a profit or loss.
3. Type of Relationship:
 - a. Written contracts describing the relationship that Esperanza and the individual intend to create
 - b. Whether Esperanza provides the worker with employee-type benefits, such as insurance, paid leave, etc.
 - c. The permanency of the relationship
 - d. The extent to which services performed by the worker are a key aspect of the regular business of Esperanza

If an individual qualifies for independent contractor status, the individual will be sent Form 1099 when total cash payments equal or exceed \$600 in a calendar year. The amount reported on Form 1099 is equal to the payments made to that person during the calendar year (on the cash basis).

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by Esperanza's personnel policies shall be obtained. In addition, all employee compensation must be reported to the payroll service and included on payroll reports. The policies described in the remainder of this section shall apply to all workers classified as employees.

Payroll Administration

Esperanza operates on a semi-monthly payroll. For all Esperanza employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in Esperanza's Personnel Manual.

The following forms, documents and information shall be obtained and included in the personnel files of all new employees:

1. Employment Application with references and resume
2. Personal data record
3. Interview questions and notes
4. Form W-4 Employee Federal Withholding Certificate
5. State Withholding Certificate
6. Form I-9 Employment Eligibility Verification and required documents
7. Copy of driver's license and evidence of auto insurance for those employees expected to drive their own cars for Esperanza business.
8. Employee handbook receipt statement
9. Starting date, scheduled hours, department and supervisor
10. Job title and starting salary
11. Job description
12. Authorization for direct deposit of paycheck, along with voided check

Each employee payroll file shall also indicate whether the employee is exempt or non-exempt from the provisions of the Fair Labor Standards Act.

Changes in Payroll Data

It is the policy of Esperanza that all of the following changes in payroll data are to be authorized in writing and documentation filed in personnel files:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions

The Department Vice-President and an Executive Vice President must provide written authorization for new hires, terminations, and changes in salaries or pay rates.

Employees must provide written authorization for voluntary payroll deductions and changes in income tax withholding status.

Personnel files: protection of privacy and limited access

It is the policy of Esperanza to maintain personnel files in such a way as to comply with privacy and confidentiality standards. Paper files are stored in locked file cabinets; electronic files with password protection and limited access. Access is limited to the Executive Management Staff and HR manager and HR staff. Selected records may be shared with direct managers on a "need to know" basis. During Annual, Federal, State and City Audits, personnel files will be delivered to the appropriate auditor by the HR staff and returned directly to the HR department when done.

Payroll Taxes

The outside payroll service center is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid.

It is the policy of Esperanza to request that employees submit optional, updated Forms W-4 in December each year. Withholding of income taxes shall be based on the most current Forms W-4 on file.

Preparation of Timecards/Timesheets

At the end of each pay period, Esperanza employees punch in and out using a time and attendance workforce management software through the payroll service vendor. Timecards are created in accordance with the following guidelines:

- Each timecard shall reflect all hours worked during the pay period.
- Timecards are kept on the workforce management software through the payroll service vendor.
- For federal grants, employees shall complete a timesheet, and identify and record hours worked on each grant, project, or function.
- Compensated absences (vacation, holiday, sick leave, etc.) should be clearly identified .
- Managers/supervisors must approve timecards/timesheets prior to payroll processing.
- Timecards are consolidated and exported out of the workforce management system by Human Resources with a summary sheet electronically signed & dated by the supervisor indicating the number of employees to be paid. (The summary timecard includes each active employee by name and is sorted alphabetically. Each employee to be paid must have a completed timecard and have a mark by his/her name indicating that a timecard exists in the workforce management software.) The workforce management system allows Human Resources to add new hires, and a "Notes" section to indicate that an employee is terminated, is on disability, away on leave without pay, or any other pertinent note that will help the payroll staff in the preparation of the payroll.

Department Vice-Presidents/Supervisors will electronically approve timecards and submit them to the Human Resource Department by 12:00 P.M. of the specified day and date following the end of the pay period. If the employee's supervisor identifies an error, any change requires that the employee acknowledge the correction and provide a note on the workforce management software of the change.

An employee who is on leave, traveling, or ill on the day that timecards are due may telephone or e-mail timecard information to his/her supervisor. Time submitted, must reflect the actual time worked and the appropriate classifications. The employee must sign a timesheet submitted in this manner immediately upon his/her return to the office. Timesheets submitted in this manner shall bear the notation, "Time reported by telephone or e-mail by (employee) to (Supervisor)."

Processing of Timecards/Timesheets

The **Human Resource Department** records PTO (**paid time off**) accruals and usage.

The Staff Accountant records the timesheet data in the payroll allocation worksheet and enters payroll data into the accounting system from the allocation worksheet.

Tampering with, altering, or falsifying time records, recording time on another employee's time record or willfully violating any other timesheet policy or procedure may result in disciplinary action, up to and including discharge.

Review of Payroll

Upon return of payroll reports and checks from the payroll service center, the Staff Accountant and/or Accounting Manager reviews payroll prior to its distribution to employees. The Staff Accountant and/or Accounting Manager shall initial and date the payroll register, indicating approval of the payroll.

Distribution of Payroll

Payroll checks (or check stubs for electronic deposits) shall be distributed by the Staff Accountant or Senior Accountant to the Department/Program Supervisor, an individual who does not approve time sheets, is not responsible for hiring and firing, and does not control the preparation of payroll.

POLICIES PERTAINING TO SPECIFIC ASSET AND LIABILITY ACCOUNTS

CASH AND CASH MANAGEMENT

Cash Accounts

General Checking Account (operating account):

The primary operating account provides for routine business check disbursements. The accounting staff will initiate a cash transfer from the Money Market account to the general operating account in an amount sufficient to cover disbursements from each check run.

Money Market depository account

Most State, City, and Federal funds are electronically transferred into a Money Market account.

Payroll Accounts: Payroll is run out of the Operating Checking Account

Regular amounts for semi-monthly salaries, Flexible Spending Accounts (FSA) accounts, 401(k) contributions and administrative service fees are transferred out at the direction of the outside payroll service. The cash receipts generated from the regular business activity are deposited into a linked money market account. Additional funds needed to cover payroll service costs are transferred into the payroll account from the money market depository account.

Bank Reconciliations

Bank statements are delivered to the Accounting Manager unopened and date stamped. He/she reviews the contents for unusual or unexplained items, such as unusual endorsements on checks, indications of alterations to checks, etc. Unusual or unexplained items shall be investigated immediately.

Once the review is complete, the Accounting Manager initials the statements and forwards them to the Staff Accountant. The Staff Accountant, who is not a check signer, reconciles the cash accounts in the General Ledger to the bank statements. It is the policy of Esperanza to complete the bank reconciliation process immediately upon receipt of each bank statement or within seven business days.

The Accounting Manager, Controller or Senior Accountant shall sign and date the bank reconciliations. Copies of the statements, reconciliations and related journal entries are filed in the current year's accounting files.

Cash Flow Management

The Accounting Manager and/or Controller monitors cash flow needs on a weekly basis to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis.

Stale Checks

It is the policy of Esperanza to write off checks of \$1,000 or less that are more than 365 days old that have not cleared the Organization's banks. For stale checks that are more than 365 days old and that exceed \$1,000, contact will be made with the payee to resolve the issue.

All stale checks that are written off within the same fiscal year as they were written shall be credited to the same expense or asset account that was debited when the check was written, or the expenditure incurred. For stale checks written off in fiscal years subsequent to the year in which the check was written, the credit shall be to an income account.

Petty Cash

It is the policy of Esperanza to provide for imprest funds (used for payment of minor office expenditures, not for travel or employee advances) only for valid transactions and to periodically replenish these funds up to its authorized balance of \$500. It is the responsibility of the Senior Accountant to ensure that the petty cash fund is locked at all times.

A completed and approved petty cash voucher is required for each disbursement from the petty cash fund. Receipts are required for all petty cash spending.

The Senior Accountant shall prepare a reconciliation of the petty cash account on a monthly basis. The petty cash reconciliation serves as the basis for a request for payment to replenish the petty cash fund. As such, the Senior Accountant reviews the reconciliation for accuracy and conformity with petty cash policies before making payment. The Controller may also perform periodic surprise cash counts.

PREPAID EXPENSES

Accounting Treatment

It is the policy of Esperanza to treat payments of expenses that have a time-sensitive future benefit as prepaid expenses and to pay off these items over the corresponding time period. For purposes of this policy, **payments of less than \$1,500 shall be expensed as paid** and not treated as prepaid expenses, regardless of the existence of a future benefit.

Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as non-current assets.

Procedures

As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code.

The Finance Department shall maintain a schedule of all prepaid expenses. The schedule shall indicate the amount and date paid, the period covered by the prepayment, the purpose of the prepayment, and the monthly amortization. This schedule shall be reconciled to the general ledger balance as part of the month end close process.

INVESTMENT POLICIES

Introduction

It is the policy of Esperanza to treat all assets of the organization, including those funds that are legally unrestricted, as though they are held by Esperanza in a fiduciary capacity for the purpose of accomplishing the organization's tax-exempt mission. As such, the policies described in this section are to be interpreted in light of that overall sense of stewardship, and the investment standards of Esperanza shall be those of a prudent investor.

Delegation of Authority

The board of directors of Esperanza has delegated Supervisory authority over its investing activities to the Finance Committee of the board. The Finance Committee is responsible for regularly reporting on the organization's investments to the full board of directors.

Investment Objectives

Esperanza's investment objectives are the preservation and protection of the organization's assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments.

Allowable Investments

Investments of Esperanza shall be made exclusively with the following securities:

- Federally-insured Certificates of Deposit,
- U.S. Treasury securities and securities of Federal agencies and instrumentalities,
- Money market funds that invest in securities approved under these guidelines.

Esperanza shall not engage in margin transactions, short selling, commodity transactions or use of derivatives.

Accounting Treatment

All purchased investments shall initially be recorded at cost. All investments acquired by donation to Esperanza shall initially be recorded at their fair market value as of the date of donation. Donated investments shall be recorded as unrestricted, temporarily restricted, or permanently restricted income and net assets based on the existence or absence of such restrictions, as defined earlier.

Subsequent to acquisition, it shall be the policy of Esperanza to carry all equity securities with readily determinable fair market values and all debt securities at their market values. Adjustments to market value shall be made in the accounting records and financial statements of Esperanza on an annual basis, at fiscal year-end.

Adjustments to market value result in unrealized gains and losses on investments. Such gains and losses resulting from contributed investments shall be classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of explicit restrictions on such appreciation and depreciation from the donor, as defined earlier.

Procedures and Reporting [Currently we only have certificate of deposits with banks]

The following procedures will be followed to ensure that investments are properly managed and that these investment policies are consistent with the mission of Esperanza and accurately reflect the current financial condition of the Organization:

1. The Controller shall maintain a schedule of investments and reconcile this schedule with the general ledger and with investment account statements on a monthly basis. The schedule of investments shall include the following information with respect to each investment:
 - a. Date acquired
 - b. Method of acquisition (purchase or donation)
 - c. Cost or basis at acquisition
 - d. Description of investment
 - e. Interest rate (if applicable)
 - f. Date of maturity (if applicable)
 - g. Holder/issuer of security
 - h. Current market value
 - i. Unrealized gain or loss
 - j. Accrued interest receivable (if applicable)
 - k. Income received, year-to-date (i.e. interest, dividends, etc.)
2. The Controller shall prepare a schedule of investments for presentation on a quarterly basis for the Finance Committee and on an annual basis for the Board of Directors.

3. The quarterly investment reports shall detail the portfolio's composition and performance for the quarter and year-to-date, along with a comparison to budget and to the prior year.
4. The annual investment report shall be presented to the Board of Directors at the time Esperanza's audit is presented, outlining in detail the investment portfolio's composition and performance for the fiscal year.

FIXED ASSET MANAGEMENT

Capitalization Policy

Physical assets acquired with unit costs equal or in excess of \$5,000 are capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased. Cost includes ancillary charges, such as, insurance, freight, installation and/or modification charges. Assets acquired from grant funds will be expensed in the year purchased.

Capitalized fixed assets are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

Contributed Assets

Assets with fair market values in excess of \$5,000 that are contributed to Esperanza shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

Establishment and Maintenance of a Fixed Asset Listing

All capitalized fixed assets shall be recorded in a property log. This log shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number)
4. Location of asset
5. Depreciation method
6. Estimated useful life

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by Esperanza. This physical inventory shall be reconciled to the property log and adjustments made as necessary.

Receipt of Purchased Equipment and Furniture

At the time of arrival, all purchased equipment and furniture shall be “eyeballed” for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately.

In addition, descriptions and quantities of assets listed on the packing slip or bill of lading shall be compared to the actual assets received. Discrepancies should be resolved with the vendor immediately.

Depreciation and Useful Lives

All capitalized assets are maintained in the special fixed assets account group and are not to be included as an operating expense. Fixed assets are depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the 15th day of the fifth month shall have 8 full months of depreciation (eight-twelfths of one year) recorded for that year.

Estimated useful lives of capitalized assets shall be determined by the Finance Department in conjunction with the department or employee that shall use the assets. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

Buildings	30 yrs.
Furniture and fixtures	Up to 10 yrs.
General office equipment	5 yrs.
Computer hardware and peripherals	3-5 yrs.
Computer software	2-3 yrs.
Curriculum	5 yrs.
Leased assets	life of lease
Leasehold Improvements	remaining lease term

For accounting and interim financial reporting purposes, depreciation expense will be recorded on a monthly basis based upon budget.

Repairs of Fixed Assets

Expenditures to repair capitalized assets shall be expensed as incurred, if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

Dispositions of Fixed Assets

In the event an asset that is not fully depreciated is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss if the money received is less than the book value and as a gain if the money received is more than the book value.

Write-Offs of Fixed Assets

The Senior Vice-President of Finance or designee approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Senior Vice President and Controller. If not located, this property will be written off the books with the proper notation specifying the reason.

LEASES

Classification of Leases [Leases for 5 years or more for furnishings and equipment are classified as capital leases and depreciated over the lease period. Leases for copiers, usually associated with grants or recorded as operating leases]

It is the policy of Esperanza to classify all leases in which the Organization is a lessee as either capital or operating leases. Esperanza shall use the criteria described in Statement of Financial Accounting Standards No. 13 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership of the asset to Esperanza at the end of the lease term
2. The lease contains a bargain purchase option
3. The lease term is equal to 75% or more of the estimated economic life of the leased property or
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of Esperanza's incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

Accounting for Leases

Leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses in the period in which the obligation to make a lease payment is incurred.

Assets acquired by capital lease shall be treated as fixed asset additions of Esperanza. As such, upon the inception of a capital lease, Esperanza shall record a fixed asset and a liability under the lease, **based on the net present value of the minimum lease payments** (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a **reduction in the lease obligation and interest expense**. The fixed asset recorded under a

capital lease shall be depreciated over the life of the asset, using the straight-line method of depreciation.

ACCRUED LIABILITIES

Identification of Liabilities

The Finance Department shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that may be accrued include:

Salaries and wages	Rent
Vacation pay (see policy below)	Interest on notes payable
Benefits and taxes	Indirect allocations

In addition, Esperanza shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual.

Accrued Leave

At the end of each calendar year, employees may carry forward up to ten (10) days of vacation time, to be used by **(End of Fiscal Year)** of the following year. Accrued vacation is payable to an employee upon termination of employment.

It shall be the policy of Esperanza to record a liability for accrued leave to which employees are entitled. The total liability at the end of the fiscal year shall equal the total earned but unused hours of leave multiplied by each employee's current hourly pay rate.

Leave that does not "vest" with employees (i.e. leave that is not paid to employees if unused at the time of termination of employment), such as sick leave, shall not be accrued as a liability of Esperanza

NOTES PAYABLE

Record-Keeping

It is the policy of Esperanza to maintain a schedule of all notes payable, mortgage obligations, lines of credit, and other financing arrangements. This schedule shall be based on the underlying loan documents and shall include all of the following information:

1. Name and address of lender
2. Date of agreement or renewal/extension
3. Total amount of debt or available credit
4. Amounts and dates borrowed
5. Description of collateral, if any
6. Interest rate
7. Repayment terms
8. Maturity date
9. Address to send payments
10. Contact person at lender

Accounting and Classification

A "pay off" schedule shall be maintained for each note payable. Based upon the "pay off" schedule, the principal portion of payments due within the next year shall be classified as a current liability in the statement of financial position of Esperanza. The principal portion of payments due beyond one year shall be classified as long-term/non-current liabilities in the statement of financial position.

Demand notes and any other notes without established repayment dates shall always be classified as current liabilities.

Unpaid interest expense shall be accrued as a liability at the end of each accounting period.

A detailed record of all principal and interest payments made over the entire term shall be maintained with respect to each note payable. Periodically, the amounts reflected as current and long-term notes payable per the general ledger shall be reconciled to these payment schedules and the "pay off" schedules, if any, provided by the lender. All differences shall be investigated.

Non-Interest-Bearing Notes Payable

As a charitable organization, Esperanza may, from time to time, receive notes payable that do not require the payment of interest, or that require the payment of a below-market rate of interest for the type of obligation involved. In such cases, it shall be the policy of Esperanza to record contribution income for any unpaid interest.

For demand loans, recording of interest expense and contribution income shall be performed at the end of each accounting period, based on the outstanding principal balance of the loan during that period, multiplied by the difference between a normal interest rate for that type of loan and the rate, if any, that is required to be paid by Esperanza

POLICIES ASSOCIATED WITH FINANCIAL AND TAX REPORTING

FINANCIAL STATEMENTS

Standard Financial Statements of the Organization

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are a standard method for providing information to interested parties external to the organization.

The audited financial statements of Esperanza that are maintained on an organization-wide basis shall include:

Statement of Financial Position - reflects assets, liabilities and net assets of the organization and classifies assets and liabilities as current or non-current/long-term

Statement of Activities - presents support, revenues, expenses, and other changes in net assets of the organization, by category of net asset (unrestricted, temporarily restricted and permanently restricted)

Statement of Cash Flows - reports the cash inflows and outflows of the organization in three (3) categories: operating activities, investing activities, and financing activities

Statement of Functional Expenses – presents the expenses of the organization in both a natural or objective format, and by function (i.e. which program or supporting service was served)

Monthly financial statements are necessary to management for decision-making and for monitoring spending in comparison to budget and other objectives. The Finance Department shall prepare accurate financial statements and distribute them in a timely manner.

A standard set of financial statements shall be produced on a monthly basis, by the 10th business day of the following month. The standard set of monthly financial statements will include:

- Statement of Financial Position (Balance Sheet) for overall organization
- Statement of Activities for overall agency
- Individual statements of activities on a program/grant basis
- Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts and an analysis of budget variances

The monthly set of financial statements shall be prepared on the accrual method of accounting, including all receivables and accounts payable received by the **15th business day** of the month.

Review and Distribution

The **Controller** shall review financial statements and supporting schedules with the Senior Vice President of Finance before they are issued by the Finance Department.

The financial statements shall be distributed to the following individuals:

- President
- Executive Vice-President
- Executive Directors
- Department Vice-Presidents and any other employee with budget-monitoring responsibilities

Special Quarterly Distribution

On a quarterly basis, Esperanza's financial statements shall be distributed to the finance committee of the Board of Directors.

Annual Financial Statements

A formal presentation of the Organization's annual financial statements shall be provided by the Independent Auditor to the full Board of Directors at the Organization's Annual Meeting. This presentation will be preceded by a meeting with Esperanza's Finance / Audit Committee, at which the Committee will vote to accept or reject the annual financial statements. See separate policies regarding the annual audit under "Financial Management Policies."

GOVERNMENT RETURNS

Overview

To legitimately conduct business, Esperanza must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state and local jurisdictions. Filing requirements of Esperanza include, but are not limited to, filing annual information returns with IRS, state charitable solicitation reports, annual reports for corporations, property tax returns, income tax returns, sales tax returns, information returns for retirement plans, annual reporting of compensation paid, and payroll tax withholding tax returns.

Filing of Returns

It is the policy of Esperanza to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Senior Vice President of Finance shall be responsible for identifying all filing requirements and assuring that Esperanza is in compliance with all such requirements.

It is also the policy of Esperanza to file complete and accurate returns with all authorities. Esperanza shall make all efforts to avoid filing misleading, inaccurate or incomplete returns.

Filings completed for Esperanza by the outside auditors, submitted by Esperanza include:

Form 990 - Annual information return of tax-exempt organizations, filed with IRS. Form 990 for Esperanza is due on the fifteenth day of the fifth month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.

Form 990-T - Annual tax return to report Esperanza's unrelated trade or business activities (if any), filed with IRS. Form 990-T is due on the fifteenth day of the fifth month following year-end. An automatic 6-month extension of time to file Form 990-T may be obtained by filing Form 8868.

Form BCO-10 – Pennsylvania Charitable Organization Annual Report, filed with Attorney General, State of **Pennsylvania**. **Form BCO-10** is due the 10th day of the 5th month of the end of the fiscal year. An automatic 6 month extension of time to file is granted if you receive an extension on filing the Federal Form 990.

Filings submitted for Esperanza by the Payroll Service include:

Form 5500 - Annual return for Esperanza's pension and section 125 benefit plans are due the last day of the seventh (7th) calendar month of the employee benefit plan year

W-2's - Annual report of employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees by January 31 and to federal government by February 28.

Form 941 - Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.

PA Form UC-2 & 2A for unemployment taxes - quarterly & Annual Reconciliation

PA Form 501 for state income taxes – quarterly & Annual Reconciliation

City of Philadelphia Wage Tax Return – monthly & Annual Reconciliation

Filings submitted by Esperanza:

Forms 1099 – Annual report of non-employee compensation to independent contractors based on calendar year cash payments. Information returns due to contractors by January 31st and the Federal government on 28th of February.

Public Access to Information Returns

Under regulations that became effective in 1999, Esperanza is subject to federal requirements to make the following forms "widely available" to all members of the general public:

- The three (3) most recent annual information returns (Form 990), excluding the list of significant donors (Schedule B) that is attached to the Form 990, but including the accompanying Schedule A, and
- Esperanza's IRS letter granting 501(c)(3) status.

It is the policy of Esperanza to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:

- Anyone appearing in person at the offices of Esperanza during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The Senior Vice President of Finance shall be responsible for maintaining this copy of each form and for making it available to all requesters.
- For all written requests for copies of forms received by Esperanza, the Organization shall require pre-payment of all copying and shipping charges. For requests for copies that are received without pre-payment, Esperanza will notify the requester of this policy via phone call or by letter within 7 days of receipt of the original request.
- The copying cost charged by Esperanza for providing copies of requested forms shall be \$1.00 for the first page copies and \$0.15 for each subsequent page. All copies shall be shipped to requesters via Priority Mail; shipping charges will be a standard \$3.50 per shipment.
- After payment is received by Esperanza, all requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the Senior Vice President of Finance.
- For requests for copies made in person during normal business hours, copies shall be provided while the requester waits.
- Esperanza shall accept certified checks and money orders for requests for copies made in person. Esperanza shall accept certified checks, money orders or personal checks as payment for copies of forms requested in writing.

UNRELATED BUSINESS ACTIVITIES

Identification and Classification

It is the policy of Esperanza to properly identify and classify income-producing activities that are unrelated to the Organization's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger of Esperanza in order to facilitate tracking and accumulation of unrelated trade or business activities.

Reporting

It is the Policy of Esperanza to file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is not subject to any public access or disclosure requirements. Accordingly, it is the policy of Esperanza not to distribute copies of Form 990-T to anyone other than management of the Organization.

FINANCIAL MANAGEMENT POLICIES

BUDGETING

Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial and human resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the organization's programs and activities simultaneously in light of the available resources.

Preparation and Adoption

It is the policy of Esperanza to prepare an annual budget on the accrual basis of accounting. To prepare the Organization budget, the Senior Vice President of Finance and Controller shall work with the Department Vice-Presidents and others with budgetary responsibilities to prepare the first draft of the budget. Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and explaining all material fluctuations in budgeted amounts from prior years.

After appropriate consultations and revisions, the Senior Vice President of Finance will present a draft budget of the organization-wide budget, as well as individual department budgets, to the Executive Vice-Presidents and President for discussion, revision, and initial approval.

The final draft is then submitted to the Finance Committee of the Board of Directors, and finally to the entire Board of Directors for adoption.

It is the policy of Esperanza to adopt a final budget at least **30 days** before the beginning of the Organization's fiscal year. The purpose of adopting a final budget at this time is to allow adequate time for the Finance Department to establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and allow comparison of budget to actual once the year begins.

Monitoring Performance

It is the policy of Esperanza to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.

On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the Finance Department and distributed to each employee with budgetary responsibilities. These individuals shall be responsible for responding with a written explanation of all budget variances in excess of ten percent and \$1,500 on a monthly basis.

Budget Modifications

Once the Board of Directors has approved the budget, any modifications are subject to the approval of the Finance Committee.

ANNUAL AUDIT

Role of the Independent Auditor

It is the policy of Esperanza to arrange for an annual audit of the Organization's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by Esperanza will be required to communicate directly with the Organization's Finance / Audit Committee upon the completion of their audit. In addition, members of the Finance Committee and Executive Committee are authorized to initiate communication directly with the independent accounting firm.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors by the independent accounting firm at the Organization's Annual Meeting, after the financial statements have been reviewed and approved by the Audit Committee.

How Often to Review the Selection of the Auditor

Esperanza shall review the selection of its independent auditor in the following circumstances:

- Anytime there is dissatisfaction with the service of the current firm
- When a fresh perspective and new ideas are desired
- Every 3 years to ensure competitive pricing and a high quality of service

Selecting an Auditor

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by Esperanza in selecting an accounting firm:

- The firm's reputation in the nonprofit community
- The depth of the firm's understanding and experience of not-for-profit organizations and federal reporting requirements under OMB Circular A-133.
- The firm's demonstrated ability to provide the services requested in a timely manner
- The ability of firm personnel to communicate with Organization personnel in a professional and congenial manner

If Esperanza decides to prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms, the following information shall be included:

- Period of services required
- Type of contract to be awarded (fixed fee, cost basis, etc.)
- Complete description of the services requested (audit, management letter, tax returns, etc.)
- Identification of meetings requiring their attendance, such as staff or Board of Director meetings
- Organizational chart of Esperanza
- Chart of account information
- Financial information about the organization
- Copy of prior year reports (financial statements, management letters, etc.)
- Identification of need to perform audit in accordance with OMB Circular A-133
- Description of proposal and format requirements
- Due date of proposal
- Overview of selection process (i.e. whether finalists will be interviewed, when a decision shall be made, etc.)
- Identification of criteria for selection

Minimum Proposal Requirements from prospective CPA firms shall be:

- Firm background
- Biographical information (resumes) of key firm member who will serve Esperanza
- Client references
- Information about the firm's capabilities
- Firm's approach to performing an audit
- Copy of the firm's most recent peer review report, including any accompanying letter of findings
- Other resources available with the firm
- Expected timing and completion of the audit
- Expected delivery of reports
- Cost estimate

In order to narrow down the proposals to the top selections, the Senior Vice President of Finance shall meet with the prospective engagement teams from each proposing firm to discuss their proposal. Copies of all proposals shall be forwarded to each member of the Finance / Audit Committee. After the Senior Vice President of Finance narrows down the field of prospective auditors to three firms, final interviews of each firm are conducted by the Finance / Audit Committee, who makes the final recommendation to the board of directors for approval.

Preparation for the Annual Audit

Esperanza shall be actively involved in planning for and assisting with the Organization's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Finance Department shall provide assistance to the independent auditors in the following areas:

Planning - The Senior Vice President of Finance and Controller are responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

Involvement - Organization staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

Interim Procedures - To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Organization's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Throughout the audit process, it shall be the policy of Esperanza to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

Concluding the Audit

Upon receipt of a draft of the audited financial statements of Esperanza from its independent auditor, the Senior Vice President of Finance and Controller shall perform a detailed review of the draft, consisting of the following procedures:

1. Carefully read the entire report for typographical errors
2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of Esperanza
3. Review each footnote for accuracy and completeness

Any questions and/or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Senior Vice President of Finance.

It shall also be the responsibility of the Senior Vice President of Finance to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

Audit Committee Responsibilities

In accordance with the Esperanza by-laws, there shall be a Finance / Audit Committee consisting of three (3) members. The term of office shall be for three (3) years, with one member being elected by the Esperanza Board of Directors each year.

The Audit Committee's responsibilities include, but shall not be limited to, the following:

1. Appointment of, and communication with, the Organization's independent auditors
2. Review and approval of the annual, audited financial statements
3. Discussion of internal control matters with the independent auditor
4. Responding to any reported instances of fraud involving Esperanza or its employees
5. Conducting a quarterly analysis of the Organization's financial statements
6. Making policy and other recommendations to the Esperanza board of directors regarding matters arising out of the audit

In fulfilling these duties and responsibilities, the Audit Committee is entitled to examine any and all documents within the control of Esperanza and its employees.

INSURANCE

Overview

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of Esperanza

It is the policy of Esperanza to maintain adequate insurance against general liability, as well as coverage for buildings, contents, computers, equipment, machinery and other items of value.

Coverage Guidelines

As a guideline, Esperanza will arrange for the following types and levels of insurance as a minimum:

<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Comprehensive Liability	\$1,000,000
Automobiles	\$1,000,000
Fire and Water Damage	Coverage for all items with acquisition cost in excess of \$1,000
Professional Liability	Not less than \$500,000
Directors and Officers	\$1,000,000 (with an appropriate deductible level)
Theft	Coverage for all items with acquisition cost in excess of \$1,000
Workers' Compensation	To the extent required by law, not less than \$100,000 each accident or illness

Esperanza shall maintain a detailed listing of all insurance policies in effect. This listing shall include the following information, at a minimum:

- Description (type of insurance)
- Agent and insurance company, including all contact information
- Coverage and deductibles
- Premium amounts and frequency of payment
- Policy effective dates
- Date(s) premiums paid and check numbers

RECORD RETENTION

Policy

It is the policy of Esperanza to retain records as required by law and to destroy them when appropriate. The Executive **Vice-Presidents** must approve the destruction of records. The records retention policy of Esperanza is as follows:

Accident reports/claims (settled Cases)	7 Years
Accounts payable ledgers and schedules	7 Years
Accounts receivable ledgers and schedules	7 Years
Audit reports	Permanently
Bank reconciliations	3 Years
Bank Statements	3 Years
Chart of Accounts	Permanently
Cancelled Checks	7 Years
Contracts, mortgages, notes and leases:	
Expired	7 Years
Still in effect	Permanently
Correspondence:	
General	2 Years
Legal and important matters only	Permanently
Routine with customers and/or vendors	2 Years
Deeds, mortgages and bills of sales	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	3 Years
Employment applications	3 Years
Expense analyses/expense distribution schedule	7 Years
Financial statements:	
Year end	Permanently
Other	Optional
Garnishments	7 Years
General ledgers/year end trial balance	Permanently
Insurance policies (expired)	3 Years
Insurance records (policies, claims, etc.)	Permanently
Internal audit reports	3 Years +
Internal reports	3 Years
Inventories of products, materials and supplies	7 Years
Invoices (to customers, from vendors)	7 Years
Journals	Permanently
Minute books of directors, bylaws and charters	Permanently
Notes receivable ledgers and schedules	7 Years
Payroll records and summaries	7 Years
Pension plan documents and communications	6 Years
Personnel records (terminated)	7 Years
Petty cash vouchers	3 Years
Physical inventory tags	3 Years
Property records (incl. depreciation schedules)	Permanently
Purchase orders:	
Purchasing department copy	7 Years
Other copies	1 Year

Receiving sheets	1 Year
Retirement and pension records	Permanently
Requisitions	1 Year
Sales records	7 Years
Subsidiary ledgers	7 Years
Tax returns and worksheets, examination reports and other documents relating to determination of income tax liability	Permanently
Time sheets/cards	7 Years
Trademark registrations and copyrights	Permanently
Training manuals	Permanently
Voucher registers and schedules	7 Years
Withholding tax statements	7 Years

FUNCTIONAL EXPENSE ALLOCATIONS

Overview

As one of its financial management objectives, Esperanza strives to determine the actual costs of carrying out each of its program service and supporting activities. In this regard, it is the policy of Esperanza to charge expenses to the appropriate category of program service or supporting activity. Expenses that serve multiple functions or are not readily identifiable with one function shall be allocated between functions.

Direct Costs

Certain costs shall be charged to the appropriate Esperanza's function based upon underlying documentation. The following costs shall be directly charged based on the documentation or factor listed next to each:

<u>Cost</u>	<u>Basis For Charge</u>
Salaries, taxes and PR fees	Timesheets
Benefits	Relative salaries
Occupancy (facilities) costs	Relative salaries
Telephone, computer maintenance	Relative salaries
General supplies, equipment rental	Relative salaries
Postage	Actual, per postage log

POLICIES PERTAINING TO FEDERAL AWARDS

ADMINISTRATION OF FEDERAL AWARDS

Definitions

There are several types of agreements through which Esperanza may receive financial assistance from a donor/grantor agency:

Grant: A financial assistance award given to the organization to carry out its programmatic purpose.

Contract: A mutually binding legal agreement where the organization agrees to provide supplies or services and the donor agrees to pay for them.

Cooperative Agreement: A legal agreement where the organization implements a program with the direct involvement of the donor.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal "award."

Preparation and Review of Proposals

Individual departments are responsible for preparing proposals for projects that the department intends to pursue. The Controller will approve the budget portion of proposals. Final proposals shall be reviewed and approved in writing by an Executive Vice President or designee.

Post-Award Procedures

After an award has been made, the following steps shall be taken:

1. Verify the specifications of the grant or contract. The Accounting staff will create a cover sheet summarizing the terms, time periods, award amounts, CFDA (Catalog of Federal Domestic Assistance) number, program name and director, names of funding contacts, reporting requirements, and other relevant information.
2. The Finance Department will distribute copies of the final, executed contract to the Department Vice-President (s) and maintain the original contract files.
3. The Controller will review budgeted expenditures associated with the award and create new general ledger account numbers for budget expense line items, and new cost center code.
4. A file is established for each grant or contract. The file contains the proposal, correspondence regarding the grant or contract, the final signed award document and all reports submitted to the funding sources.

Compliance with Laws, Regulations and Provisions of Awards

Esperanza recognizes that as a recipient of Federal funds, the Organization is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. To ensure that the

Organization meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from a Federal agency:

1. For each Federal award, an Esperanza employee within the department responsible for administering the award will be designated as "Grant/Project Manager" (GPM).
2. Each GPM shall attend a class on grant management prior to beginning their role as a GPM (or as early in their functioning as a GPM as practical). Thereafter, all GPMs shall attend refresher/update courses on grant management every two years.
3. The GPM shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:
 - a. Read each award and prepare a summary of key compliance requirements and references to specific laws and regulations.
 - b. Review the "OMB Circular A-133 Compliance Supplement" (updated annually) published by the Office of Management and Budget (OMB) for compliance requirements unique to the award and for compliance requirements common to all Federal awards.
 - c. Review the section of the Catalog of Federal Domestic Assistance applicable to the award.
4. The GPM and/or the Esperanza Finance Department shall identify and communicate any special changes in policies and procedures necessitated by Federal awards as a result of the review of each award.
5. The GPM shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to the "OMB Circular A-133 Compliance Supplement", and communications with Federal awarding agency personnel.

Billing and Financial Reporting

Esperanza strives to provide management, staff and funding sources with timely and accurate financial reports applicable to governmental grants.

Esperanza shall prepare and submit financial reports as specified by the financial reporting clause of each cost based contract. Preparation of these reports shall be the responsibility of the Finance Department, subject to review and approval by the Controller and/ or Senior Vice President of Finance.

Program staff invoice on performance based grants on the schedule specified in the grant. Program directors will assign staff to report monthly activity to the Finance Department for the purpose of accruing revenue in each monthly reporting period. Employees who prepare invoicing will deliver a copy of each invoice to the Finance Department. The Controller will adjust revenue and receivables based on actual invoicing.

The following policies shall apply to the preparation and submission of billings to governmental agencies:

1. It is the policy of Esperanza to request reimbursement after expenditures have been incurred, or the performance benchmarks have been achieved.
2. Each award normally specifies a particular billing cycle. A schedule shall be established for each grant and contract to ensure that required reporting is completed in a timely way and the request for reimbursement is submitted so as to receive payment promptly.
3. Requests for reimbursement of expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts.

4. All financial reports required by each federal award will be prepared and filed on a timely basis. To the extent Esperanza's year-end audit results in adjustments to amounts previously reported to federal agencies, revised reports must be prepared and filed in accordance with the terms of each federal award.

Esperanza shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

If a grant allows the payment of a cash advance to Esperanza, the Controller may request that such an advance be made. Upon receipt of a cash advance, Esperanza shall reflect a liability equal to the advance, recorded as Deferred Revenue. The liability will be reduced as the funding agency applies the advance payment against specific invoicing.

Procurement Under Federal Awards

Procurement of goods and services whose costs are charged to federal awards received by Esperanza is subject to all of the specific Esperanza purchasing policies described earlier, under "Purchasing Policies and Procedures." In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. Esperanza shall avoid purchasing items that are not necessary for the performance of the activities required by a Federal award.
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal government.
3. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each Federal award.
4. For all procurements in excess of the small purchase acquisition threshold (currently \$100,000), procurement records and files shall be maintained to include all of the following:
 - a. The basis for contractor selection.
 - b. Justification for lack of competition when competitive bids or offers are not obtained.
 - c. The basis for award cost or price.
5. Esperanza shall make all procurement files available for inspection upon request by a Federal Awarding Agency.
6. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or disbarred from doing business with any federal agency. For federal awards, no federal funds can be procured to contracts of vendors on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs."

In addition, no employee, officer, or agent of Esperanza shall participate in the selection, award or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of her or his immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

Solicitations of Bids from Vendors

All purchases in excess of \$5,000 but less than \$25,000 shall be made by obtaining oral or written quotations from at least three responsible vendors.

All purchases of at least \$25,000, but less than \$100,000, shall be made by obtaining written quotations from at least three responsible vendors.

All purchases of \$100,000 or more shall be made by obtaining written competitive proposals from at least three responsible vendors. Sealed bids shall be utilized when required by the Federal awarding agency.

Esperanza shall not use the "cost-plus-a-percentage-of-cost" method of contracting with vendors.

All other policies and procedures associated with procurement under Federal awards shall be governed by the policies applicable to all purchases of Esperanza, described in the section of this manual on "Policies Associated with Expenditures and Disbursements."

Provisions Included in all Contracts

It is the policy of Esperanza to include all of the following provisions, as applicable, in all contracts (including small purchases) with vendors and sub-grants to grantees:

1. **Equal Employment Opportunity:** All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
2. **Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c):** All contracts and sub-grants, in excess of \$2,000 for construction or repair awarded by Esperanza and its sub-recipients, shall contain a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations 29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States." This Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. It is the policy of Esperanza to report all suspected or reported violations to the Federal-awarding agency.
3. **Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7):** If included in the federal agency's grant program legislation, all construction contracts of more than \$2,000 awarded by Esperanza and its sub-recipients shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors are required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the policy of Esperanza to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. Esperanza shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. Esperanza shall report all suspected or reported violations to the Federal-awarding agency.

4. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333):** Where applicable, all contracts awarded by Esperanza in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Works Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor is required to compute wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
5. **Rights to Inventions Made Under a Contract or Agreement:** Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and Esperanza in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.
6. **Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended:** Contracts and sub-grants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
7. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For all contracts or sub-grants of \$100,000 or more, Esperanza shall obtain from the contractor or sub-grantee a certification that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, Esperanza shall provide such certifications in all situations in which it acts as a sub-recipient of a sub-grant of \$100,000 or more.
8. **Debarment and Suspension (E.O.s 12549 and 12689):** For all contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000), Esperanza shall obtain from the contractor a certification that neither the contractor nor any of its principal employees are listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement Programs.
9. **Remedies:** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.

10. **Termination:** All contracts in excess of the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$100,000) shall contain suitable provisions for termination by Esperanza, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

Making of Sub-awards

From time to time, Esperanza may find it practical to make sub-awards of federal funds to other organizations. All sub-awards in excess of \$5,000 shall be subject to the same procurement policies described in the preceding section. In addition, all sub-recipients must be approved in writing by the federal awarding agency and agree to the sub-recipient monitoring provisions described in the next section. Esperanza will retain documentation in the methodology used to select the grants' sub-recipients.

With respect to sub-recipients with whom Esperanza has not recently had a sub-award relationship, however, Esperanza shall determine an appropriate level of pre-award inquiry that shall be performed on an as needed basis. The purpose of such inquiry, which may involve a site visit to a potential sub-recipient, is to gain assurance that a potential sub-recipient has adequate policies and procedures in place to provide reasonable assurance that it is capable of complying with all applicable laws, regulations and award provisions. In addition, Esperanza shall obtain the following documents from all new sub-recipients:

1. Articles of incorporation
2. By-laws or other governing documents
3. Determination letter from the IRS (recognizing the sub-recipient as exempt from income taxes under IRC section 501(c)(3))
4. Last 3 years' Forms 990 or 990-EZ, including all supporting schedules and attachments (also Form 990-T, if applicable)
5. Copies of the last 3 years' audit reports and management letters received from sub-recipient's independent auditor (including all reports associated with audits performed in accordance with OMB Circular A-133, if applicable)
6. Copy of the most recent internally prepared financial statement and current budget
7. Copies of reports of government agencies (Inspector General, state or local government auditors, etc.) resulting from audits, examinations or monitoring procedures performed in the last three years

Monitoring of Sub-recipients

When Esperanza uses Federal funds to make sub-awards to sub-recipients, Esperanza is subject to a requirement to monitor each sub-recipient in order to provide reasonable assurance that sub-recipients are complying, in all material respects, with laws, regulations, and award provisions applicable to the program.

In fulfillment of its obligation to monitor sub-recipients, the following policies apply to all sub-awards of federal funds made by Esperanza to sub-recipients:

1. Sub-award agreements shall include all information necessary to identify the funds as federal funding. This information shall include:
 - a. The applicable Catalog of Federal Domestic Assistance (CFDA) title and number
 - b. Award name
 - c. Name of Federal agency
 - d. Amount of award
2. Sub-award agreements shall identify all applicable audit requirements, including the requirement to obtain an audit in accordance with OMB Circular A-133, if the sub-recipient meets the criteria for having to undergo such an audit.
3. Sub-awards shall include a listing of all applicable Federal requirements that each sub-recipient must follow.
4. Sub-awards shall require that the sub-recipient employees responsible for program compliance obtain appropriate training in current grant administrative and program compliance requirements.
5. Sub-awards shall require that sub-recipients submit financial and program reports to Esperanza on **a monthly basis if grant is greater than \$100,000 and quarterly if less than \$100,000.**
6. Esperanza will follow up with all sub-recipients to determine whether all required audits have been completed. Esperanza will cease all funding of sub-recipients failing to meet the requirement to undergo an audit in accordance with OMB Circular A-133. For sub-recipients that properly obtain an audit in accordance with OMB Circular A-133, Esperanza shall obtain and review the resulting audit reports for possible effects on Esperanza's accounting records or audit.
7. Esperanza shall assign one of its employees the responsibility of monitoring of each sub-recipient on an ongoing basis, during the period of performance by the sub-recipient. This employee will establish and document, based on her/his understanding of the requirements that have been delegated to the sub-recipient, a system for the ongoing monitoring of the sub-recipient.
8. Ongoing monitoring of sub-recipients by Esperanza will inherently vary from sub-recipient to sub-recipient, based on the nature of work assigned to each sub-recipient. However, ongoing monitoring activities may involve any or all of the following:
 - a. Regular contacts with sub-recipients and appropriate inquiries regarding the program.
 - b. Reviewing programmatic and financial reports prepared and submitted by the sub-recipient and following up on areas of concern.
 - c. Monitoring sub-recipient budgets.
 - d. Performing site visits to the sub-recipient to review financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the sub-award.
 - e. Offering sub-recipients technical assistance where needed.
 - f. Maintaining a system to track and follow up on deficiencies noted at the sub-recipient in order to assure that appropriate corrective action is taken.
 - g. Establishing and maintaining a tracking system to assure timely submission of all reports required of the sub-recipient.

9. Documentation shall be maintained in support of all efforts associated with Esperanza's monitoring of sub-recipients.

Equipment and Furniture Purchased With Federal Funds

Esperanza may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal agency. In addition to those policies on Asset Management described earlier, equipment and furniture charged to Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all assets with a unit cost greater than \$5,000, the capitalization threshold used by Esperanza, described under Asset Management.

All purchases of "equipment" with federal funds shall be approved in advance in writing by the Federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

1. Any equipment that is owned by the Federal government and given to Esperanza for use in a program shall be marked as such.
2. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to Federal awards.
3. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, Esperanza shall retain the equipment without any requirement for notifying the federal agency. If the remaining per unit fair market value is \$5,000 or more, Esperanza shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the federal agency.
4. Esperanza's **Controller and/or SENIOR VICE PRESIDENT OF FINANCE** shall determine whether a specific award with a Federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.
5. A physical inventory of all equipment purchased with federal funds shall be performed at least once every two years. The results of the physical inventory shall be reconciled to the accounting records of and federal reports filed by Esperanza

Standards for Financial Management Systems

In accordance with OMB Circular A-110, it is the policy of Esperanza to maintain a financial management system that provides for the following:

1. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of Circular A-110 and/or the award.
2. Records that identify adequately the source and application of funds for federally sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, un-obligated balances, assets, outlays, income and interest.

3. Effective control over and accountability for all funds, property and other assets. Esperanza shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each award. Whenever possible, financial information shall be **related to performance and unit cost data**.
5. Written procedures to minimize the time elapsing between the transfer of funds to Esperanza from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient.
6. Written procedures for determining that costs are reasonable, allowable, and allocable in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
7. Accounting records including cost accounting records that are supported by source documentation.

Budget and Program Revisions

It is the policy of Esperanza to request prior approval from Federal awarding agencies for any of the following program or budget revisions:

1. **Change in the scope or objective of the project or program**, even if there is no associated budget revision requiring prior written approval.
2. **Change in a key person (project director, etc.)** specified in the application or award document.
3. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
4. The need for additional Federal funding.
5. The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal-awarding agency.
6. The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with OMB Circular A-122.
7. The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.
8. Unless described in the application and funded in the approved awards, the sub-award, transfer, sub-contracting or contracting out of any work under an award (However, this provision does not apply to purchases of supplies, materials, equipment or general support services).

Close Out of Federal Awards

Esperanza shall follow the close out procedures described in OMB Circular A-110 and in the grant agreements as specified by the granting agency.

Esperanza and all sub-recipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement.

CHARGING OF COSTS TO FEDERAL AWARDS

Overview

It is the policy of Esperanza that only costs that are reasonable, allowable and allocable to a Federal award shall be charged to that award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to Federal awards. Contracting activities shall ensure that staff consult the "List of Parties Excluded from Federal Procurement and Nonprocurement Programs" prior to soliciting offers from, awarding or extending contract to, or consenting to subcontracts with contractors on the list.

Segregating Unallowable From Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Accounting personnel shall be familiar with allowable cost provisions of OMB Circular A-122, "Cost Principles for Esperanza Organizations", particularly:
 - a. The list of specifically unallowable costs found in Attachment B (Selected Items of Cost), such as travel gratuities, alcoholic beverages, bad debts, contributions, fines and penalties, lobbying, etc.
 - b. Those costs requiring advance approval from Federal agencies in order to be allowable in accordance with Attachment B, such as foreign travel, equipment purchases, etc.
3. No costs shall be charged directly to any Federal award until the cost has been determined to be allowable under the terms of the award and/or OMB Circular A-122.
4. For each Federal award, an appropriate set of general ledger accounts shall be established in the chart of accounts of Esperanza to reflect the categories of allowable costs identified in the award or the award budget.
5. **All items of miscellaneous income will be reflected as income in the indirect cost center, thus reducing the indirect costs charged to programs on a pro-rata basis. All credits, including the subsequent write-offs of outstanding checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a Federal award or to activity associated with a Federal award.** The reduction in expenditures shall be reflected in the year in which the credit is received (i.e. if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit.)

Criteria for Allowable Costs

It is the policy of Esperanza that all costs must meet the following criteria in order to be treated as allowable direct or indirect costs under a Federal award:

1. The cost must be "**reasonable**" for the performance of the award, considering the following factors:
 - a. Whether the cost is of a type that is generally considered as being necessary for the operation of the organization or the performance of the award.
 - b. Restraints imposed by such factors as generally accepted sound business practices, arm's

length bargaining, Federal and state laws and regulations, and the terms and conditions of the award.

- c. Whether the individuals concerned acted with prudence in the circumstances.
- d. Consistency with established policies and procedures of the Organization, deviations from which could unjustifiably increase the costs of the award.
2. The cost must be “allocable” to an award by meeting one of the following criteria:
 - a. The cost is incurred specifically for a Federal award.
 - b. The cost benefits both the Federal award and other work, and can be distributed in reasonable proportion to the benefits received; or
 - c. The cost is necessary to the overall operation of the Organization but, where a direct relationship to any particular program or group of programs cannot be demonstrated.
3. The cost must conform to any limitations or exclusions of OMB Circular A-122 or the Federal award.
4. Treatment of costs must be consistent with policies and procedures that apply to both federally financed activities and other activities of the Organization.
5. Costs must be consistently treated over time.
6. The cost must be determined in accordance with generally accepted accounting principles.
7. Costs may not be included as a cost of any other Federally financed program in the current or prior periods.
8. The cost must be adequately documented.

Direct Costs

Direct costs include those costs that are incurred specifically for one award or non-Federal function. Direct costs that benefit more than one award or function (e.g. overhead costs) are allocated to each award or function based on the Esperanza direct cost allocation plan.

Each invoice shall be coded with the appropriate account number reflecting which programs received direct benefit from the expenditure. Invoices are approved by the appropriate **Department Vice-President, or the Executive Director** and reviewed by the **Controller**.

Time sheets or personnel activity reports, described earlier, are also submitted on a regular basis reflecting employees' work and which programs directly benefited from their effort. Time sheets shall serve as the basis for charging salaries directly to Federal awards and non-Federal programs.

Federal agency approved local, national, or international travel included in the grant award budget is allowable, and any gratuities paid by the traveler will not be charged to the federal award.

Equipment purchased for exclusive use on a federal award and reimbursed by a federal agency shall be accounted for as a direct cost of that award.

Indirect Costs

Indirect costs are those costs that are necessary for the overall operation of Esperanza (management and general costs).

Examples of the types of expenditures normally included in the indirect cost pool are:

1. General administration salaries and pro-rated share of overhead
2. Depreciation of equipment and buildings
3. Bank fees and charges

Accounting for Specific Elements of Cost (Cost Allocation Plan)

Esperanza shall use the following methods of charging specific elements of cost to all programs/functions:

Salaries and Wages – Salaries and wages shall be charged directly and indirectly based on the functions performed by each employee, as documented on each employee’s timesheet, as follows:

Direct costs – The majority of the employees of Esperanza charge their time directly since their work is specifically identifiable to specific grants or other (non-federal) programs or functions of the organization.

Indirect costs – The following staff charge 100 percent of their salary costs indirectly, except where a significant amount of time is spent working on a specific grant or project:

- All Finance Department staff
- Maintenance department staff
- Human Resources and IT staff
- Development Staff
- Marketing & Communication staff
- Office of the President’s staff

Mixed charges – The following employees may charge their salary costs to both direct and indirect activities:

General Counsel and his/her administrative staff

Compensated absences (vacation leave earned, sick leave used, and holiday pay) are considered part of salary costs. The accounting system of Esperanza records salaries associated with compensated absences as a direct or indirect cost in the same manner that salary costs are recorded.

Employee Benefits – Esperanza incurs costs for the following statutory and non-statutory employee benefits:

- FICA
- Unemployment insurance
- Worker’s compensation
- Health, Life, Disability insurance
- 401(k) Employee Benefit Plan

The total cost of all of the preceding employee benefits shall be determined by summing the cost associated with each benefit. This total employee benefit costs shall then be allocated directly and indirectly in the same proportions as salaries and wages **and/or Full Time Equivalent (FTE)**.

Occupancy Expenses – Monthly rent expense and related pass-through expenses shall be allocated directly and indirectly, based upon **square footage of office space**.

Utilities – Utilities costs incurred by Esperanza include natural gas, electricity, and water. Such utilities costs shall be charged directly and indirectly in the same proportion as occupancy costs.

Supplies and Materials – To the maximum extent possible, office supplies and materials are charged directly to the grant or program/function that uses the supplies or materials, based on the requisitions submitted by program staff. **General supplies are charged across programs/functions based on relative salaries and/or Full Time Equivalents (FTE).**

Postage and Shipping – To the maximum extent possible, postage and shipping costs shall be charged directly to the grant or program/function that benefits from the postage or shipping costs, based on the postage log kept near the postage machine and the UPS/FedEx shipping logs. General postage is charged across programs/functions based on relative salaries **and/or Full Time Equivalents (FTE).**

Photocopying and Printing – Photocopying costs include all paper and copy supplies, copier maintenance charges and the actual lease cost of the copier. Printing / copier expense is charged across programs/functions based on relative salaries. Printing costs are charged directly to the benefiting grant or program/function, as specified on requisitions, or charged across programs/functions based on relative salaries **and/or Full Time Equivalents (FTE).** Whenever a metered copier/printer is used, the actual usage by each program will be direct charged monthly to the appropriate program.

Communications – Communications costs include the costs of mobile/cell and local telephone service and long-distance telephone charges, including charges associated with telephone calls, facsimile transmissions, and Internet connections. Telecommunications costs for Esperanza are allocated based on **the number of telephone extensions**.

Contracted Services – Esperanza incurs outside service costs for its annual audit, legal fees, and for staff development specialists, IT support. **Consultants are required to submit time and effort reports to support their invoices.** Outside service costs shall be charged as follows:

Audit fees – The cost of the annual audit shall be charged across programs/functions based on relative salaries **and/or Full Time Equivalents (FTE).**

Legal fees – Legal fees shall be charged directly to the program/function that benefits from the services. Legal fees that are not identifiable with specific direct grants or programs shall be charged across programs/functions based on relative salaries **and/or Full Time Equivalents (FTE).**

IT support – The cost of IT support shall be charged across programs/functions based on relative salaries **and/or Full Time Equivalents (FTE).**

Staff Development Specialists – Costs associated with staff development specialists shall be charged directly to the program/function that benefits from the services. Fees that are not identifiable with specific direct grants or programs shall be allocated across programs/functions.

Insurance – Insurance costs are charged across programs/functions based on **square footage**.

Travel – Allowable as a direct cost where such travel will provide a direct benefit to a project. However, grant funds for alcoholic beverages and gratuities are prohibited.

Credits – The applicable portion of any credits resulting from cash discounts, volume discounts, refunds, write-off of stale outstanding checks, trade-ins, scrap sales or similar credits, shall be credited directly or indirectly in the same manner as the purchase that resulted in the credit.

Cost Sharing and Matching

It is the policy of Esperanza to value contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or Federal agency regulations identify specific values to be used.

Esperanza shall claim contributions as meeting a cost sharing or matching requirement of a Federal award only if all of the following criteria are met:

1. They are verifiable from Esperanza records
2. They are not included as contributions for any other federally assisted project or program.
3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
4. They are allowable under OMB Circular A-122
5. They are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
6. They are provided for in the approved budget when required by the Federal-awarding agency.
7. They conform to all provisions of OMB Circular A-110.
8. In the case of donated space, the space is subject to an independent appraisal to establish its value.

Contributed services used for cost sharing or matching purposes shall be valued at rates consistent with those rates paid for similar work in the Organization (match up experience and skill level), including an estimate of reasonable fringe benefits. In cases in which the required skills are not found in the Organization, rates used shall be consistent with those paid for similar work in the labor market in which Esperanza competes.

APPENDICIES

APPENDIX A – Purchase Orders

All procurement **must** be authorized/approved before purchases can be made. A specifically designated number for that purchase called a PO number (PO#) is assigned by the Cash Management Department **or** the Esperanza Academy Office of the CEO and will be needed to complete that purchase. The PO# is given to the vendor at the time the order is being placed and will later appear on all invoices corresponding to that order.

PROCEDURE FOR REQUESTING A PURCHASE ORDER:

I. Before you contact the Cash Management Department **or** the Esperanza Academy Office of the CEO for a Purchase Order Number (PO#)

- a) **Identify the product to be purchased and the vendor you will use**
- b) Select and print a copy of your requested items from:
 - i. **vendor's online purchasing system, or**
 - ii. emailed quote, estimate or sales order
- c) Consult your Budget Manager for the program & account code where purchases are to be charged to **and** obtain written approval.
- d) Written approval can be satisfied as followed:
 - i. Signed Purchase Order Request Form, and/or
 - ii. Signed copy of printed itemized list with order total from above section b)
- e) Copy of vendor quotes for single purchase items of \$1,000 or more. See "Use of Contracts" section for more information.
- f) Remit approved documents to the Cash Management Department **or** the Esperanza Academy Office of the CEO to request a unique PO#.

Additional items cannot be ordered after a PO# has been issued. New items will need new approval.

II. Purchase Order Number Request shall have the following:

- a) **Approval Signature**
- b) **Program & Account Code**
- c) **Name of vendor**
- d) **Itemize list to be purchased**
- e) **Totaled dollar amount of the requested purchases**

III. After receiving your PO#:

- a) Supply the vendor with the PO# and complete your order
- b) Email copy of Purchase Order to accountspayable@esperanza.us

IV. When the order arrives:

- a) Follow the instructions in section "Receipt and Acceptance of Goods and or/Services "
- b) Remit documents to accountspayable@esperanza.us

APPENDIX C – Authorized Expense Signors

Esperanza, Inc. Finance/Accounting Dept. Authorized Signers for Operating Expenses							
Department	Company	Program Code	Executive Manager	Contract Limits	Expense Type	Authorized Signers	Invoice Limits
President's Office	001	9060	Danny Cortes/ Luis Cortes	\$500,000.00	All Items budgeted under program 9060	Jenifer Kohlhas	\$25,000.00
Executive Vice President & Chief of Staff	001	9001	Danny Cortes/Sara Calderon		All items budgeted under program 9001	Sara Calderon	\$500.00
Esperanza College	001	Various	Danny Cortes		All items budgeted under Esperanza College	Marilyn Marsh/ Gladys Ramirez-Wrease	\$25,000.00
Esperanza College - Title V Grant Administration	001	0451	Marilyn Marsh/ Gladys Ramirez-Wrease	\$100,000.00	All items budgeted under Esperanza College - Title V	Karly Kiefer	\$25,000.00
Development	001	9001	Danny Cortes		All items budgeted under program 9001	Jenifer Kholhas	\$25,000.00
Marketing & Communications	001	9003	Danny Cortes	\$250,000.00	All items budgeted under program 9003	Christine Nieves	\$25,000.00
Esperanza Arts Center (EAC)	001	9040	Christine Nieves	\$250,000.00	All items budgeted under program 9040	Samantha Martinez	\$25,000.00
National Programs	014	0140	Walter Toliver	\$250,000.00	All items budgeted under program 0140	Bill Rhoads	\$50,000.00
Artistas y Musicos Latino Americanos	001	Various	Jodi Reynhout	\$250,000.00	All items budgeted under National Programs	Ruben Ortiz	\$25,000.00
PA CareerLink	006	Various	Bill Rhoads	\$250,000.00	All items budgeted under AMLA	Daniel de Jesus	\$5,000.00
PA CareerLink	002	Various	Danny Cortes		All items budgeted under PA Careerlink	Wanda Carlo	\$25,000.00
PA CareerLink	002	Various	Danny Cortes		Employee Reimbursements	Tamika Stubblefield	\$1,000.00
PA CareerLink	001	Various	Danny Cortes		All items budgeted under PA Careerlink	Crystal Barnes	\$5,000.00
Esperanza Academy Charter School	011	0211	David Rossi	\$250,000.00	All items budgeted under High School*	Jorge Calixto	\$25,000.00
Esperanza Academy Charter School	011	0212	David Rossi		All items budgeted under Middle School*	Tania Diaz	\$25,000.00
Esperanza Academy Charter School	011	0212	David Rossi		All items budgeted under Elementary School*	Jeana G. Davis	\$25,000.00
Esperanza Cyber Charter School	010	0213	John Marsh	\$250,000.00	All items budgeted under ECCS*	Jasmin Campos/Joe Papeika	\$25,000.00
Esperanza Academy Charter School	011	various	David Rossi		All items budgeted under Operations*	Alicia Mojica	\$25,000.00
Esperanza Academy Charter School	011	various	David Rossi		All items budgeted under Curriculum*	Lori Walinsky	\$25,000.00
Immigration Legal Services	005	0130	Walter Toliver	\$250,000.00	All items budgeted under program 0130	Anu Thomas	\$25,000.00
Human Resources	001	9020	Walter Toliver		All items budgeted under program 9020	Crystal O. Knight	\$25,000.00
Housing & Economic Development / Impacto	003	Various	Jodi Reynhout	\$250,000.00	All items budgeted under Housing & Econ Dev	Quetcy M. Lozada (EHED only)	\$25,000.00
National Housing Counseling Projects	001	Various	Walter Toliver		All items budgeted under National Housing	Maria Iannerelli	\$25,000.00
Information Technology	001	9030	CFO/ Danny Cortes	\$500,000.00	All items concerning Info Technology	Todd Starlin	\$5,000.00
Accounting & Finance	001	9050	CFO/ Danny Cortes		All items budgeted under 9050	Artemio Rodriguez	\$25,000.00
4530 Corp	007	Various	Walter Toliver	\$250,000.00	All Items budgeted under 4530 Corp.	Marli Nascimento	\$150,000.00
199 Hunting Park	008	Various	Walter Toliver	\$250,000.00	All Items budgeted under 199 HP	Marli Nascimento	\$150,000.00
Roberto Clemente Homes	012	Various	Walter Toliver	\$250,000.00	All Items budgeted under Roberto Clemente Homes	Marli Nascimento	\$150,000.00
322 Hunting Park	013	Various	Walter Toliver	\$250,000.00	All Items budgeted under 322 HP	Marli Nascimento	\$25,000.00
Impacto	015	Various	Walter Toliver	\$250,000.00	All Items budgeted under Impacto	Jodi Reynhout	\$25,000.00
Latino Advocacy Group	016	Various	Walter Toliver	\$250,000.00	All Items budgeted under Latino Advocacy Group	Jodi Reynhout	\$25,000.00
Capital and Construction Expenditures may require additional Executive Management and/or Board approval. An Executive Manager must sign on invoices over an authorized signer's specified limit							
HR Benefits Limit for Crystal Knight is \$250,000							
PSERS Limit for David Rossi and Jon Marsh is \$500,000							

**Division of Federal Program
Consolidated Program Review
2019-2020 School Year
Esperanza Cyber CS**

Esperanza Cyber Charter School

SCHOOL Level Monitoring

	Name	Check if Interviewed
Principal:	<u>Joseph Papieka</u>	<input type="checkbox"/>
Parent:	_____	<input type="checkbox"/>
Parent:	_____	<input type="checkbox"/>
Parent:	_____	<input type="checkbox"/>
Parent:	_____	<input type="checkbox"/>
Parent:	_____	<input type="checkbox"/>

Program Reviewers: Dr. Helen Gross Visit Date: 4/26/2021

School Level Monitoring

Component I: Appropriately State Certified

The Local Education Agency (LEA) and the Title I School has professional standards for paraprofessionals working in a program supported with Title I.

Sec. 1112(c)(6) Sec. 1112(e)(1)(A)

Requirements	Met	Not Met	N/A	Suggested Evidence of Implementation	Comments		
1. All instructional paraprofessionals working in a Title I program are appropriately certified.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> List of paraprofessionals working in the school & their qualifications: HS Diploma plus 2 years of college (48 credits), AA Degree or local assessment			
2. Parents (in Title I schools only) are directly notified annually that they may request information regarding the professional qualifications of their child's teacher(s), and of paraprofessionals who provide instructional services to their children.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Copy of Right-to-Know - Teacher Qualifications letter dated and evidence of distribution date			
3. Parents (in Title I schools only) are notified if their child is assigned to or being taught for four or more consecutive weeks by a teacher who is not appropriately state certified. (This cannot be marked N/A.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/> Copy of Right-to-Know - Four Consecutive Week letter <input type="checkbox"/> Evidence of distribution date with signature, if applicable	<table border="1"> <thead> <tr> <th>Monitor Comments</th> </tr> </thead> <tbody> <tr> <td>4/26/2021 8:08:08 AM State Monitor Helen Gross The 4-week letter template that the school has on file needs to include a space for specific "teacher information".</td> </tr> </tbody> </table>	Monitor Comments	4/26/2021 8:08:08 AM State Monitor Helen Gross The 4-week letter template that the school has on file needs to include a space for specific "teacher information".
Monitor Comments							
4/26/2021 8:08:08 AM State Monitor Helen Gross The 4-week letter template that the school has on file needs to include a space for specific "teacher information".							

Desk Monitoring Only:

- Upload list of paraprofessionals working in Title I programs with their qualifications.
- Upload dated copy of Right-to-Know Teacher Qualification letter
- Upload a copy of Right-to-Know Four Consecutive Week letter

[SchoolLevel Comp 1_2 RightToKnowLetter 2019_2020 Signed.pdf](#)
[SchoolLevel Component I_3.pdf](#)
[SchoolLevel Comp 1 List of Paraprofessionals Qualifications.pdf](#)
[SchoolLevel_Sec1112_3 Four Week Template.pdf](#)

Requirements	Met	Not Met	N/A	Suggested Evidence of Implementation	Comments
<p>If you have additional comments to make about this section, enter them here:</p>					

Component II: Parent and Family Engagement

The LEA may receive funds under this part only if such agency conducts outreach to all parents and family members and implements programs, activities, and procedures for the involvement of parents and family members in programs. Such programs, activities, and procedures shall be planned and implemented with meaningful consultation with parents of Title I students.

Sec. 1116

Requirements	Met	Not Met	N/A	Suggested Evidence of Implementation	Comments
<p>1. Schools receiving Title I funds shall jointly develop with, and distribute to, Title I parents and family members a written parent and family engagement policy. Parents shall be notified of the policy in an understandable and uniform format and to the extent practicable in a language the parents can understand. The policy shall be made available to the local community and updated periodically to meet the changing needs of parents and the school.</p> <p>All the following are Required components:</p> <ul style="list-style-type: none"> • Convene an annual meeting at a convenient time, to which all Title I parents shall be invited and encouraged to attend, to inform parents of their school's Title I program and to explain the requirements of Title I and the right of parents to be involved. • Offer a flexible number of meetings, such as meetings in the morning or evening, and may provide, with Title I funds, transportation, child care, or home visits, as such services relate to parental involvement • Involve parents, in an organized ongoing, and timely way, in the planning, review, and improvement of the Title I program, including the planning, review, and improvement of the school parent and family engagement policy and the joint development of the schoolwide program plan, if applicable, except that is a school has a process in place in process for involving parents in the joint planning and design of the school's programs, the school may use the process, if such process included an adequate representation of Title I. • Provide Title I parents <ul style="list-style-type: none"> ◦ Timely information about Title I programs ◦ A description and explanation of the curriculum in use at the school, the forms of academic assessment used to measure student progress, and the achievement levels of the challenging State academic standards ◦ If requested by parents, opportunities for regular meetings to formulate suggestions and to participate, as appropriate, in decisions relating to the education of their children, and respond to any suggestions as soon as practicably possible. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> School Parent and Family Engagement policy, (that includes all required components), with review/revision date, dated parent meeting, dated agenda & sign-in sheets, and method of distribution	

Requirements	Met	Not Met	N/A	Suggested Evidence of Implementation	Comments
<ul style="list-style-type: none"> ○ If the schoolwide plan is not satisfactory to Title I parents, submit any parent comments on the plan when the school makes the plan available to the LEA. (Only applies to Schoolwide schools). ○ Shall educate teachers, specialized instructional support personnel, and other staff, with the assistance of parents, in the value and utility of contributions of parents and family members, and in how to reach out to, communicate with, and work with parents and family members as equal partners, implement and coordinate parent programs, and build ties between parents and family members and the school. ○ Describes how the school will aid parents in understanding the State's academic content standards and student achievement standards, local academic assessments and how to monitor a child's progress and work with teachers to improve the achievement of their children. ○ States that a school-parent compact was jointly developed with parents and the compact outlines how parents, the entire school staff and students will share in the responsibility for improved student achievement. ○ Describes how the school provides materials and training to help parents to work with their children to improve their children's achievement, such as literacy training and using technology, as appropriate, to foster parent involvement. ○ States how the school will, to the extent feasible and appropriate, coordinate, and integrate parent involvement programs and activities with other Federal, State, and local programs including public preschool programs and conduct other activities, that encourage and support parents and family members in more fully participating in the education of their children. ○ States how the school will ensure that information related to school and parent programs, meetings, and other activities is sent to the parents and family members of participating children in a format and to the extent practicable, in a language the parents and family members can understand. ○ States how the school, to the extent practicable, will provide opportunities for the informed participation of parents and family members (including parents and family members who have limited English proficiency, parents and family members with disabilities, and parents and family members of migratory children). 					

Requirements	Met	Not Met	N/A	Suggested Evidence of Implementation	Comments
<p>2. Convene an annual meeting at a convenient time, to which all Title I parents shall be invited and encouraged to attend, to inform parents of their school's Title I program and to explain the requirements of Title I and the right of parents to be involved.</p>	☑	☐	☐	<p>☑ Dated Title I meeting agenda & sign-in sheets</p>	
<p>3. Each Title I school shall jointly develop with parents of Title I children a school parent compact that outlines how parents, the entire school staff, and students will share the responsibility for improved student academic achievement and the school and parents will build and develop a partnership to help children achieve the State's high standards. The compact shall</p> <ul style="list-style-type: none"> • describe the school's responsibility to provide high-quality curriculum and instruction in a supportive and effective learning environment that enables Title I children to meet the State academic standards, and the ways in which each parent will be responsible for supporting their children's learning; volunteering in their child's classroom, and participating as appropriate, in decisions relating to the education of their children and positive use of extracurricular time, and • address the importance of communication between teachers and parents on an ongoing basis through at a minimum: parent-teacher conferences in elementary schools, at least annually, during which the compact shall be discussed as the compact relates to the individual child's achievement; frequent reports to parents on their children's progress; reasonable access to staff, opportunities to volunteer and participate in their child's class, and observation of classroom activities; and ensuring two way meaningful communication between family members and school staff, and to the extent practicable, in a language that family members can understand. 	☑	☐	☐	<p>☑ School-parent compact with review/revision date, dated agenda, sign-in sheets and method of distribution</p>	
<p>4. Title I Schools shall aid parents of Title I children in understanding such topics as the challenging State academic standards, State and local academic assessments, and how to monitor a child's progress and work with educators to improve the achievement of their children.</p>	☑	☐	☐	<p>☑ Dated Title I meeting agenda & sign-in sheets that indicate topics of discussion</p> <p>☐ Staff/Parent meeting agendas and sign-in sheets</p>	

Requirements	Met	Not Met	N/A	Suggested Evidence of Implementation	Comments
5. Title I Schools shall provide materials and training to help parents to work with their children to improve their childrens achievement, such as literacy training and using technology (including education about the harms of copyright piracy) as appropriate, to foster parent involvement.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Training materials, evaluations, agendas & sign-in sheets, calendar of events <input type="checkbox"/> Workshops with copies of dated agendas and sign-in sheets.	
6. ALL schools teachers and staff shall annually be educated, with the assistance of parents, in how to better communicate with, or work with, parents as equal partners.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Dated staff meeting agendas and sign-in sheets <input type="checkbox"/> SPAC skits and staff agendas and sign in sheets <input type="checkbox"/> Dated staff meeting agenda and sign-in sheets utilizing parent survey results (open-ended questions included)	
7. Title I Schools shall coordinate and integrate parent involvement programs and activities with other Federal, State, and local programs, including public preschool programs.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Transition Plan <input type="checkbox"/> Parent training materials, evaluations, agendas, calendar of events <input type="checkbox"/> Staff/Parent meeting agendas and sign-in sheets	
8. Title I schools shall ensure that information related to school and parent programs, meetings, and other activities is sent to Title I parents in a format and, the extent practicable, in a language the parents can understand.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Translated documents such as fliers, letters, web site postings <input type="checkbox"/> Translated Schoolwide Plan	

Desk Monitoring Only:

- Upload School-Level Parent and Family Engagement Policy for each Title I school, parent meeting agenda and sign in sheet, and method of distribution.
- Upload agenda for annual Title I meeting and sign-in sheets.
- Upload School-Parent Compact for each Title I school and agenda and sign in sheet from parent meeting.
- Upload Staff/Parent meeting agendas, back-to-school nights or parent training meetings.

- [SchoolLevel Component II_1.pdf](#)
- [SchoolLevel Component II_2 Title I Workshop Evidence.pdf](#)
- [SchoolLevel Component II_3 School Parent Advisory Meeting.pdf](#)
- [SchoolLevel Component II_4 Parent Workshop Evidence.pdf](#)
- [SchoolLevel Component II_7 Transition Plan .pdf](#)
- [SchoolLevel Component II_8 Translated Docs Evidence_001.pdf](#)
- [SchoolLevel Component II_5 Parent Training Workshop Evidence.pdf](#)
- [SchoolLevel Component II_6 PD Evidence.pdf](#)
- [SchoolLevel Component II_7 Kindergarten Transition Handbook.pdf](#)

Requirements	Met	Not Met	N/A	Suggested Evidence of Implementation	Comments		
<ul style="list-style-type: none"> • Upload Staff/Parent meeting agendas, back-to-school nights or parent training meetings. • Upload agenda of staff meeting(s) where discussion of effective means to communicate with parents is discussed, along with sign-in sheets. Include documentation of parent involvement in the process. • Upload a sample translated document. 							
<p>If you have additional comments to make about this section, enter them here:</p>	<table border="1"> <thead> <tr> <th data-bbox="1190 544 2053 597">Monitor Comments</th> </tr> </thead> <tbody> <tr> <td data-bbox="1190 597 2053 812"> <p>5/4/2021 12:08:29 PM State Monitor Helen Gross Dr. Marsh, CEO, provided extensive insights into the school's federal programs (both program & fiscal) along with Ms. Jasmina Campos-Rivera, the school's Operations Manager.</p> </td> </tr> </tbody> </table>					Monitor Comments	<p>5/4/2021 12:08:29 PM State Monitor Helen Gross Dr. Marsh, CEO, provided extensive insights into the school's federal programs (both program & fiscal) along with Ms. Jasmina Campos-Rivera, the school's Operations Manager.</p>
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Component III: Schoolwide Programs

An eligible school operating a schoolwide program shall develop a comprehensive plan (or amend a plan for such a program that was in existence on the day before the date of the enactment of the Every Student Succeeds Act)

Sec. 1114

If the school does not operate a Schoolwide Program, this section can be skipped.

Requirements	Met	Not Met	N/A	Suggested Evidence of Implementation	Comments				
<p>1. Have a completed/revised Schoolwide Plan. Plan is based on a comprehensive needs assessment of the entire school that takes into account information on the academic achievement of children in relation to the challenging State academic standards, particularly the needs of those children who are failing, or are at-risk of failing, to meet the challenging State academic standards and any other factors as determined by the local educational agency; and includes a description of the strategies that the school will be implementing to address school needs, including a description of how such strategies will provide opportunities for all children, including each of the subgroups of students (as defined in section 1111(c)(2)) to meet the challenging State academic standards; use methods and instructional strategies that strengthen the academic program in the school, increase the amount and quality of learning time, and help provide an enriched and accelerated curriculum, which may include programs, activities, and courses necessary to provide a well-rounded education; and address the needs of all children in the school, but particularly the needs of those at risk of not meeting the challenging State academic standards.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Copy of the School Plan Template OR the Schoolwide Plan Must also provide agendas and sign-in sheets, demonstrating plan was updated within a year of the monitoring visit.	<table border="1"> <tr> <th data-bbox="1705 464 2062 521">District Comments</th> </tr> <tr> <td data-bbox="1705 521 2062 768"> 4/19/2021 3:30:06 AM Operations Manager Jasmina Campos-Rivera LEA is a CSI school. The CSI is the School Improvement Plan. </td> </tr> <tr> <th data-bbox="1705 768 2062 824">Monitor Comments</th> </tr> <tr> <td data-bbox="1705 824 2062 1068"> 4/26/2021 8:11:12 AM State Monitor Helen Gross The appropriate documentation was provided. </td> </tr> </table>	District Comments	4/19/2021 3:30:06 AM Operations Manager Jasmina Campos-Rivera LEA is a CSI school. The CSI is the School Improvement Plan.	Monitor Comments	4/26/2021 8:11:12 AM State Monitor Helen Gross The appropriate documentation was provided.
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Monitor Comments									
4/26/2021 8:11:12 AM State Monitor Helen Gross The appropriate documentation was provided.									
Desk Monitoring Only: Upload a copy of the School Plan Template or the Schoolwide Plan and sign-in sheets and agendas demonstrating plan was updated within a year of the monitoring visit.				Component III_1 School Improvement Plan 19_20.pdf CSI Agendas and SignIn Shts.pdf					
<p>Note: If the school does not have an approved Schoolwide Plan, must monitor requirements in the Targeted Assistance section.</p>									
If you have additional comments to make about this section, enter them here:									

Component IV: Targeted Assistance Programs

In all schools selected to receive funds under section 1113(c) that are ineligible for a schoolwide program under section 1114, have not received a waiver under section 1114(a)(1)(B) to operate such a schoolwide program, or choose not to operate such a schoolwide program, a local educational agency serving such school may use funds received under this part only for programs that provide services to eligible children under subsection (c) identified as having the greatest need for special assistance.

Sec. 1113

If the school does not operate a Targeted Assistance Program, this section can be skipped.

Requirements	Met	Not Met	N/A	Suggested Evidence of Implementation	Comments
1. The Title I school determines which students will be served, and serves participating students identified as eligible.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Selection criteria and student roster with test scores that includes rank order listing.	
2. The Title I school uses resources under this part to help eligible children meet the challenging State academic standards, which may include programs, activities, and academic courses necessary to provide a well-rounded education.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> List of programs, activities, and academic courses provided to eligible children	
3. The Title I school uses methods and instructional strategies to strengthen the academic program of the school through activities, which may include expanded learning time, before- and after-school, and summer programs and opportunities; and a schoolwide tiered model to prevent and address behavior problems, and early intervening services, coordinated with similar activities and services carried out under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> List of instructional strategies including activities that strengthen the academic program provided to eligible children	
4. The Title I school coordinates with and supports the regular education program, which may include services to assist preschool children in the transition from early childhood education programs such as Head Start, the literacy program under subpart 2 of part B of title II, or State-run preschool programs to elementary school programs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Documentation of regular team meetings, dated agenda, sign-in sheets, and minutes	
5. The Title I school provides professional development with resources provided under this part, and, to the extent practicable, from other sources, to teachers, principals, other school leaders, paraprofessionals, and, if appropriate, specialized instructional support personnel, and other school personnel who work with eligible children in programs under this section or in the regular education program.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> List of professional development activities, dated agendas, and sign in sheets	
Desk Monitoring Only:					

Requirements	Met	Not Met	N/A	Suggested Evidence of Implementation	Comments
<ul style="list-style-type: none"> • Upload selection criteria and student roster with test scores that includes rank order listing • Upload a list of instructional strategies including activities that strengthen the academic program provided to eligible children • Upload a list of professional development activities, agendas, and sign in sheets 					
<p style="text-align: center;">If you have additional comments to make about this section, enter them here:</p>					

Comments

Uploaded material was well organized, finished in a timely manner, and complete. The school continues to strive to provide optimal and appropriate student programs that actively support learning, growth, and engagement.

ESPERANZA CYBER CHARTER SCHOOL (ECCS)

Book: Policy Manual

Section: Administration

Title: Child Find

Reference: 20 USC 1401(3), 1412(a)(3); 34 CFR §300.111; 22 Pa. Code §711.21

Adopted:

PURPOSE: The purpose of this Policy is to establish rules on ECCS annually informing parents and families that the school is required to conduct child find activities for children who may be eligible for services

SCOPE: Students attending ECCS

DETAILED POLICY STATEMENT:

The Board of Trustees (“Board”) of ECCS has provided a Child Find policy to comply with the Individuals with Disabilities Education Act (IDEA) as amended in 2004 and PA Code Chapters 14 and 711. The purpose is to provide guidance regarding Child Find as to the following:

Services for School-Age Students with Disabilities

Esperanza Cyber Charter School (ECCS) provides a free, appropriate, public education (“FAPE”) to eligible students. To qualify as an eligible student, the child must be of school age, in need of specially-designed instruction, and meet eligibility criteria for one or more physical or mental disabilities as outlined in the federal Individuals with Disabilities Education Act (“IDEA”) and Chapter 711 of the Pennsylvania State Regulations.

Special education students newly enrolled in ECCS with an existing Individualized Education Plan shall receive services upon enrollment. Within 30 days, the IEP team will meet and determine whether to accept the IEP from the previous placement as is, or write a new one. If the IEP from the previous placement is acceptable, the team will issue a new IEP cover page and Notice of Recommended Educational Placement. If a new IEP must be written, the special education teacher will schedule an IEP meeting with the student and his parents/guardians. There is no delay in services during this time.

If a student enrolls in school with an existing Early Intervention IFSP (Individualized Family Service Plan) identifying student with a Developmental Delay, the school will contact the Early Intervention program to discuss the school-age needs of the child. The School will also conduct a Re-Evaluation to obtain the appropriate school-age diagnosis.

ECCS uses identification procedures to determine the eligibility of students and provide an appropriate educational program consisting of special education and related services, individualized to meet student needs at no cost to the parents. To identify students who may be eligible for special education, various screening activities are conducted on an ongoing basis. These screening activities include: a review of group-based data (cumulative records, enrollment records, health records, report cards, ability, and achievement test scores); hearing, vision, physical, and speech/language screening; and review of data by applicable ECCS Teams. When screening results suggest that the student may be eligible for special education services, ECCS will seek written parental consent to conduct a multidisciplinary evaluation because ECCS cannot conduct an evaluation or provide an initial provision of special education services without this written permission. For additional information related to consent, please refer to the Procedural Safeguards Notice which can be found at the PaTTAN website, www.Pattan.net.

However, Parents who suspect that their child is eligible for special education services may request a multidisciplinary evaluation at any time through a written request to the Principal or Special Education Coordinator. If the parent disagrees with the Evaluation Report, the parent can request an independent education evaluation (IEE) at public expense.

Once the evaluation process determines eligibility, an IEP Team of ECCS professionals, Parents/Guardians, and others meet to discuss and determine services to meet the needs of the student and include the annual development of an Individualized Education Program (IEP), bi-annual or tri-annual multidisciplinary re-evaluation, and a full continuum of services, which include Itinerant, Supplemental, or Full-Time Levels of Intervention. The extent of special education services and the location for the delivery of such services are determined by the IEP team and are based on the student's identified needs and abilities, chronological age, and the level of intensity of the specified intervention. ECCS also provides related services, such as speech and language therapy, physical therapy, and occupational therapy, and counseling services required for the student to benefit from the special education program.

Public Information about the Child Find procedures will be available through the following: ECCS official website, ECCS Parent/Student Handbook, and posted in the Enrollment Office on the ECCS Main Campus/Office.

Services for Protected Handicapped Students

In compliance with the state and federal law, namely Section 504 of the Rehabilitation Act of 1973, ECCS will provide to protected handicapped students services or accommodations that are needed to provide equal opportunity to participate in and obtain the benefits of the school program and extra-curricular activities to the maximum extent appropriate to the student's abilities. These related services or accommodations are provided without discrimination or cost to the student or family. In order to qualify as a protected handicapped student, the child must

be of school age with a physical or mental disability, which substantially limits or prohibits participation in or access to an aspect of the school program. Services and safeguards for protected handicapped students are distinct from those applicable to exceptional students enrolled or seeking enrollment in special education programs.

Confidentiality of Student Records

ECCS protects the confidentiality of personally identifiable information for all students in accordance with the Family Educational Rights and Privacy Act ("FERPA"), state law, and ECCS's student records policy.

TO THE EXTENT THAT ANYTHING IN THIS POLICY COULD BE CONSTRUED TO CONFLICT WITH THE SCHOOL'S CHARTER OR APPLICABLE STATE AND/OR FEDERAL LAWS, THE APPLICABLE STATE AND/OR FEDERAL LAWS AND/OR CHARTER CONTROL.

Charter School Corrective Action Verification/Compliance and Improvement Plan - Bureau of Special Education

This form is designed to serve both as a planning tool and as verification of completion of corrective action.

Charter School: Esperanza Cyber CS

Chief Executive Officer: Dr. Jon Marsh

Special Education Director/Coordinator: Daniel Cote

BSE Special Education Adviser: Dr. Beth Marvin

Date of Report: July 20, 2022

Date Final Report Sent to LEA: July 26, 2021

Reminder: The timelines for corrective action of all non-compliance items may not exceed ONE YEAR from the Date Final Report Sent to LEA

First Visit Date: August 30, 2021

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
						Topical Area 1: Policies, Practices, and Procedures			
Y						1. FSA-ASSISTIVE TECHNOLOGY AND SERVICES Standard: The Local Education Agency (LEA) observed the requirement that the provision of assistive technology is reflected in the student's IEP			
	N					1A. FSA-HEARING AIDS Standard: Each public agency shall ensure that the hearing aids worn in school by children with hearing impairments, including deafness, are functioning properly. Each public agency must ensure that the external components of surgically implanted medical devices are functioning properly	The LEA will revise its policies and procedures to ensure that the hearing aids worn in school by children are functioning properly. Evidence of Change: The LEA will submit a copy of the Board approved procedures to the BSE Adviser as verification of corrective action.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	06/20/2022
Y						2. FSA POSITIVE BEHAVIOR SUPPORT Standard: LEA complies with the positive behavior support policy requirements.			
Y						3. FSA-CHILD FIND Standard: LEA demonstrates compliance with annual public notice requirements.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
Y						4. FSA-CONFIDENTIALITY Standard The LEA is in compliance with confidentiality requirements.			
		X				5. FSA-DISPUTE RESOLUTION (DUE PROCESS HEARING DECISION IMPLEMENTATION) Standard The LEA uses dispute resolution processes for program improvement.			
Y						8. FSA-PROCEDURAL REQUIREMENTS FOR SUSPENSION Standard: The LEA adheres to procedural requirements in suspending students with disabilities.			
	N					10. FSA-INDEPENDENT EDUCATIONAL EVALUATION Standard: The LEA documents a procedure for responding to requests made by parents for an independent educational evaluation at public expense.	The LEA will develop a written procedure for responding to parent request for an IEE. The procedure must comply with the requirements of 34 CFR 300.502 including information about where an IEE may be obtained. Evidence of Change: The LEA will submit a copy of the procedure to the BSE Adviser as verification of corrective action.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	06/20/2022
Y						11A. FSA-LEAST RESTRICTIVE ENVIRONMENT Standard: The LEA's continuum of special education services supports the availability of LRE under 34 CFR Part 300.			
Y						12. FSA-EXTENDED SCHOOL YEAR SERVICES			
Y						13. FSA-RELATED SERVICE INCLUDING PSYCHOLOGICAL COUNSELING			
Y						15. FSA-PARENT TRAINING Standard: Parent opportunities for training and information sharing address the special knowledge, skills and abilities needed to serve the unique needs of children with disabilities.			
						INTERVIEW RESULTS (Parent)			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
					3 1 0 1 1 0	P 62. My school district/charter school makes available training related to the needs of students with disabilities that I could attend. Always Sometimes Rarely Never Don't Know Does not Apply			
					2 2 0 1 1 0	P 63. My school district/charter school invites parents to trainings that are available to school staff regarding research based best practices, supplementary aids and services, differentiating instruction and modifying the general education curriculum. Always Sometimes Rarely Never Don't Know Does not Apply			
Y						18. FSA-SURROGATE PARENTS (STUDENTS REQUIRING) Standard: The LEA identifies eligible students in need of surrogate parents and recruits, selects, trains, and assigns in a timely manner.			
Y						19. FSA-PERSONNEL TRAINING Standard: In-service training appropriately and adequately prepares and trains personnel to address the special knowledge, skills, and abilities to serve the unique needs of children with disabilities, including those with low incidence disabilities, when applicable.			
						INTERVIEW RESULTS (General & Special Education Teacher)			
8	0	0				GE 88. Do you receive training regarding how to differentiate instruction and modify the curriculum in your classroom?			
7	1	0				GE 89. Do you receive training regarding how to provide positive behavior supports for students with negative behaviors?			
3	3	2				GE 90. If you have a student with a behavioral need, have you been trained how to deescalate negative and aggressive student behavior?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
7	1	0				GE 91. Do you participate in determining the kinds of training and technical assistance needed to support students with IEPs in regular education classrooms?			
3	0	5				GE 94. If a student has AT included in his/her current IEP, have you received training in AT, and accessing AT resources?			
10	0	0				SE 124. Do you collaborate with general education teachers and administrators to recommend training needs for personnel within the LEA?			
Y						20. FSA-INTENSIVE INTERAGENCY APPROACH Standard: The LEA identifies, reports, and provides for the provision of Free Appropriate Public Education (FAPE) for all students with disabilities including those students needing intensive interagency approaches.			
Y						21. FSA-SUMMARY OF ACADEMIC AND FUNCTIONAL PERFORMANCE/PROCEDURAL SAFEGUARD REQUIREMENTS FOR GRADUATION Standard: The LEA provides Summary of Academic Achievement and Functional Performance for children whose eligibility terminates due to graduation or aging out. The LEA provides required prior written notice for graduation			
Y						21A. TRANSITION REQUIREMENTS Standard: The LEA complies with requirements for transition planning for students.			
						Topical Area 2: Delivery of Service			
Y						17. FSA-PUBLIC SCHOOL ENROLLMENT Standard: The LEA's percentage of children with disabilities served in special education is comparable to state data.			
Y						17B. FSA-PUBLIC SCHOOL ENROLLMENT Standard: Timely provision of FAPE for students who transfer public agencies within state, and from another state.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
Y						22. FSA-DISPROPORTIONATE REPRESENTATION THAT IS THE RESULT OF INAPPROPRIATE IDENTIFICATION Standard: LEA does not demonstrate disproportionate representation of racial/ethnic groups receiving special education or by disability group.			
Y						23. FSA-EDUCATIONAL BENEFIT REVIEW Standard: The IEP meets procedural compliance and is reasonably calculated to enable the child to advance appropriately toward attaining their annual goals.			
						CLASSROOM OBSERVATIONS			
0	0	0		0		CO 1. Is the instruction provided to the student individualized as required by his/her IEP?			
0	0	0		0		CO 2. Is the instruction being provided in accordance with the goals in the student's IEP?			
0	0	0		0		CO 3. If assistive technology is included in the student's IEP and required for the activity observed, is it being used?			
0	0	0		0		CO 4. If the student is in a regular education setting, is he/she participating in the lesson taught by the general education teacher or a co-teacher?			
0	0	0		0		CO 5. If the student is in a regular education setting, is the student appropriately integrated (physically) in the class?			
0	0	0		0		CO 6. If the student's IEP contains supplementary aids and/or services, are they being delivered in the classroom setting as required?			
0	0	0		0		CO 7. Does this setting coincide with the student's IEP with regard to the extent to which the student is educated with non-disabled peers?			
						INTERVIEW RESULTS (Parent, General & Special Education Teacher)			
						P 55. My child does classroom work in a regular classroom with students without disabilities.			
					3	Always			
					2	Sometimes			
					0	Rarely			
					1	Never			
					0	Don't Know			
					0	Does not Apply			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
					4 1 0 1 0 0	P 56. My child participates or has the opportunity to participate in school activities other than classroom work, including extra-curricular activities, with students without disabilities. Always Sometimes Rarely Never Don't Know Does not Apply			
					4 1 0 1 0 0	P 56a. My child goes on field trips, attends school functions and/or participates in extracurricular activities with their same age/grade peers who are non-disabled. Always Sometimes Rarely Never Don't Know Does not Apply			
					4 1 0 0 1 0	P 56b. There are routine opportunities for my child to interact with peers who are non-disabled that are planned and/or facilitated by school personnel. Always Sometimes Rarely Never Don't Know Does not Apply			
8	0	0				GE 70. Are you familiar with the content of this student's current IEP, including accommodations, supplementary aids and services, and annual goals?			
8	0	0				GE 71. Do you adapt and modify the general education curriculum based on the student's current IEP?			
8	0	0				GE 72. Do you have support from special education personnel to help you modify curriculum, instruction and assessment as required in the student's current IEP?			
8	0	0				GE 73. Are you and the special education personnel working collaboratively to implement this student's program?			
7	0	1				GE 78. Are all the supplementary aids and services necessary for the student's progress in the general education class included in his/her current IEP?			
6	2	0				GE 80. Is the student making progress within the general education curriculum?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
7	1	0				GE 80a. In your opinion, is this student benefiting from participation in your general education classroom?			
0	0	1				GE 80b. If yes, in what ways? Appears to enjoy hands-on, language based classroom. The student interacts with other students at multiple levels. Develops social and interaction skills. Recent addition, be successful in a general education class, interact with peers at varying levels, access to curriculum. Socializing Socially and understanding content; working with different groups helps. Absolutely - benefits when things are chunked in a way that is not overwhelming, instruction is provided on level, then check for understanding. More interaction with peers, exposure to grade level content.			
0	0	7				GE 80c. If no, what does this student need that he/she is not receiving in your class? The student is no longer enrolled in this general education curriculum.			
7	1	0				GE 85. Do you have sufficient time to collaborate with the special education teacher in order to meet this student's needs?			
8	0	0				GE 85a. Have you received sufficient training, technical assistance and other support to teach this student?			
0	0	8				GE 85b. If no, what training or support would assist you?			
7	1	0				GE 93. Do special education personnel work directly with you to help you reduce negative student behaviors?			
10	0	0				SE 95. Is this student participating in the general education class and curriculum with students without disabilities to the maximum extent possible?			
9	0	1				SE 95a. In the most recent IEP meeting for this student, did you discuss whether he/she could be educated in a general education classroom for the entire school day?			
2	7	1				SE 95b. In the most recent IEP meeting, did the IEP team recommend removal of this student from the general education classroom for any part of the school day?			
0	0	8				SE 95c. If yes, what reasons were discussed for recommending removal?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
						The need for small group pull outs for instruction. Need for additional support and service.			
0	0	8				SE 95d. If yes, how was the amount of time that this student would be removed from the general education classroom decided? Determined by team. Team decided.			
8	1	1				SE 95e. In the most recent IEP meeting, did the IEP team discuss whether this student could be educated satisfactorily in a general education classroom for the entire school day with supplementary aids and services?			
10	0	0				SE 96. Has the student been given the opportunity to participate in non-academic and extracurricular activities with children without disabilities?			
8	0	2				SE 97. Have necessary supports been offered and/or provided to enable that participation?			
7	0	3				SE 99. Are you and related services personnel working together toward meeting the measurable annual goals for this student?			
10	0	0				SE 100. Are you and general education personnel working together toward meeting the measurable annual goals for this student?			
9	0	1				SE 115. Did the IEP team have available information regarding use of the Supplementary Aids and Services ToolKit?			
10	0	0				SE 125. Do you collaborate with general education teachers to identify training needs related to the provision of supplementary aids and services to students with IEPs in the general education classroom?			
						Topical Area 3: Performance Indicators			
		X				5A. FSA-EFFECTIVE USE OF DISPUTE RESOLUTION Standard: The LEA uses dispute resolution processes for program improvement.			
Y						6. FSA GRADUATION RATES (SPP) Standard: The graduation rate of the LEA's students with disabilities is comparable to the state graduation rate.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
		X				7. FSA-DROPOUT RATES (SPP) Standard: The dropout rate of the LEA's students with disabilities is comparable to the state dropout rate.			
		X				8A. FSA-SUSPENSION RATES Standard: The LEA's rate of suspensions and expulsions of students with disabilities is comparable to the rate of other LEAs in the state.			
	N					11. FSA-LEAST RESTRICTIVE ENVIRONMENT (SPP) Standard: Students with disabilities are provided for in the least restrictive environment	Current data shows the LEA has met the SPP target. An improvement plan is not needed.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	06/20/2022
Y						16. FSA-PARTICIPATION IN PSSA AND PASA (SPP) Standard: The LEA's population of students who participate in state assessment is comparable with the state data.			
Y						16A. FSA-LOCAL ASSESSMENT			
						Topical Area 4: Evaluation and Reevaluation Process and Content			
						CONSENT AND WAIVER REQUIREMENTS FOR EVALUATION/REEVALUATION			
						PERMISSION TO EVALUATE (File Reviews)			
1	0	9				FR 153. PTE-Consent Form is present in the student file			
1	0	9				FR 154. Demographic data			
1	0	9				FR 155. Reason(s) for referral for evaluation			
1	0	9				FR 156. Proposed types of tests and assessments			
1	0	9				FR 157. Contact person's name and contact information			
1	0	9				FR 158. Parent signature or documentation of reasonable efforts to obtain consent			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
1	0	9				FR 159. Parent has selected a consent option			
						PERMISSION TO REEVALUATE (File Reviews)			
8	0	2				FR 194. PTRE-Consent Form is present in the student file			
7	1	2			13%	FR 195. Demographic data	The LEA will review documentation of demographics and accuracy of paperwork. Evidence of Change: Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
8	0	2				FR 196. Reason for reevaluation			
8	0	2				FR 197. Types of assessment tools, tests and procedures to be used			
8	0	2				FR 198. Contact person's name and contact information			
8	0	2				FR 199. Parent has selected a consent option			
8	0	2				FR 200. Parent signature or documentation of reasonable efforts to obtain consent			
						AGREEMENT TO WAIVE REEVALUATION (File Reviews)			
0	0	10				FR 201. Agreement to Waive Reevaluation is present in the student file			
0	0	10				FR 202. Waiver was completed within required timelines (3 years (2 years for any ID student or any student placed in an Approved Private School) from date of ER, prior RR, or Agreement to Waive RR)			
0	0	10				FR 203. Reason reevaluation is not necessary at this time is included			
0	0	10				FR 204. Contact person's name and contact information			
0	0	10				FR 205. Parent has selected a consent option			
0	0	10				FR 206. Parent signature			
						EVALUATION REPORT (INITIAL) (File Reviews)			
1	0	9				FR 160. ER is present in the student file			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
1	0	9				FR 161. Evaluation was completed within timelines			
1	0	9				FR 162. A copy of the ER was disseminated to parents at least 10 school days prior to meeting of the IEP team (unless this requirement is waived by parent in writing)			
1	0	9				FR 163. Demographic data			
1	0	9				FR 164. Date report was provided to parent			
1	0	9				FR 165. Reason(s) for referral			
1	0	9				FR 166. Reason(s) for referral reflect the reason(s) listed on the PTE-Consent Form			
1	0	9				FR 167. Evaluations and information provided by the parents of the student (or documentation of LEA's attempts to obtain parent input)			
1	0	9				FR 168. Teacher observations and observations by related service providers, when appropriate			
1	0	9				FR 169. Recommendations by teachers			
1	0	9				FR 170. The student's physical condition (including health, vision, hearing); social or cultural background; and adaptive behavior relevant to the student's suspected disability and potential need for special education			
1	0	9				FR 171. Assessments, including when appropriate, current classroom based assessments, aptitude and achievement tests; local and/or state assessments; behavioral assessments; vocational technical education assessment results; interests, preferences, aptitudes (for secondary transition); etc.			
0	0	10				FR 172. If an assessment is not conducted under standard conditions, description of the extent to which it varied from standard conditions (including if the assessment was given in the student's native language or other mode of communication)			
1	0	9				FR 173. Lack of appropriate instruction in reading			
1	0	9				FR 174. Lack of appropriate instruction in math			
1	0	9				FR 175. Limited English proficiency			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
1	0	9				FR 176. Present levels of academic achievement			
1	0	9				FR 177. Present levels of functional performance			
1	0	9				FR 178. Behavioral information			
1	0	9				FR 179. Conclusions			
1	0	9				FR 180. Disability Category			
1	0	9				FR 181. Recommendations for consideration by the IEP team			
1	0	9				FR 182. Evaluation Team Participants documented			
0	0	10				FR 183. For students evaluated for SLD documentation of Agree/Disagree			
0	0	10				FR 184. Documentation that the student does not achieve adequately for age, etc.			
0	0	10				FR 185. Indication of process(es) used to determine eligibility			
0	0	10				FR 186. Instructional strategies used and student-centered data collected			
0	0	10				FR 187. Educationally relevant medical findings, if any			
0	0	10				FR 188. Effects of the student's environment, culture, or economic background			
0	0	10				FR 189. Data demonstrating that regular education instruction was delivered by qualified personnel, including the ESL program, if applicable			
0	0	10				FR 190. Data based documentation of repeated assessments of achievement at reasonable intervals, which was provided to parents			
0	0	10				FR 191. Observation in the student's learning environment			
0	0	10				FR 192. Other data if needed			
0	0	10				FR 193. Statement for all 6 items indicated to support conclusions of the evaluation team			
						REEVALUATION REPORT (File Reviews)			
9	0	1				FR 207. RR is present in the student file			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
9	0	1				FR 208. Reevaluation was completed within timelines (either 60 calendar days from the date of LEA receipt of signed PTRE-Consent Form, excluding summer break, or within 3 years (2 years for any ID student or any student placed in an Approved Private School) of date of ER, prior RR, or Agreement to Waive RR)			
9	0	1				FR 209. A copy of the RR was disseminated to parents at least 10 school days prior to the meeting of the IEP team (unless this requirement was waived by a parent in writing)			
9	0	1				FR 210. Demographic data			
7	2	1			22%	FR 211. Date IEP team reviewed existing evaluation data	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
9	0	1				FR 212. Physical condition, social, or cultural background and adaptive behavior relevant to the student's need for special education			
9	0	1				FR 213. Evaluations and information provided by the parent (or documentation of LEA's attempts to obtain parent input)			
9	0	1				FR 214. Aptitude and achievement tests			
9	0	1				FR 215. Current classroom based assessments and local and/or state assessments			
9	0	1				FR 216. Observations by teacher(s) and related service provider(s) when appropriate			
9	0	1				FR 217. Teacher recommendations			
9	0	1				FR 218. Lack of appropriate instruction in reading			
9	0	1				FR 219. Lack of appropriate instruction in math			
9	0	1				FR 220. Limited English proficiency			
9	0	1				FR 221. Conclusion regarding need for additional data is indicated			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
3	0	7				FR 222. Reasons additional data are not needed are included			
9	0	1				FR 223. Determination whether the child has a disability and requires special education			
9	0	1				FR 224. Disability category(ies)			
9	0	1				FR 225. Summary of findings includes student's educational strengths and needs			
9	0	1				FR 226. Summary of findings includes present levels of academic achievement and related developmental needs, including transition needs as appropriate			
9	0	1				FR 227. Summary of findings includes recommendations for consideration by the IEP team regarding additions or modifications to the student's programs			
6	0	4				FR 228. Interpretation of additional data			
2	0	8				FR 229. Documentation that the student does not achieve adequately for age, etc.			
2	0	8				FR 230. Indication of process(es) used to determine eligibility			
2	0	8				FR 231. Instructional strategies used and student-centered data collected			
2	0	8				FR 232. Educationally relevant medical findings, if any			
2	0	8				FR 233. Effects of the student's environment, culture, or economic background			
2	0	8				FR 234. Data demonstrating that regular education instruction was delivered by qualified personnel, including the ESL program, if applicable			
2	0	8				FR 235. Data based documentation of repeated assessments of achievement at reasonable intervals, which was provided to parents			
2	0	8				FR 236. Observation in the student's learning environment			
0	0	10				FR 237. Other data if needed			
2	0	8				FR 238. Statement for all 6 items			
9	0	1				FR 239. Documentation of Evaluation Team Participants			
4	0	6				FR 240. Documentation that team members Agree/Disagree			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
						INTERVIEW RESULTS (Parent & Special Education Teacher)			
6	0	0	0			P 24. Have you been asked to provide information for your child's evaluation/reevaluation?			
6	0	0	0			P 25. Were you given the opportunity to provide this information in writing or in another way that worked for you?			
5	0	0	1			P 26. Was the information you provided to the school for your child's evaluation considered in your child's Evaluation Report?			
5	0	1	0			P 27. If your child was not reevaluated when required (every 2 years for children with intellectual disability (consent retardation), or any child placed in an Approved Private School, and every 3 years for children with other disabilities) did you agree in writing to waive the reevaluation?			
2	3	0	1			P 51. Have you requested an Independent Educational Evaluation (IEE) for your child to be paid for by the school?			
0	1	5	0			P 52. If you have obtained an IEE for your child, were the results of that evaluation considered by the team?			
0	0	6	0			P 53. Were the results of the IEE included in the school's Evaluation Report for your child?			
3	0	7				SE 119. If this student is not making progress, has he/she been reevaluated and/or has the IEP been reviewed?			
						Topical Area 5: IEP Process and Content			
						INVITATION TO PARTICIPATE IN IEP TEAM OR OTHER MEETING (File Reviews)			
10	0	0				FR 241. Invitation is present in the student file			
10	0	0				FR 242. Invitation to Participate in the IEP Meeting was issued prior to the meeting (or documentation that parent signed waiver to move directly to IEP meeting)			
10	0	0				FR 243. Demographic data			
10	0	0				FR 244. Purpose(s) of the meeting			
7	0	3				FR 245. Transition planning and services – Invitation to parents is checked (age 14, younger if determined appropriate)			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
5	0	5				FR 246. Transition planning and services - if appropriate, evidence that a representative of any participating agency was invited to the IEP team meeting with the prior consent of the parent or student			
7	0	3				FR 247. Transition planning and services – Invitation to student is checked (age 14, or younger if determined appropriate)			
10	0	0				FR 248. Invited IEP team members			
10	0	0				FR 249. Date/time/location of meeting			
10	0	0				FR 250. Parent response, or documentation of parent attendance at the meeting, or documentation of multiple efforts to encourage participation			
						PARENT CONSENT TO EXCUSE MEMBERS FROM ATTENDING IEP TEAM MEETING (File Reviews)			
0	0	10				FR 251. Parent Consent to Excuse Members from Attending the IEP Team Meeting is present in the student file			
0	0	10				FR 252. Demographic data			
0	0	10				FR 253. Form designates required IEP team member(s) for whom attendance is not necessary			
0	0	10				FR 254. Form designates which members will submit written input prior to the meeting			
0	0	10				FR 255. Parent written consent is documented			
					0 0 0	FR 256. The team members excused: a. General Education Teacher b. Special Education Teacher c. Local Education Agency Representative			
						IEP CONTENT (File Reviews)			
10	0	0				FR 257. IEP is present in the student file			
10	0	0				FR 258. IEP was completed within timelines			
10	0	0				FR 259. Demographic data			
10	0	0				FR 260. IEP implementation date			
10	0	0				FR 261. Anticipated duration of services and programs			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
1	0	9				FR 262. If appropriate, LEA and parent agreement to make changes to IEP without convening an IEP meeting			
						DOCUMENTATION OF IEP TEAM PARTICIPATION (File Reviews)			
10	0	0				FR 263. Parents			
7	0	3				FR 264. Student			
10	0	0				FR 265. General Education Teacher			
10	0	0				FR 266. Special Education Teacher			
10	0	0				FR 267. Local Education Agency Representative			
0	0	10				FR 270. Community Agency Representative			
0	0	10				FR 271. Teacher of the Gifted			
0	0	10				FR 272. Written input provided by IEP team member(s) excused from participating in the IEP meeting if the invitation stated they were to provide written input			
10	0	0				FR 273. Copy of Procedural Safeguards Notice was given to parent during the school year			
						SPECIAL CONSIDERATIONS (File Reviews)			
0	0	10				FR 274. If the student is blind or visually impaired, a description of the instruction in Braille and the use of Braille, unless the IEP team determines that such instruction is not appropriate			
0	0	10				FR 275. If the student is deaf or hard of hearing, a communication plan			
3	0	7				FR 276. If the student has communication needs, needs must be addressed in the IEP			
0	0	10				FR 277. If the student requires assistive technology devices and/or services, needs must be addressed in the IEP			
2	0	8				FR 278. If the student has limited English proficiency, the IEP team must consider English as Second Language for provision of FAPE			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
0	1	9			100%	FR 279. If the student has behaviors that impede his/her learning or that of others, the IEP includes a Positive Behavior Support Plan based on a functional assessment of behavior utilizing positive behavior techniques	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
0	0	10				FR 280. If the student has other special considerations, these are addressed in the IEP			
						PRESENT LEVELS OF ACADEMIC ACHIEVEMENT AND FUNCTIONAL PERFORMANCE (File Reviews)			
10	0	0				FR 281. Student's present levels of academic achievement			
10	0	0				FR 282. Student's present levels of functional performance			
9	0	1				FR 283. Present levels related to current postsecondary transition goals (if student is 14, or younger if determined by IEP team)			
10	0	0				FR 284. Parental concerns for enhancing the education of the student (if provided by parent to the LEA)			
10	0	0				FR 285. How the student's disability affects involvement and progress in the general education curriculum			
10	0	0				FR 286. Strengths			
10	0	0				FR 287. Academic, developmental, and functional needs related to student's disability			
						TRANSITION SERVICES (File Reviews)			
7	0	3				FR 289. Evidence that the measurable postsecondary goal(s) were based on age appropriate transition assessment			
7	0	3				FR 290. An appropriate measurable postsecondary goal or goals that covers education or training, employment, and, as needed, independent living			
7	0	3				FR 291. Evidence that the postsecondary goal or goals that covers education or training, employment, and, as needed, independent living are updated annually			
7	0	3				FR 292. Location, Frequency, Projected Beginning Date, Anticipated Duration, and Person(s)/Agency Responsible for Activity/Service			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
7	0	3				FR 292a. Transition services include courses of study that will reasonably enable the student to meet his/her postsecondary goal(s)			
6	1	3			14%	FR 292b. Transition services in the IEP that will reasonably enable the student to meet his/her postsecondary goal(s)	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
7	0	3				FR 292c. Annual goals are related to the student's transition services			
						PARTICIPATION IN STATE AND LOCAL ASSESSMENTS (File Review)			
10	0	0				FR 293. Documentation of IEP team decision regarding participation in statewide assessments (PSSA/Keystone Exams, ACCESS for ELLS, Alternate ACCESS for ELLS or PASA)			
9	0	1				FR 294. If the student will participate in the PSSA, documentation of IEP team decision regarding participation with or without accommodations			
0	0	10				FR 295. If the student will participate in the PASA, an explanation of why the student cannot participate in the PSSA/Keystone Exams			
0	0	10				FR 296. If the student will participate in the PASA, explanation of why PASA is appropriate			
0	0	10				FR 297. If the student will participate in the PASA, how student's performance will be documented (videotape or written narrative)			
10	0	0				FR 298. Indication of IEP team decision regarding participation in local assessments (local or alternate local)			
10	0	0				FR 299. If the student will participate in local assessments, indication of IEP team decision regarding participation with or without accommodations			
1	0	9				FR 300. If the IEP indicates the student will participate in an alternate local assessment, explanation of why the student cannot participate in the regular assessment			
0	0	10				FR 301. If the student will participate in an alternate local assessment, explanation of why the alternate assessment is appropriate			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
						ANNUAL GOALS AND OBJECTIVES (INCLUDING ACADEMIC AND FUNCTIONAL GOALS) (File Reviews)			
10	0	0				FR 302. Measurable Annual Goals			
10	0	0				FR 303. Description of how student progress toward meeting goals will be measured			
10	0	0				FR 304. Description of when periodic reports on progress will be provided to parents			
10	0	0				FR 305. Documentation of progress reporting on Annual Goals			
0	0	10				FR 306. Short Term Objectives			
						SPECIAL EDUCATION/RELATED SERVICES/SUPPLEMENTARY AIDS AND SERVICES/PROGRAMS MODIFICATIONS (File Reviews)			
10	0	0				FR 307. Program Modifications and Specially-Designed Instruction			
8	0	2				FR 308. If the student's most recent Evaluation Report contained recommendations for modifications and accommodations, did the IEP team address those recommendations in development of this IEP			
10	0	0				FR 309. If Program Modifications and Specially Designed Instruction are included on the IEP, the location, frequency, projected beginning date and anticipated duration of services			
0	0	10				FR 310. If a student attends a Career or Vocational Technical School, evidence that the specially designed instruction addresses the student's needs in Career and Vocational Technical School			
6	0	4				FR 311. If Related Services are included on the IEP, the location, frequency, projected beginning date and anticipated duration of services			
6	0	4				FR 312. If the student's most recent Evaluation Report contained recommendations for the provision of related services, including psychological counseling, did the IEP team address those recommendations in development of this IEP			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
9	1	0			10%	FR 313. If Supports for school personnel are included on the IEP, the personnel to receive support, support, location, frequency, projected beginning date and anticipated duration of services	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
8	1	1			11%	FR 314. If the student's most recent Evaluation Report contained recommendations for program modifications or supports for school personnel provided for the student, did the IEP team address those recommendations in development of this IEP	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
0	0	10				FR 315. Support services, if the student is identified as gifted and also is identified as a student with a disability			
9	1	0			10%	FR 316. A conclusion regarding student eligibility for ESY	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
10	0	0				FR 317. Information or data reviewed by the IEP team to support the ESY eligibility determination			
1	0	9				FR 318. Where ESY services were deemed appropriate, annual goals and when appropriate, short term objectives that are to be addressed in the child's ESY program			
1	0	9				FR 319. Where ESY was determined to be appropriate, ESY service to be provided, location, frequency, projected beginning date and anticipated duration of services			
						EDUCATIONAL PLACEMENT (File Reviews)			
9	0	1				FR 320. Explanation of the extent, if any, to which the student will not participate with students without disabilities in the regular education class			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
10	0	0				FR 321. Explanation of the extent, if any, to which the student will not participate with students without disabilities in the general education curriculum			
10	0	0				FR 322. Type of support, by amount (itinerant, supplemental, full-time)			
10	0	0				FR 323. Type of special education supports, e.g. autistic support, emotional support, learning support, etc.			
10	0	0				FR 324. Location of student's program (name of LEA where the IEP will be implemented)			
10	0	0				FR 325. Location of student's program (name of School Building where the IEP will be implemented)			
1	0	9				FR 326. If child will not be attending his/her neighborhood school, reason why not			
						PENNDATA REPORTING FOR EDUCATIONAL ENVIRONMENT (File Reviews)			
10	0	0				FR 327. Completed Section A or Section B			
						IEP DEVELOPMENT			
						INTERVIEW RESULTS (Parent & General Education Teacher)			
6	0	0	0			P 28. Were you invited to participate in your child's most recent IEP team meeting?			
6	0	0	0			P 29. Did you participate in developing the current IEP for your child?			
6	0	0	0			P 30. Was the meeting held at a time and location that was convenient for you?			
3	0	3	0			P 31. If you were unable to participate in person, did the school offer other arrangements for you to participate by phone or through other methods?			
6	0	0	0			P 32. Was the input you provided considered in the development of your child's current IEP?			
6	0	0	0			P 32a. Have you received sufficient training, technical assistance and other support to participate as an IEP team member?			
0	0	6	0			P 32b. If no, what training or support would assist you?			
6	0	0	0			P 33. Were the services you requested for your child considered by the IEP team in the development of your child's current IEP?			
6	0	0	0			P 35. Was the current IEP developed at the IEP meeting?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
3	1	2	0			P 36. If there was a draft IEP developed prior to the IEP meeting were you provided a copy of the draft either before or at the meeting?			
6	0	0	0			P 37. Were the special education teacher, the general education teacher and the school representative at the IEP meeting?			
0	0	6	0			P 38. If required IEP team members (special education teacher, general education teacher, or LEA) did not attend the meeting, did you agree in writing to them not being there?			
0	0	6	0			P 39. Was written input from the excused IEP team member(s) available to you before the meeting?			
		6	0			P 65. If you did not participate in your child's IEP meeting, what kept you from participating?			
5	0	3				GE 74. Did you attend the most recent IEP meeting for this student or have the opportunity to provide input?			
2	2	4				GE 75. Did you recommend any needed supports to implement the current IEP for this student?			
2	0	6				GE 76. Were those recommendations considered by the IEP team?			
8	0	0				GE 86. When a student with a disability is included in your class do you have the opportunity to provide information to the IEP team?			
6	2	0				GE 87. Do you provide progress monitoring data as part of the IEP development process?			
						IEP CONTENT			
						INTERVIEW RESULTS (Parent, General & Special Education Teacher)			
6	0	0	0			P 40. Did the IEP team consider the recommendations that were made in your child's most recent evaluation, including all recommendations that were made by the evaluation team for special education, related services, and supports for school personnel?			
6	0	0	0			P 41. Did the IEP team accept or reject the evaluation team's recommendations for special education, related services, and supports for school personnel for appropriate educational reasons.			
8	0	0				GE 81. Are this student's goals based on the PA Standards/PA Common Core or, if appropriate, alternate standards?			
8	0	0				GE 82. Is the specially designed instruction in this student's current IEP appropriate to meet his/her educational needs?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
8	0	0				GE 83. Is the current IEP appropriate to meet this student's educational needs?			
10	0	0				SE 98 Unless otherwise specified in the student's IEP, is the length of this student's instructional day the same as nondisabled students?			
10	0	0				SE 102. Is the specially-designed instruction in the current IEP appropriate to meet this student's educational needs?			
10	0	0				SE 103. Are the student's annual goals based on the PA Standards/PA Common Core or, if appropriate, alternate standards?			
2	0	8				SE 104. If appropriate, are the student's annual goals based on functional performance?			
9	0	1				SE 106. If the student's most recent Evaluation Report contained recommendations for modifications and accommodations did the IEP team address those recommendations in development of the student's current IEP and accept or reject the ER recommendations for appropriate educational reasons?			
9	0	1				SE 107. If the student's most recent Evaluation Report contained recommendations for provision of related services, including psychological counseling, did the IEP team address those recommendations in development of the student's current IEP and accept or reject the ER recommendations for appropriate educational reasons?			
9	0	1				SE 108. If the student's most recent Evaluation Report contained recommendations for program modifications or supports for school personnel that will be provided for the student, did the IEP team address those recommendations in development of the student's current IEP and accept or reject the ER recommendations for appropriate educational reasons?			
10	0	0				SE 112. Was it an IEP team decision as to whether this student would participate in the PSSA/Keystone Exams, PASA, and other district-wide/charter school-wide assessments?			
8	2	0				SE 117. Is this student making progress in meeting the annual goals of his/her current IEP?			
9	0	1				SE 117a. In your opinion, is this student benefiting from participation in the general education classroom?			
0	0	1				SE 117b. If yes, in what ways?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
						<p>Socialization, exposure to grade level peers. Modeling of typical peers. Social aspect. It is good for student to interact with peers. Being exposed to the grade level content and interaction with non-disabled peers. Exposure to grade level materials, gives familiarity to what you should be learning, helps bring up to grade level Modeling, peer interaction, getting exposed to same instruction as peers. Helps to continue to reinforce curriculum strategies, connection with other students. Significant progress in specific area, on cusp of grade level exposure, very valuable and very social student, likes technology and is savvy and a great way to show off skills to peers. Good challenge, able to interact socially with peers, good models, productive struggle.</p>			
0	0	10				SE 117c. If no, what does this student need that he/she is not receiving?			
10	0	0				SE 118. Is the progress on annual goals recorded and reported to the parent based on objective and measurable data?			
						IEP IMPLEMENTATION			
						INTERVIEW RESULTS (Parent, General & Special Education Teacher)			
6	0	0	0			P 48. Were the special education and related services in your child's current IEP provided within 10 school days of the completion of the IEP?			
6	0	0	0			P 49. Are the special education and related services included in your child's current IEP provided at no cost to you?			
					5 0 0 1 0 0	<p>P 57. When all students in the school receive a report card, I also receive a progress report on my child's IEP goals.</p> <p>Always Sometimes Rarely Never Don't Know Does not Apply</p>			
						P 58. My child's progress is reported to me by the school in a manner that I understand.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
					5 0 0 1 0 0	Always Sometimes Rarely Never Don't Know Does not Apply			
5	0	0	1			P 64. My child is receiving the supports and services agreed upon at the IEP meeting.			
6	0	2				GE 77. If supports for school personnel are included in the student's current IEP, has the LEA provided those supports?			
7	0	1				GE 79. Are the supplementary aids and services, including program modifications and specially designed instruction in the student's current IEP, being provided?			
3	1	4				GE 79a. In the most recent IEP meeting for this student, did you discuss whether the student could be educated in a general education classroom for the entire school day?			
1	3	4				GE 79b. In the most recent IEP meeting, did the IEP team recommend removal of this student from the general education classroom for any part of the school day?			
0	0	7				GE 79c. If yes, what reasons were discussed for recommending removal? More support and service.			
0	0	7				GE 79d. If yes, how was the amount of time that this student would be removed from the general education classroom decided? Team determined.			
3	1	4				GE 79e. In the most recent IEP meeting, did the IEP team discuss whether this student could be educated satisfactorily in a general education classroom for the entire school day with supplementary aids and services?			
2	0	6				GE 84. If appropriate, are you implementing the positive behavior support plan for this student as written in the current IEP			
5	0	3				GE 92. If a student with an IEP is having behavioral difficulties in your classroom, do you address the behavior in your classroom rather than sending him/her back to the special education classroom to address the behavior issue unless indicated otherwise in the student's IEP?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
10	0	0				SE 105. Are the supplementary aids and services, including program modifications and specially designed instruction in the student's current IEP, being provided?			
10	0	0				SE 109. Is this student receiving the type and amount of special education instruction and related services specified in his/her current IEP?			
10	0	0				SE 110. Was this student's current IEP implemented no later than 10 school days after its completion or no later than the IEP implementation date?			
10	0	0				SE 111. If supports for school personnel are included in this student's current IEP, has the LEA provided those supports?			
10	0	0				SE 113. If required, were the testing accommodations included in this student's current IEP implemented?			
9	0	1				SE 114. Was the placement decision made by the IEP team after the annual goals, specially designed instruction, and related services were developed?			
9	0	1				SE 120. Is this student receiving the supports and services agreed upon in his/her current IEP, including related services?			
						PROVISION OF ESY AND RELATED SERVICES INTERVIEW RESULTS (Parent & Special Education Teacher)			
6	0	0	0			P 42. If your child's current IEP includes psychological counseling as a related service, and he/she receives these services, including transportation, are they provided at no cost to you?			
5	0	0	1			P 43. Was your child's need for extended school year (ESY) – which means services over the summer or during breaks from the regular school calendar - discussed at an IEP meeting?			
4	1	0	1			P 44. Did you receive an explanation of what would make your child eligible for ESY services?			
4	0	2	0			P 45. Did you agree with the IEP team's conclusion about your child's eligibility for ESY services?			
0	0	6	0			P 46. If you did not agree with the decision on ESY eligibility, were you given a written notice (NOREP/PWN) explaining that you could ask for a due process hearing?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
3	0	3	0			P 47. If your child was determined to be eligible for ESY services, did the IEP team decide upon the goals and services needed for the ESY program?			
10	0	0				SE 121. Was the consideration of ESY eligibility discussed during this student's current IEP meeting?			
3	0	7				SE 122. If this student was determined to be ESY eligible, did the IEP team determine what goals and services were needed and include them in the IEP?			
0	0	10				SE 122a. At the most recent IEP meeting, did the IEP team discuss the development of a plan to transition this student back into the school district (or charter school if student is enrolled in a charter school) with supplementary aids and services?			
0	0	10				SE 122b. Are staff from the home district (or charter school if student is enrolled in a charter school) involved with the planning and implementation of this student program?			
0	0	10				SE 122c. Does this student go on field trips, attend school functions or participate in extracurricular activities with his/her same age/grade peers who are non-disabled?			
0	0	10				SE 122d. Does this student need supplementary aids and services to participate in non-academic and/or extra-curricular activities?			
0	0	10				SE 122e. If yes, are needed supplementary aids and services being provided to this student?			
0	0	10				SE 122f. Are there routine opportunities for this student to interact with non-disabled peers that are planned and/or facilitated by school personnel?			
						SECONDARY TRANSITION (Parent & Special Education Teacher)			
5	0	1	0			P 50. If your child is age 14 or older was he/she invited to participate in the IEP meeting for transition planning?			
3	3	0	0			P 50a. In the most recent IEP meeting for your child, did you discuss whether your child could be educated in a general education classroom for the entire school day?			
1	4	0	1			P 50b. In the most recent IEP meeting, did the IEP team recommend removal of your child from the general education classroom for any part of the school day?			
0	0	5	0			P 50c. If yes, what reasons were discussed for recommending removal? Additional support and service.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
0	0	5	0			P 50d. If yes, how was the amount of time that your child would be removed from the general education classroom decided? Team decision.			
4	1	0	1			P 50e. In the most recent IEP meeting, did the IEP team discuss whether your child could be educated satisfactorily in a general education classroom for the entire school day with supplementary aids and services?			
4	1	1	0			P 50f. In your opinion, is your child benefiting from participation in the general education classroom?			
0	0	2	0			P 50g. If yes, in what ways? Does well when provided with accommodations. With smaller groups, it is very helpful, works better with focus. Social with peers, and doesn't look different. Can gain understanding of general education curriculum.			
0	0	5	0			P 50h. If no, what does your child need that he/she is not receiving in the class? Small classes work. Hasn't been in the regular class for a long time and do not want my child in the regular education classroom.			
					4 0 0 1 0 1	P 59. I am satisfied with the transition services developed for my child. Always Sometimes Rarely Never Don't Know Does not Apply			
					4 1 1 0 0 0	P 60. My child is learning skills that will lead to a high school diploma and further education and/or employment. Always Sometimes Rarely Never Don't Know Does not Apply			
9	0	1				SE 116. Were this student's desired post school outcomes considered when the IEP team developed the annual goals?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
9	0	1				SE 123. Where appropriate, does the LEA invite a representative of a participating agency that is likely to be responsible for providing or paying for transition services to the IEP meeting?			
						Topical Area 6: NOREP/PWN			
						(File Reviews)			
10	0	0				FR 328. NOREP/PWN is present in the student file			
10	0	0				FR 329. Demographic data			
10	0	0				FR 330. Type of action taken			
9	1	0			10%	FR 331. A description of the action proposed or refused by the LEA	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
10	0	0				FR 332. An explanation of why the LEA proposed or refused to take the action			
9	1	0			10%	FR 333. A description of the other options the IEP team considered and the reason why those options were rejected	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
10	0	0				FR 334. Description of each evaluation procedure, assessment, record or report used as the basis for proposed action or action refused			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
9	1	0			10%	FR 335. Description of other factor(s) relevant to LEA's proposal or refusal	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
9	1	0			10%	FR 336. Educational placement recommended (including amount and type)	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
10	0	0				FR 337. Signature of school district superintendent or charter school CEO or designee			
10	0	0				FR 338. Parent signature or documentation of reasonable efforts to obtain consent (e.g. mailed to parents, certified mail, visit to the parent's home, etc.)			
10	0	0				FR 339. Parent has selected a consent option			
9	1	0			10%	FR 340. NOREP/PWN reflects the educational placement indicated on the student's IEP	The LEA will provide training to special education personnel regarding timelines for correct documentation and accuracy of paperwork. Evidence of Change: LEA will provide SPOC with a calendar of staff workshops and trainings, sign in sheets, and agendas. Random review of files will be conducted.	07/26/2022 LEA Representative Intermediate Unit Representative PaTTAN Representative BSE Adviser	07/07/2022
						INTERVIEW RESULTS (Parent)			
3	0	3	0			P 34. If services that you requested for your child were rejected by the school, did you receive a written notice (NOREP/PWN) explaining why the request was rejected?			
						P 61. If I don't understand my child's educational rights, and I inquire about them, someone from the school takes the time to explain them to me.			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
					5 1 0 0 0 0	Always Sometimes Rarely Never Don't Know Does not Apply			
						Topical Area 7: Additional Interview Responses			
						INTERVIEW RESULTS (Parent & Special Education Teacher)			
					5 0 0 1 0 0	P 54. I am a partner with school personnel when we plan my child's education program. Always Sometimes Rarely Never Don't Know Does not Apply			
		0	0		1 2 2 2 2	P 66. Tell me anything you really like about your child's special education program. a. modifications g. staff open to suggestions, good communication i. support services k. staff's understanding and attitude n. other			
		1	2		3	P 67. Tell me anything you would like to change about the program. n. other			
		0	0		3 1 2	P 68. The school explains what options parents have if the parent disagrees with a decision of the school. a. Very strongly agree b. Strongly agree c. Agree			
						P 69. Additional comments about your child's program.			
10	0	0				SE 101. Do you hold the required certification to implement this student's program?			
10	0	0				SE 101a. Have you received sufficient training, technical assistance and other support to teach this student?			

Y	N	NA	DK	Not Obs	% #	Citation	Required Corrective Action Evidence of Change	Timelines and Resources	Closed Date
0	0	10				SE 101b. If no, what training or support would assist you?			
						Topical Area 8: Other Non-compliance Issues			
						Topical Area 9: Other Improvement Plan Issues			

Timestamp	Email Address	Did you attend this session?
8/19/2021 8:48:20	mhopkins@esperanzacyberc	Yes
8/19/2021 8:48:38	ygrouse@esperanzacyberc	Yes
8/19/2021 10:21:45	pmehta@esperanzacyberc	Yes
8/19/2021 10:23:57	pmehta@esperanzacyberc	Yes
8/19/2021 10:51:20	mbaker@esperanzacyberc	Yes
8/19/2021 12:27:40	srossi@esperanzacyberc	Yes
8/19/2021 12:43:51	ddimarcella@esperanzacyberc	Yes
8/19/2021 12:45:06	jdeleon@esperanzacyberc	Yes
8/19/2021 12:45:35	pofferall@esperanzacyberc	Yes
8/19/2021 12:48:22	mrescigno@esperanzacyberc	Yes
8/19/2021 12:49:41	jrozek@esperanzacyberc	Yes
8/19/2021 12:49:58	lsweeney@esperanzacyberc	Yes
8/19/2021 12:50:33	dpagan@esperanzacyberc	Yes
8/19/2021 12:50:33	swashington@esperanzacyberc	Yes
8/19/2021 12:50:34	arivera@esperanzacyberc	Yes
8/19/2021 12:50:43	klevine@esperanzacyberc	Yes
8/19/2021 12:52:07	ahuber@esperanzacyberc	Yes
8/19/2021 12:55:58	dcarrasquillo@esperanzacyberc	Yes
8/19/2021 12:58:07	bcolaizzo@esperanzacyberc	Yes
8/19/2021 12:59:05	jbarber@esperanzacyberc	Yes
8/19/2021 13:01:55	sgonzalez@esperanzacyberc	Yes
8/19/2021 13:04:12	tmoore@esperanzacyberc	Yes
8/19/2021 13:05:16	klind@esperanzacyberc	Yes
8/19/2021 13:05:47	jkenney@esperanzacyberc	Yes
8/19/2021 13:05:57	cgross@esperanzacyberc	Yes
8/19/2021 13:05:59	mspeece@esperanzacyberc	Yes
8/19/2021 13:06:08	asmith@esperanzacyberc	Yes
8/19/2021 13:06:18	dsteinmetz@esperanzacyberc	Yes
8/19/2021 13:06:45	lservais@esperanzacyberc	Yes
8/19/2021 13:08:09	nregalado@esperanzacyberc	Yes
8/19/2021 13:08:31	nregalado@esperanzacyberc	Yes

Timestamp	Email Address	Did you attend this session?
8/19/2021 13:08:47	jloughran@esperanzacyb	Yes
8/19/2021 13:08:57	lgrau@esperanzacybercs	Yes
8/19/2021 13:13:29	costapchuk@esperanzac	Yes
8/19/2021 13:17:07	ddimarcella@esperanzac	Yes
8/19/2021 13:21:39	pofferall@esperanzacybe	Yes
8/19/2021 13:22:30	agutierrez@esperanzacyl	Yes
8/19/2021 13:22:52	kkrelove@esperanzacybe	Yes
8/19/2021 13:23:01	adinsmore@esperanzacy	Yes
8/19/2021 13:24:31	kgazak@esperanzacyber	Yes
8/19/2021 13:25:58	jgrammond@esperanzac	Yes
8/19/2021 13:26:40	dcarrasquillo@esperanza	Yes
8/19/2021 13:27:36	sallen@esperanzacyberc	Yes
8/19/2021 13:28:52	aisham@esperanzacyber	Yes
8/19/2021 13:29:11	nkilbride@esperanzacybe	Yes
8/19/2021 13:31:07	clozada@esperanzacybe	Yes
8/19/2021 13:31:50	hseabrooks@esperanzac	Yes
8/19/2021 13:32:25	scalvo@esperanzacyberc	Yes
8/19/2021 13:40:52	nmorales@esperanzacyb	Yes
8/19/2021 13:41:50	nnelson@esperanzacybe	Yes
8/19/2021 13:45:06	cgross@esperanzacyberc	Yes
8/19/2021 14:08:50	jrozek@esperanzacyberc	Yes
8/19/2021 14:20:00	aisham@esperanzacyber	Yes
8/19/2021 14:25:24	clamk@esperanzacyberc	Yes
8/19/2021 14:35:00	ratwater@esperanzacybe	Yes
8/19/2021 14:35:22	nkilbride@esperanzacybe	Yes
8/19/2021 14:46:12	acastro@esperanzacyber	Yes
8/19/2021 15:16:44	lperez@esperanzacyberc	Yes
8/19/2021 15:18:39	ccroussett@esperanzacy	Yes
8/19/2021 15:27:59	jdeleon@esperanzacyber	Yes
8/19/2021 15:33:07	kraiguel@esperanzacybe	Yes

Timestamp	Email Address	Did you attend this session?
8/19/2021 15:43:41	sgonzalez@esperanzacyber	Yes
8/20/2021 8:00:15	twright@esperanzacyber	Yes
8/20/2021 8:02:32	lverdecchio@esperanzac	Yes
8/20/2021 8:14:16	amaldonado@esperanza	Yes
8/20/2021 8:26:26	callen@esperanzacyber	Yes
8/20/2021 8:31:10	sadams@esperanzacybe	Yes
8/20/2021 13:28:11	nregalado@esperanzacyl	Yes
8/23/2021 7:59:16	kwilson@esperanzacyber	Yes
8/23/2021 8:46:19	ehigginbotham@esperan	Yes
8/24/2021 14:45:09	mperagallo@esperanzacy	Yes
8/31/2021 11:21:40	gartman@esperanzacybe	Yes
8/31/2021 15:24:53	cmiller@esperanzacyber	Yes
9/2/2021 7:55:56	nnelson@esperanzacybe	Yes
9/2/2021 12:50:39	tstelmach@esperanzacyt	Yes
9/5/2021 19:45:37	cmiller@esperanzacyber	Yes
9/7/2021 8:14:13	dtaufalele@esperanzacyt	Yes
9/10/2021 13:40:57	emendez@esperanzacyb	Yes
9/14/2021 10:10:39	mpace@esperanzacyber	Yes
9/23/2021 10:23:55	drutland@esperanzacybe	Yes
9/23/2021 10:39:25	amoreno@esperanzacyb	Yes
9/23/2021 11:45:47	lthomas@esperanzacybe	Yes
9/23/2021 11:47:46	dfigueroa@esperanzacyb	Yes
9/23/2021 12:37:41	drutland@esperanzacybe	Yes
9/30/2021 10:02:39	rpaulino@esperanzacybe	Yes
9/30/2021 10:10:28	ahayles@esperanzacybe	Yes
9/30/2021 10:45:19	kwallace@esperanzacybe	Yes
9/30/2021 11:09:28	barce@esperanzacyberc	Yes
9/30/2021 11:25:55	mbijas@esperanzacyber	Yes
10/7/2021 9:43:29	rmorales@esperanzacyb	Yes
10/7/2021 9:59:17	amarrero@esperanzacyb	Yes

Timestamp	Email Address	Did you attend this session?
10/7/2021 10:01:08	mwalls@esperanzacyber	Yes
10/7/2021 10:20:40	jfobbs@esperanzacyberc	Yes
10/7/2021 12:19:43	afiegel@esperanzacyberc	Yes
10/14/2021 9:40:12	csanchez@esperanzacyb	Yes
10/14/2021 10:42:32	csanchez@esperanzacyb	Yes
10/14/2021 11:15:21	salbitz@esperanzacyberc	Yes
10/21/2021 10:17:20	cscull@esperanzacyberc	Yes
10/21/2021 13:12:38	alara-romero@esperanza	Yes
10/22/2021 10:45:34	eapter@esperanzacyberc	Yes
10/28/2021 10:00:53	mrothman@esperanzacyl	Yes
10/28/2021 10:58:13	jsoriano@esperanzacybe	Yes
10/28/2021 12:59:07	dromero@esperanzacybe	Yes
11/5/2021 11:53:14	tdelgado@esperanzacybe	Yes
11/5/2021 12:56:37	msilva@esperanzacyberc	Yes
11/5/2021 14:06:35	zpickett-campbell@esper	Yes
11/8/2021 15:13:50	zpickett-campbell@esper	Yes
11/8/2021 15:19:07	zpickett-campbell@esper	Yes
11/12/2021 12:05:10	jhein@esperanzacybercs	Yes
11/12/2021 13:00:00	stomassini@esperanzacy	Yes
12/2/2021 9:39:54	kgutter@esperanzacyber	Yes
12/2/2021 11:04:07	aramirez@esperanzacybe	Yes
12/2/2021 12:55:57	acutts@esperanzacyberc	Yes
12/2/2021 19:39:14	prosado@esperanzacybe	Yes
12/3/2021 9:50:15	prosado@esperanzacybe	Yes
12/3/2021 14:14:15	prosado@esperanzacybe	Yes
12/9/2021 9:26:32	aisom@esperanzacyberc	Yes
12/9/2021 10:06:09	ldeida@esperanzacyberc	Yes
12/9/2021 11:01:26	mrosado@esperanzacybe	Yes
12/9/2021 12:31:52	bhighsmith@esperanzacy	Yes
12/9/2021 13:02:57	gsong@esperanzacyberc	Yes

Timestamp	Email Address	Did you attend this session?
12/9/2021 16:24:22	Ideida@esperanzacyberc	Yes
1/6/2022 10:01:31	vperez-hernandez@espe	Yes
1/6/2022 10:48:07	maraud-silva@esperanza	Yes
1/6/2022 11:17:01	dosborne@esperanzacyb	Yes
1/11/2022 9:59:09	kcolon@esperanzacyberc	Yes
1/21/2022 10:22:51	macedo@esperanzacy	Yes
1/21/2022 11:35:43	nriviera@esperanzacyber	Yes
2/3/2022 11:46:24	jlamboyrodriguez@esper	Yes
2/3/2022 12:53:32	jlamboyrodriguez@esper	Yes
2/7/2022 7:49:51	rluccia@esperanzacyberc	Yes
2/10/2022 10:06:28	kacosta@esperanzacybe	Yes
2/10/2022 12:36:10	gmelendez@esperanzacy	Yes
3/3/2022 10:42:37	ahoyt@esperanzacyberc	Yes
3/17/2022 11:58:16	gmontilla@esperanzacyb	Yes
3/17/2022 13:01:07	lriverapena@esperanzacy	Yes
4/21/2022 10:33:12	jhardenburg@esperanzac	Yes
4/21/2022 10:46:22	jfernandez@esperanzacy	Yes

Timestamp	Email Address	Did you attend this session?
11/02/2021	acastro@esperanzacyber	Yes
11/02/2021	adinsmore@esperanzacy	Yes
11/02/2021	afiegel@esperanzacyber	Yes
11/02/2021	agutierrez@esperanzacyl	Yes
11/02/2021	ahayles@esperanzacybe	Yes
11/02/2021	aheber@esperanzacyber	Yes
11/02/2021	aisham@esperanzacyber	Yes
11/02/2021	aisham@esperanzacyber	Yes
11/02/2021	alara-romero@esperanza	Yes
11/02/2021	amaldonado@esperanza	Yes
11/02/2021	amarrero@esperanzacyb	Yes
11/02/2021	amoreno@esperanzacyb	Yes
11/02/2021	arivera@esperanzacyber	Yes
11/02/2021	asmith@esperanzacyber	Yes
11/02/2021	barce@esperanzacyberc	Yes
11/02/2021	bcolaizzo@esperanzacyb	Yes
11/02/2021	callen@esperanzacyberc	Yes
11/02/2021	ccroussett@esperanzacy	Yes
11/02/2021	cgross@esperanzacyber	Yes
11/02/2021	cgross@esperanzacyber	Yes
11/02/2021	clamk@esperanzacyberc	Yes
11/02/2021	clozada@esperanzacybe	Yes
11/02/2021	cmiller@esperanzacyber	Yes
11/02/2021	cmiller@esperanzacyber	Yes
11/02/2021	costapchuk@esperanzac	Yes
11/02/2021	csanchez@esperanzacyb	Yes
11/02/2021	csanchez@esperanzacyb	Yes
11/02/2021	cscull@esperanzacyberc	Yes
11/02/2021	dcarrasquillo@esperanza	Yes
11/02/2021	dcarrasquillo@esperanza	Yes
11/02/2021	ddimarcella@esperanzac	Yes

Timestamp	Email Address	Did you attend this session?
11/02/2021	ddimarcella@esperanzac	Yes
11/02/2021	dfigueroa@esperanzacyb	Yes
11/02/2021	dpagan@esperanzacyber	Yes
11/02/2021	dromero@esperanzacybe	Yes
11/02/2021	drutland@esperanzacybe	Yes
11/02/2021	drutland@esperanzacybe	Yes
11/02/2021	dsteinmetz@esperanzacy	Yes
11/02/2021	dtaufalele@esperanzacyt	Yes
11/02/2021	eapter@esperanzacyberc	Yes
11/02/2021	ehigginbotham@esperan:	Yes
11/02/2021	emendez@esperanzacyb	Yes
11/02/2021	gartman@esperanzacybe	Yes
11/02/2021	hseabrooks@esperanzac	Yes
11/02/2021	jbarber@esperanzacyber	Yes
11/02/2021	jdeleon@esperanzacyber	Yes
11/02/2021	jdeleon@esperanzacyber	Yes
11/02/2021	jfobbs@esperanzacyberc	Yes
11/02/2021	jgrammond@esperanzac:	Yes
11/02/2021	jgrous@esperanzacyberc	Yes
11/02/2021	jkenney@esperanzacybe	Yes
11/02/2021	jloughran@esperanzacyb	Yes
11/02/2021	jrozek@esperanzacyberc	Yes
11/02/2021	jrozek@esperanzacyberc	Yes
11/02/2021	jsoriano@esperanzacybe	Yes
11/02/2021	kgazak@esperanzacyber	Yes
11/02/2021	kkrelove@esperanzacybe	Yes
11/02/2021	klevine@esperanzacyber	Yes
11/02/2021	klind@esperanzacybercs	Yes
11/02/2021	kraiguel@esperanzacybe	Yes
11/02/2021	kwallace@esperanzacybe	Yes

Timestamp	Email Address	Did you attend this session?
11/02/2021	kwilson@esperanzacyber	Yes
11/02/2021	lgrau@esperanzacybercs	Yes
11/02/2021	lperez@esperanzacyberc	Yes
11/02/2021	lservais@esperanzacyber	Yes
11/02/2021	lsweeney@esperanzacyb	Yes
11/02/2021	lthomas@esperanzacybe	Yes
11/02/2021	lverdecchio@esperanzac	Yes
11/02/2021	mbaker@esperanzacyber	Yes
11/02/2021	mbijas@esperanzacyberc	Yes
11/02/2021	mhopkins@esperanzacyt	Yes
11/02/2021	mpace@esperanzacyber	Yes
11/02/2021	mperagallo@esperanzacy	Yes
11/02/2021	mrescigno@esperanzacy	Yes
11/02/2021	mrothman@esperanzacyl	Yes
11/02/2021	mspeece@esperanzacyb	Yes
11/02/2021	mwalls@esperanzacyber	Yes
11/02/2021	nkilbride@esperanzacybe	Yes
11/02/2021	nkilbride@esperanzacybe	Yes
11/02/2021	nmorales@esperanzacyb	Yes
11/02/2021	nnelson@esperanzacybe	Yes
11/02/2021	nnelson@esperanzacybe	Yes
11/02/2021	nregalado@esperanzacyl	Yes
11/02/2021	nregalado@esperanzacyl	Yes
11/02/2021	nregalado@esperanzacyl	Yes
11/02/2021	pmehta@esperanzacyber	Yes
11/02/2021	pmehta@esperanzacyber	Yes
11/02/2021	pofferall@esperanzacybe	Yes
11/02/2021	pofferall@esperanzacybe	Yes
11/02/2021	ratwater@esperanzacybe	Yes
11/02/2021	rmorales@esperanzacyb	Yes

Timestamp	Email Address	Did you attend this session?
11/02/2021	rpaulino@esperanzacyberc	Yes
11/02/2021	sadams@esperanzacyberc	Yes
11/02/2021	salbitz@esperanzacyberc	Yes
11/02/2021	sallen@esperanzacyberc	Yes
11/02/2021	scalvo@esperanzacyberc	Yes
11/02/2021	sgonzalez@esperanzacyberc	Yes
11/02/2021	sgonzalez@esperanzacyberc	Yes
11/02/2021	srossi@esperanzacyberc	Yes
11/02/2021	swashington@esperanza	Yes
11/02/2021	tmoore@esperanzacyberc	Yes
11/02/2021	tstelmach@esperanzacyberc	Yes
11/02/2021	twright@esperanzacyberc	Yes
11/05/2021	msilva@esperanzacyberc	Yes
11/05/2021	tdelgado@esperanzacyberc	Yes
11/05/2021	zpickett-campbell@esper	Yes
11/8/2021	zpickett-campbell@esper	Yes
11/8/2021	zpickett-campbell@esper	Yes
11/12/2021	jhein@esperanzacybercs	Yes
11/12/2021	stomassini@esperanzacyberc	Yes
12/02/2021	acutts@esperanzacyberc	Yes
12/02/2021	aramirez@esperanzacyberc	Yes
12/2/2021	kgutter@esperanzacyberc	Yes
12/02/2021	prosado@esperanzacyberc	Yes
12/02/2021	prosado@esperanzacyberc	Yes
12/02/2021	prosado@esperanzacyberc	Yes
12/9/2021	aisom@esperanzacyberc	Yes
12/9/2021	bhighsmith@esperanzacyberc	Yes
12/9/2021	gsong@esperanzacyberc	Yes
12/9/2021	ldeida@esperanzacyberc	Yes
12/9/2021	ldeida@esperanzacyberc	Yes

Timestamp	Email Address	Did you attend this session?
12/9/2021	mrosado@esperanzacyber	Yes
1/6/2022	dosborne@esperanzacyber	Yes
1/6/2022	maraud-silva@esperanza	Yes
1/6/2022	vperez-hernandez@espe	Yes
1/11/2022	kcolon@esperanzacyber	Yes
1/21/2022	macedo@esperanzacy	Yes
1/21/2022	nrivera@esperanzacyber	Yes
2/3/2022	jlamboyrodriguez@esper	Yes
2/3/2022	jlamboyrodriguez@esper	Yes
2/7/2022	rluccia@esperanzacyber	Yes
2/10/2022	gmelendez@esperanzacy	Yes
2/10/2022	kacosta@esperanzacyber	Yes
03/03/2022	ahoyt@esperanzacyber	Yes
3/17/2022	gmontilla@esperanzacyb	Yes
3/17/2022	lriverapena@esperanzacy	Yes
04/21/2022	jfernandez@esperanzacy	Yes
04/21/2022	jhardenburg@esperanzac	Yes

2021-2022 All Staff Special Education Training

Agenda:

This training is designed to provide practical information regarding educational methods and resources that may be used by all teachers working with students with disabilities and who have Special Education Supports and Services.

This training will inform all teachers to gain knowledge related to working with students with disabilities. The training consists of a discussion of the disabilities that are common at ECCS. The team reviews where to find and how to read the IEP at a Glance.

2021-2022 Teaching Students with Autism

Agenda:

This training is designed to provide practical information regarding educational methods and resources that may be used by all teachers working with students with Autism.

This training will assist all teachers to gain knowledge related to working with students with Autism. The training consists of a discussion of the disability, its characteristics, and accommodations/modifications that can work for the students with Autism. The teachers then develop a lesson based on the information they learn during the training.

Timestamp	Email Address	Did you attend this session?
11/2/2021 7:52:44	adinsmore@esperanzacy	Yes
11/2/2021 7:52:47	hseabrooks@esperanzac	Yes
11/2/2021 7:52:47	mbaker@esperanzacyber	Yes
11/2/2021 7:54:30	mrescigno@esperanzacy	Yes
11/2/2021 7:55:52	dpagan@esperanzacyber	Yes
11/2/2021 7:55:59	srich@esperanzacybercs	Yes
11/2/2021 7:56:06	eapter@esperanzacyberc	Yes
11/2/2021 7:58:21	dtaufalele@esperanzacyt	Yes
11/2/2021 7:59:05	zwesley@esperanzacybe	Yes
11/2/2021 7:59:33	jgrammond@esperanzac	Yes
11/2/2021 7:59:42	dsteinmetz@esperanzacy	Yes
11/2/2021 7:59:49	arissell@esperanzacyber	Yes
11/2/2021 8:00:13	mlomax@esperanzacybe	Yes
11/2/2021 8:00:49	pfigueroa@esperanzacyb	Yes
11/2/2021 8:01:03	jdeleon@esperanzacyber	Yes
11/2/2021 8:02:11	lthomas@esperanzacybe	Yes
11/2/2021 8:02:21	sallen@esperanzacyberc	Yes
11/2/2021 8:03:04	ehigginbotham@esperan	Yes
11/2/2021 8:03:11	bcolaizzo@esperanzacyb	Yes
11/2/2021 8:03:55	lervais@esperanzacyber	Yes
11/2/2021 8:04:57	arivera@esperanzacyber	Yes
11/2/2021 8:04:57	tbrooks@esperanzacyber	Yes
11/2/2021 8:04:58	cscull@esperanzacyberc	Yes
11/2/2021 8:06:21	jmadden@esperanzacybe	Yes
11/2/2021 8:06:34	callen@esperanzacyberc	Yes
11/2/2021 8:15:38	bholloway@esperanzacyl	Yes
11/2/2021 8:18:05	cgross@esperanzacyberc	Yes
11/2/2021 8:19:08	mspeece@esperanzacyb	Yes
11/2/2021 8:19:18	amendoza@esperanzacy	Yes
11/2/2021 8:33:03	amarrero@esperanzacyb	Yes
11/2/2021 8:46:59	pmehta@esperanzacyber	Yes

Timestamp	Email Address	Did you attend this session?
11/2/2021 8:52:15	mwalls@esperanzacyber	Yes
11/2/2021 8:54:37	cgomez@esperanzacybe	Yes
11/2/2021 8:57:57	drutland@esperanzacybe	Yes
11/2/2021 9:01:15	nroman@esperanzacyber	Yes
11/2/2021 9:05:36	lsweeney@esperanzacyb	Yes
11/2/2021 9:07:02	kwilson@esperanzacyber	Yes
11/2/2021 9:08:12	kkrelove@esperanzacybe	Yes
11/2/2021 9:13:04	klind@esperanzacybercs	Yes
11/2/2021 9:51:18	kgazak@esperanzacyber	Yes
11/2/2021 9:53:29	sgonzalez@esperanzacyl	Yes
11/2/2021 9:54:25	clozada@esperanzacybe	Yes
11/2/2021 9:57:00	dromero@esperanzacybe	Yes
11/2/2021 9:58:40	cgross@esperanzacyber	Yes
11/2/2021 9:58:55	emendez@esperanzacyb	Yes
11/2/2021 10:00:16	rrosario@esperanzacyber	Yes
11/2/2021 10:01:00	nnelson@esperanzacybe	Yes
11/2/2021 10:01:04	lgrau@esperanzacybercs	Yes
11/2/2021 10:01:22	arivera@esperanzacyber	Yes
11/2/2021 10:01:46	barce@esperanzacybercs	Yes
11/2/2021 10:02:32	tpersing@esperanzacybe	Yes
11/2/2021 10:02:59	mbijas@esperanzacyber	Yes
11/2/2021 10:04:07	jrozek@esperanzacyber	Yes
11/2/2021 10:04:09	sadams@esperanzacybe	Yes
11/2/2021 10:04:09	mrothman@esperanzacyl	Yes
11/2/2021 10:04:13	salbitz@esperanzacyber	Yes
11/2/2021 10:04:18	nregalado@esperanzacyl	Yes
11/2/2021 10:04:26	jgrous@esperanzacyber	Yes
11/2/2021 10:04:27	akoletas@esperanzacybe	Yes
11/2/2021 10:04:34	pofferrall@esperanzacyb	Yes
11/2/2021 10:04:41	kraiguel@esperanzacybe	Yes

Timestamp	Email Address	Did you attend this session?
11/2/2021 10:04:42	jsoriano@esperanzacyber	Yes
11/2/2021 10:04:47	srossi@esperanzacyber	Yes
11/2/2021 10:04:50	dfigueroa@esperanzacyb	Yes
11/2/2021 10:05:12	twright@esperanzacyber	Yes
11/2/2021 10:05:18	clamk@esperanzacyber	Yes
11/2/2021 10:05:20	jfobbs@esperanzacyber	Yes
11/2/2021 10:09:02	lverdecchio@esperanzac	Yes
11/2/2021 10:09:37	ehigginbotham@esperan	Yes
11/2/2021 10:11:36	alara-romero@esperanza	Yes
11/2/2021 10:12:24	scalvo@esperanzacyber	Yes
11/2/2021 10:15:17	kwallace@esperanzacybe	Yes
11/2/2021 10:18:10	cbrito-guzman@esperanz	Yes
11/2/2021 10:18:15	ciglesias@esperanzacybe	Yes
11/2/2021 10:18:16	mperagallo@esperanzacy	Yes
11/2/2021 10:18:17	dspringer-mills@esperanz	Yes
11/2/2021 10:19:42	mperagallo@esperanzacy	Yes
11/2/2021 10:36:20	zdevlin@esperanzacyber	Yes
11/2/2021 10:39:50	jkenney@esperanzacybe	Yes
11/2/2021 10:44:24	kschoennagle@esperanz	Yes
11/2/2021 10:45:57	zpickett-campbell@esper	Yes
11/2/2021 10:46:12	jfabian@esperanzacyber	Yes
11/2/2021 10:46:57	mpace@esperanzacyber	Yes
11/2/2021 10:47:04	tdelgado@esperanzacybe	Yes
11/2/2021 10:47:22	amoreno@esperanzacyb	Yes
11/2/2021 10:47:40	lperez@esperanzacyber	Yes
11/2/2021 10:48:14	tpersing@esperanzacybe	Yes
11/2/2021 10:48:27	nmorales@esperanzacyb	Yes
11/2/2021 10:49:21	costapchuk@esperanzac	Yes
11/2/2021 10:49:27	jbarber@esperanzacyber	Yes
11/2/2021 11:00:47	msilva@esperanzacyber	Yes

Timestamp	Email Address	Did you attend this session?
11/2/2021 11:07:37	aiigura@esperanzacyber	Yes
11/2/2021 11:07:43	jpapeika@esperanzacybe	Yes
11/2/2021 11:11:08	klevine@esperanzacyber	Yes
11/2/2021 11:27:05	cmiller@esperanzacyber	Yes
11/2/2021 11:57:42	scarrion@esperanzacybe	Yes
11/2/2021 13:50:20	asmith@esperanzacyber	Yes
11/2/2021 15:03:43	ahayles@esperanzacybe	Yes
11/2/2021 15:03:54	mnunez@esperanzacybe	Yes
11/2/2021 15:09:05	ratwater@esperanzacybe	Yes
11/2/2021 15:17:57	dcote@esperanzacybercs	Yes
11/4/2021 13:33:12	rmorales@esperanzacybe	Yes
11/4/2021 15:13:57	bholloway@esperanzacyl	Yes
11/6/2021 16:31:08	scarrion@esperanzacybe	Yes
11/9/2021 11:53:35	jdejesus@esperanzacybe	Yes
5/2/2022 13:30:10	gartman@esperanzacybe	Yes

2021-2022 Trauma Informed Care to Healing Centered Engagement

Agenda:

Trauma Informed Care is an approach in the education field that assumes that an individual is more likely to have a history of trauma. Trauma Informed Care recognizes the presences of trauma symptoms and acknowledges the role trauma may play in an individuals like that may impact the child education.

The purpose of this training is to inform teachers of best practices to use within the classroom.

Timestamp	Email Address	Did you attend this session?
11/02/2021	amarrero@esperanzacyb	Yes
11/02/2021	bcolaizzo@esperanzacyb	Yes
11/02/2021	fvargas@esperanzacyber	Yes
11/02/2021	ciglesias@esperanzacybe	Yes

2021-2022 Empowering AAs in the Classroom

Agenda:

This training is designed to provide practical information regarding educational methods and resources that may be used by special education paraprofessionals working with students in a variety of educational settings.

This training will assist Academic Specialists to gain knowledge related to supporting students within the classroom.

Timestamp	Email Address	Did you attend this session?
01/29/2022	dspringer-mills@esperanzacyber	Yes
01/29/2022	tstelmach@esperanzacyber	Yes
01/29/2022	dsteinmetz@esperanzacyber	Yes
01/29/2022	kgazak@esperanzacyber	Yes
01/29/2022	callen@esperanzacyber	Yes
01/29/2022	kgutter@esperanzacyber	Yes

2021-2022 Effective Practices of Secondary Transition

Agenda:

The Indicator 13 Compliance Module Series is a training series developed by PaTTAN and Intermediate Unit Secondary Transition consultants in response to the accountability requirements under the Individuals with Disabilities Education Act (IDEA) of 2004, Part B State Performance Plans as it relates to secondary transition. The module series highlights effective practices in secondary transition. The series is designed to provide an overview of the seven areas required by Indicator 13 for compliant, secondary transition practices.

Each module contains a pre-test, PowerPoint presentation, effective practices Q&A discussion, and a post-test. Participants are encouraged to view the Overview Module prior to completing any of the individual content modules.

The sessions are through PaTTAN and are online courses.

Timestamp	Email Address	Did you attend this session?
08/20/2021	acastro@esperanzacyber	Yes
08/20/2021	adinsmore@esperanzacy	Yes
08/20/2021	afiegel@esperanzacyber	Yes
08/20/2021	agutierrez@esperanzacyl	Yes
08/20/2021	ahayles@esperanzacybe	Yes
08/20/2021	aheber@esperanzacyber	Yes
08/20/2021	aisham@esperanzacyber	Yes
08/20/2021	aisham@esperanzacyber	Yes
08/20/2021	alara-romero@esperanza	Yes
08/20/2021	amaldonado@esperanza	Yes
08/20/2021	amarrero@esperanzacyb	Yes
08/20/2021	amoreno@esperanzacyb	Yes
08/20/2021	arivera@esperanzacyber	Yes
08/20/2021	asmith@esperanzacyber	Yes
08/20/2021	barce@esperanzacyberc	Yes
08/20/2021	bcolaizzo@esperanzacyb	Yes
08/20/2021	callen@esperanzacyberc	Yes
08/20/2021	ccroussett@esperanzacy	Yes
08/20/2021	cgross@esperanzacyber	Yes
08/20/2021	cgross@esperanzacyber	Yes
08/20/2021	clamk@esperanzacyberc	Yes
08/20/2021	clozada@esperanzacybe	Yes
08/20/2021	cmiller@esperanzacyber	Yes
08/20/2021	cmiller@esperanzacyber	Yes
08/20/2021	costapchuk@esperanzac	Yes
08/20/2021	csanchez@esperanzacyb	Yes
08/20/2021	csanchez@esperanzacyb	Yes
08/20/2021	cscull@esperanzacyberc	Yes
08/20/2021	dcarrasquillo@esperanza	Yes
08/20/2021	dcarrasquillo@esperanza	Yes
08/20/2021	ddimarcella@esperanzac	Yes

Timestamp	Email Address	Did you attend this session?
08/20/2021	ddimarcella@esperanzac	Yes
08/20/2021	dfigueroa@esperanzacyb	Yes
08/20/2021	dpagan@esperanzacyber	Yes
08/20/2021	dromero@esperanzacybe	Yes
08/20/2021	drutland@esperanzacybe	Yes
08/20/2021	drutland@esperanzacybe	Yes
08/20/2021	dsteinmetz@esperanzacy	Yes
08/20/2021	dtaufalele@esperanzacyt	Yes
08/20/2021	eapter@esperanzacyberc	Yes
08/20/2021	ehigginbotham@esperan:	Yes
08/20/2021	emendez@esperanzacyb	Yes
08/20/2021	gartman@esperanzacybe	Yes
08/20/2021	hseabrooks@esperanzac	Yes
08/20/2021	jbarber@esperanzacyber	Yes
08/20/2021	jdeleon@esperanzacyber	Yes
08/20/2021	jdeleon@esperanzacyber	Yes
08/20/2021	jfobbs@esperanzacyberc	Yes
08/20/2021	jgrammond@esperanzac:	Yes
08/20/2021	jgrous@esperanzacyberc	Yes
08/20/2021	jkenney@esperanzacybe	Yes
08/20/2021	jloughran@esperanzacyb	Yes
08/20/2021	jrozek@esperanzacyberc	Yes
08/20/2021	jrozek@esperanzacyberc	Yes
08/20/2021	jsoriano@esperanzacybe	Yes
08/20/2021	kgazak@esperanzacyber	Yes
08/20/2021	kkrelove@esperanzacybe	Yes
08/20/2021	klevine@esperanzacyber	Yes
08/20/2021	klind@esperanzacybercs	Yes
08/20/2021	kraiguel@esperanzacybe	Yes
08/20/2021	kwallace@esperanzacybe	Yes

Timestamp	Email Address	Did you attend this session?
08/20/2021	kwilson@esperanzacyber	Yes
08/20/2021	lgrau@esperanzacybercs	Yes
08/20/2021	lperez@esperanzacyberc	Yes
08/20/2021	lservais@esperanzacyber	Yes
08/20/2021	lsweeney@esperanzacyb	Yes
08/20/2021	lthomas@esperanzacybe	Yes
08/20/2021	lverdecchio@esperanzac	Yes
08/20/2021	mbaker@esperanzacyber	Yes
08/20/2021	mbijas@esperanzacyberc	Yes
08/20/2021	mhopkins@esperanzacyt	Yes
08/20/2021	mpace@esperanzacyber	Yes
08/20/2021	mperagallo@esperanzacy	Yes
08/20/2021	mrescigno@esperanzacy	Yes
08/20/2021	mrothman@esperanzacyl	Yes
08/20/2021	mspeece@esperanzacyb	Yes
08/20/2021	mwalls@esperanzacyber	Yes
08/20/2021	nkilbride@esperanzacybe	Yes
08/20/2021	nkilbride@esperanzacybe	Yes
08/20/2021	nmorales@esperanzacyb	Yes
08/20/2021	nnelson@esperanzacybe	Yes
08/20/2021	nnelson@esperanzacybe	Yes
08/20/2021	nregalado@esperanzacyl	Yes
08/20/2021	nregalado@esperanzacyl	Yes
08/20/2021	nregalado@esperanzacyl	Yes
08/20/2021	pmehta@esperanzacyber	Yes
08/20/2021	pmehta@esperanzacyber	Yes
08/20/2021	pofferall@esperanzacybe	Yes
08/20/2021	pofferall@esperanzacybe	Yes
08/20/2021	ratwater@esperanzacybe	Yes
08/20/2021	rmorales@esperanzacyb	Yes

Timestamp	Email Address	Did you attend this session?
08/20/2021	rpaulino@esperanzacyberc	Yes
08/20/2021	sadams@esperanzacyberc	Yes
08/20/2021	salbitz@esperanzacyberc	Yes
08/20/2021	sallen@esperanzacyberc	Yes
08/20/2021	scalvo@esperanzacyberc	Yes
08/20/2021	sgonzalez@esperanzacyberc	Yes
08/20/2021	sgonzalez@esperanzacyberc	Yes
08/20/2021	srossi@esperanzacyberc	Yes
08/20/2021	swashington@esperanza	Yes
08/20/2021	tmoore@esperanzacyberc	Yes
08/20/2021	tstelmach@esperanzacyberc	Yes
08/20/2021	twright@esperanzacyberc	Yes
11/05/2021	msilva@esperanzacyberc	Yes
11/05/2021	tdelgado@esperanzacyberc	Yes
11/05/2021	zpickett-campbell@esper	Yes
11/8/2021	zpickett-campbell@esper	Yes
11/8/2021	zpickett-campbell@esper	Yes
11/12/2021	jhein@esperanzacybercs	Yes
11/12/2021	stomassini@esperanzacyberc	Yes
12/02/2021	acutts@esperanzacyberc	Yes
12/02/2021	aramirez@esperanzacyberc	Yes
12/2/2021	kgutter@esperanzacyberc	Yes
12/02/2021	prosado@esperanzacyberc	Yes
12/02/2021	prosado@esperanzacyberc	Yes
12/02/2021	prosado@esperanzacyberc	Yes
12/9/2021	aisom@esperanzacyberc	Yes
12/9/2021	bhighsmith@esperanzacyberc	Yes
12/9/2021	gsong@esperanzacyberc	Yes
12/9/2021	ldeida@esperanzacyberc	Yes
12/9/2021	ldeida@esperanzacyberc	Yes

Timestamp	Email Address	Did you attend this session?
12/9/2021	mrosado@esperanzacyber	Yes
1/6/2022	dosborne@esperanzacyber	Yes
1/6/2022	maraud-silva@esperanza	Yes
1/6/2022	vperez-hernandez@espe	Yes
1/11/2022	kcolon@esperanzacyber	Yes
1/21/2022	macedo@esperanzacy	Yes
1/21/2022	nriviera@esperanzacyber	Yes
2/3/2022	jlamboyrodriguez@esper	Yes
2/3/2022	jlamboyrodriguez@esper	Yes
2/7/2022	rluccia@esperanzacyber	Yes
2/10/2022	gmelendez@esperanzacy	Yes
2/10/2022	kacosta@esperanzacyber	Yes
03/03/2022	ahoyt@esperanzacyber	Yes
3/17/2022	gmontilla@esperanzacyb	Yes
3/17/2022	lriverapena@esperanzacy	Yes
04/21/2022	jfernandez@esperanzacy	Yes
04/21/2022	jhardenburg@esperanzac	Yes

2021-2022 Effective Practices for Secondary Transition

Agenda:

The Indicator 13 Compliance Module Series is a training series developed by PaTTAN and Intermediate Unit Secondary Transition consultants in response to the accountability requirements under the Individuals with Disabilities Education Act (IDEA) of 2004, Part B State Performance Plans as it relates to secondary transition. The module series highlights effective practices in secondary transition. The series is designed to provide an overview of the seven areas required by Indicator 13 for compliant, secondary transition practices.

Each module contains a pre-test, PowerPoint presentation, effective practices Q&A discussion, and a post-test. Participants are encouraged to view the Overview Module prior to completing any of the individual content modules.

The sessions are through PaTTAN and are online courses.

STRATEGIES FOR PARENTS OF A STUDENT WITH SPECIAL EDUCATION NEEDS IN A CYBER SCHOOL



Introduction

- My Name is Daniel Cote
- I am the Special Education Coordinator at Esperanza Cyber Charter School
- Before coming here, I have worked at Esperanza Academy for 11 years as a special education teacher and Coordinator of Student Services
- My role here:
 - To make sure that your child is getting the correct support within their classes
 - To support the teachers in how to modify and accommodate for your child
 - To meet with each parent to create the IEP together



What to do to prepare my student?

- Create a work space for them to work that is available everyday
 - Consistency is key
 - Bedroom might be the best place, but it might be...just not in bed
 - Kitchen table
 - Living room coffee table
- Remove distractions
 - No TV, Video Games, Phones, etc
- Keep a consistent daily schedule
 - The school day runs from 7:45 am to 3:00 pm
 - Keep expectations up that your child will be in school or completing work during those times



Jewlyin Cooper

What to do with my child daily

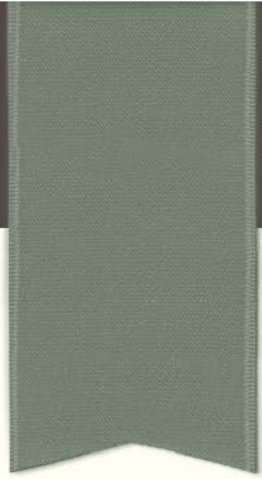
- Daily check-ins for homework, completed classwork, upcoming tests and quizzes, and projects
- When out at stores:
 - Ask them to read signs and labels to you
 - Ask them how much things cost together
 - Ask them to pay for their own items and how much money to expect back
- Get quick math and vocabulary lists and have them complete 1 a day on weekends and over breaks
 - The school can help print some for you



Positive Reinforcement BEFORE Punishment

- Have your child earn time towards something they like when they complete the tasks they are supposed to do
 - Video games
 - Sports
 - Outside time
 - Special snack
- Create an If/Then Contracts with your child
 - If you complete this activity, then you get to do that thing you wanted to do
 - If your don't complete this task, then you don't get to do that thing you wanted to do





IMPORTANT INFORMATION TO KNOW ABOUT AN IEP

Understanding your child's special needs

- What do you need to know about your child's disability?
 - Common disabilities are:
 - Specific Learning Disability (SLD)
 - Other Health Impairment (OHI)
 - Speech and Language Impairment (SLI)
 - Emotional Disturbance (ED)
 - Intellectual Disability (ID)
 - Each disability is different and needs to be treated differently by the family and school
 - Some disabilities affect the way and how the student learns while others affect the behavior and functioning of the student within the school or home



About the Disability

- A little about each disability:
 - What is a Specific Learning Disability
 - An SLD is a large difference between the student's intellectual abilities (IQ) and their academic performance on testing
 - What is an Other Health Impairment?
 - An OHI is a medically diagnosed disability like ADHD, Oppositional Defiance Disorder (ODD), severe Asthma, etc. that affects the person's ability to access the curriculum without assistance
 - What is a Speech and Language Impairment?
 - Speech and Language has 2 parts.
 - The first is the physical ability to say sounds correctly
 - The second is the ability to use language to create understandable communication with others
 - What is an Emotional Disturbance?
 - ED is a diagnosis of significant emotional and mental health issues that prevent the student from accessing their learning
 - What is an Intellectual Disability
 - ID is a diagnosis of significant limitations in both intellectual functioning (IQ) and adaptive behaviors (everyday social skills)



Timestamp	Email Address	Did you attend this session?
03/07/2022	dspringer-mills@esperan	Yes
03/07/2022	tstelmach@esperanzacyt	Yes
03/07/2022	dsteinmetz@esperanzacy	Yes
03/07/2022	acutts@esperanzacyberc	Yes

Upcoming Available Dates:

8/16/21 - 9/27/21

11/8/21 - 12/20/21

1/24/22 - 3/7/22

3/28/22 - 5/9/22

- ➔ Self-paced professional development at no cost
- ➔ 15 Act 48 continuing education hours upon completion
- ➔ Considerations to prepare for and lead an IEP team meeting
- ➔ Guidance for each section of the IEP
- ➔ Tips to be a well-informed Local Education Agency (LEA) Representative



The Essentials of IEP Writing

*An online course designed for special
education teachers and building
administrators*



This PaTTAN developed online course provides instruction on writing an Individualized Education Program (IEP).

Through the use of videos, audio PowerPoints and PaTTAN publications, participants will complete modules on common terminology, leading IEP team meetings, and sections I-VIII of the IEP.

This course is available at www.pattan.net

The School District of Philadelphia: Service Providers for ELECT Programs

Memorandum of Understanding (MoU)
CONGRESO DE LATINOS UNIDOS, INC.

Memorandum of Understanding

This document serves as a memorandum of understanding that defines the collaboration between Congreso de Latinos Unidos, Inc. (Congreso) - the lead contractor of the School District of Philadelphia and its partner organization, Esperanza Cyber Charter School, to implement ELECT Programs within the partner organizations non-district schools.

Purpose: The purpose of this initiative is to implement ELECT (Education Leading to Employment and Career Training) and EFI (ELECT Fatherhood Initiative) programs which aim to deliver a broad and comprehensive array of supportive services designed to help pregnant and/or parenting students stay in school, earn a high school diploma, and achieve the self-sufficiency required to make a successful transition to employment.

Activities: Congreso will implement ELECT programming for pregnant and/or parenting students who attend Esperanza Cyber Charter School. The initial service period will be for the 2021-2022 academic year beginning August 2021 through June 30, 2022, with two renewal options upon continued funding for academic years 22/23 and 23/24.

The partners of this MOU agree to implement the following responsibilities:

Esperanza Cyber Charter High School:

Administrative support of the ELECT program will assist both staff and students within the school community. Teachers and other support personnel working in conjunction with the ELECT staff will provide for a stronger link within the program. It is beneficial for principals to support communication between ELECT and school staff members to provide for and maintain educational continuity. In the interest of team building, ELECT staff members should be included in faculty meetings and invited to join school committees.

The following is a list of program assurances:

- **SINGLE POINT OF CONTACT (SPOC):** Appoint a single point of contact to provide support in achieving program goals and educational continuity (e.g. an Assistant Principal, Nurse or Counselor). This person will meet with ELECT staff, be available to address concerns and make programmatic decisions.
- **STUDENT PARTICIPATION:** Promote building-wide tolerance for the fact that ELECT student participants will need to be excused periodically from regularly scheduled classes in order to engage in key program activities (e.g. state mandated monthly workshops and individual case management sessions that are to be conducted on a biweekly basis).
- **OTHER SERVICE PROVIDERS:** Refer any inquiries you might receive from service providers interested in working with this population in your building to Jennifer Pitt, ELECT Program Manager in the Office of Early Childhood Education at (215) 400-5744. ELECT is the only official and approved program for pregnant and parenting teen students in the District, and is already working with many community-based organizations and is capable of incorporating more into the design.
- **RECRUITMENT:** Assist/permit ELECT staff opportunities for collaboration with entire school staff on recruitment for the program. Allow presentations to all staff at building meetings. Support an established recruitment plan/procedure at the onset of the school year with staff that will be re-evaluated periodically. Program recruitment will be ongoing throughout the year.
- **STAFF ATTENDANCE/ACCOUNTABILITY:** Establish in the main office an attendance procedure/sign-in/out log for ELECT staff. Staff is expected to adhere to all building policies as established by the school principal in regards to the sign-in and sign-out process when leaving and re-entering the building.
- **BUILDING FACILITIES, EQUIPMENT AND MAINTENANCE:** Provide ELECT consideration and inclusion for the use of the building facilities if and when meeting students on site (e.g. library, auditorium, fax and copy machines, etc).

- **INSURANCE:** Esperanza Cyber Charter High School agrees to maintain professional liability insurance with a minimum coverage of \$1,000,000 per occurrence and \$3,000,000 in the aggregate to cover any claims arising out of or in any way related to any professional negligence by Esperanza Cyber Charter High School, including, but not limited to, all claims relating to the injury or death of any person or damage to any property, and to fully protect Congreso from and against any and all liability, losses, payments, and expenses incurred or imposed in connection therewith.

Congreso:

- Assign a designated ELECT case manager to complete intakes, enroll, and manage a case load of expectant and parenting students (both male and female). *Number of students accepted into program based on program capacity.
- Congreso shall obtain and provide to Esperanza Cyber, PA Criminal Background Check, PA Child Abuse Clearance and Federal Criminal History Background Check for all ELECT case managers working with Esperanza Cyber students. These checks shall be renewed on a bi annual basis by Congreso and provided to Esperanza Cyber.
- Participate in appropriate on-site Staff Meetings/Professional Development when notified by school administration to attend.
- Participate in designated relevant school committees; however, services are limited to pregnant/parenting students either enrolling in or already participating in ELECT.
- Coordinate referral relationships with Esperanza Cyber personnel.
- Communicate necessary and appropriate participant information with the school's roster office, nurse, counseling department, and teachers to address student needs.
- Communicate with school personnel in reference to homebound services, excessive absences due to pregnancy/parenting, and teen parent leave.
- Communicate and collaborate with school personnel in the event of any client crisis intervention efforts, including reports of abuse, or threats to harm self or others.
- Sign in and out and/or notifying main office of presence in the building.

- Complete applicable data reporting/requirements including weekly attendance records of enrolled ELECT students and grades.

Commitments of Partners

Congreso de Latinos Unidos, Inc.

Congreso, as the lead service provider, is responsible for providing ELECT program services, including all case management services, to eligible students at the partnering schools. Congreso will employ the ELECT program staff including a Program Manager and a team of case managers to work directly with pregnant and parenting students enrolled in partnering schools. This team will be responsible for day-to-day program coordination and operations. Congreso will provide quality educational and social services support, along with parenting skills training, to pregnant and parenting students via individual home visits, as well as through a series of group sessions.

Congreso is a dynamic, comprehensive multi service organization whose mission is to strengthen Latino communities. Founded in 1977, the agency serves more than 14,000 unique clients annually with a budget of \$23 million, including Pan American Academy Charter School, which Congreso founded in 2008. Congreso's comprehensive education, employment, health and social services together support the ultimate goal of greater client self-sufficiency.

Esperanza Academy

Esperanza Cyber Charter School (ECCS) prepares students in grades Kindergarten through 12 to meet the challenges of living creatively and productively in an increasingly technologically sophisticated and interconnected world. ECCS will provide students with an academically rigorous, yet flexible, online learning program that tailors learning experiences to each child through a combination of curriculum choices and virtual and in-person tutoring and counseling. Students will explore career directions that coincide with their interests and strengths beginning at the earliest ages, and will begin "majors" in particular career areas starting with the middle grades. ECCS is targeted toward under served and at risk students who have not always

found success in traditional schools. ECCS places students on a pathway to post-secondary success.

SIGNATURE PAGE

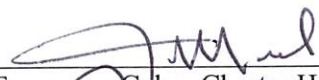
By signing below, signatories agree to all terms set forth herein. By signing below, all parties to this MoU certify that they have the authority to represent their respective organizations.


Brendan Coan (Aug 5, 2021 15:03 EDT)

Congreso de Latinos Unidos

August 5, 2021

Date



Esperanza Cyber Charter High School

8/18/2021

Date

MOU Esperanza Cyber FY22

Final Audit Report

2021-08-05

Created:	2021-08-05
By:	Colin Walsh (walshc@congreso.net)
Status:	Signed
Transaction ID:	CBJCHBCAABAA6pfG0_B77IGCX0OLD9v6M_QMBx4peOmQ

"MOU Esperanza Cyber FY22" History

-  Document created by Colin Walsh (walshc@congreso.net)
2021-08-05 - 4:42:17 PM GMT- IP address: 50.238.3.50
-  Document emailed to Brendan Conlin (conlinb@congreso.net) for signature
2021-08-05 - 4:42:44 PM GMT
-  Email viewed by Brendan Conlin (conlinb@congreso.net)
2021-08-05 - 7:01:04 PM GMT- IP address: 18.206.199.142
-  Document e-signed by Brendan Conlin (conlinb@congreso.net)
Signature Date: 2021-08-05 - 7:03:06 PM GMT - Time Source: server- IP address: 76.99.22.253
-  Agreement completed.
2021-08-05 - 7:03:06 PM GMT

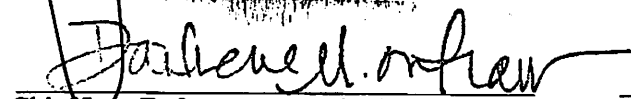
V. General Provisions

- A. This Memorandum does not create any contractual rights or obligations between the signatory Law Enforcement Authority, the signatory School Entity, any other signatory authorities or entities, or their respective officers, employees, agents or representatives.
- B. This Memorandum may be amended, expanded or modified at any time upon the written consent of the parties. It must be reviewed and re-executed within two years of the date of its original execution and every two years thereafter.
- C. If changes in state or federal law require changes to this Memorandum, the parties shall amend this Memorandum.
- D. All parties to this Memorandum will communicate fully and openly with each other in order to resolve any problems that may arise in the fulfillment of the terms of this Memorandum.



Chief School Administrator

ESPERANZA CYBER CHARTER SCHOOL
School Entity



Chief Law Enforcement Authority

Philadelphia Police Department
Law Enforcement Authority

**PROJECT "GO" SCHOOL ATTENDANCE SUPPORT PROGRAM
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding ("MOU"), dated 10/12/21, is by and between the Philadelphia District Attorney's Office ("DAO") and Esperanza Cyber Charter ("the School"; collectively, "the Parties").

- I. **Purpose.** The purpose of this partnership is to ensure that the parents/guardians of the children enrolled in the School are made aware of the importance of regular school attendance. This MOU sets forth the duties and responsibilities of the DAO and the School to implement the Project "GO" School Attendance Support program at the school.
- II. **Term.** The term of this MOU shall commence on September 17, 2021 and terminate on the last day of school for students which shall be no later than June 7, 2022 (the "Term").
- III. **Responsibilities of the Parties.**

A. *Esperanza Cyber Charter*

1. The Principal of the School agrees to assign at least one Attendance Designee to be responsible for all contact between the School Attendance Support Unit at the DAO and the School.

a. The Attendance Designee shall be:

- an employee of the School.
- familiar with attendance record keeping procedures.
- familiar with the School's attendance policy.
- familiar with the attendance enforcement procedures regarding truant and habitually truant students pursuant to 24 P.S. §§ 13-1333 – 1333.1.
- familiar with the requirements of compulsory school attendance law regarding excuses for not attending school pursuant to 24 P.S. §§ 13-1327.2 and 1329.
- familiar with exceptions to compulsory school age pursuant to 24 P.S. § 13-1330.
- familiar with the requirements of written legal notice to parents/guardians pursuant to 24 P.S. § 13-1354.

2. The Attendance Designee will provide the following information for habitually truant students monthly or, at the request of the DAO, within ten (10) business days of such request:
 - a. All requested demographic information of habitually truant students via the appropriate electronic DA Referral Spreadsheet.
 - b. Requested student records via email, fax, or USPS, which shall include:
 - The attendance record for the current school year.
 - The attendance record from the previous school year if the student attended The School.
 - A copy of the School Attendance Improvement Plan written during the 2021-2022 school year.
 - A written record of all verbal or written contact between the School and the parent/guardian during the current school year regarding school attendance.
 - c. Prior to submitting demographic information or student records to the DAO, the School must contact the parent/guardian in writing pursuant to 24 P.S. § 13-1333(a).
3. The Attendance Designee or agent will be present at the Family Conference, a meeting coordinated by the DAO and intended to uncover the barriers to school attendance, to respond to specific questions regarding the School's policies and resources or a student's attendance. The Attendance Designee or agent must be familiar with the student's attendance records.
4. After the Family Conference, with respect to the students whose parents/guardians were invited to the Family Conference, the School will:
 - a. investigate, document, and ensure the validity of all unexcused and excused absences,
 - b. ensure the accuracy of the attendance record, and
 - c. continue to document in writing all contacts concerning attendance between the School and the parents/guardians of habitually truant students.
5. After the Family Conference, the Attendance Designee will notify the DAO of those students whose attendance has not improved in violation of the compulsory school attendance law, 24 P.S. § 13-1333. Notification will occur electronically:
 - a. at a time to be agreed upon at the Family Conference, and
 - b. after the School has monitored the student's attendance for at least ten (10) school days.
6. The School will compile and produce the student's school records at the request of the DAO to ensure that a family is able to receive more intensive services and support.
7. The Principal will identify a primary contact for Regional Truancy Court hearings. The Attendance Designee will submit the following to the DAO for forwarding to the Court:

- a. The Principal's first name, last name, and email address.
- b. The Principal's signature.
- c. The first name, last name, and email address of the primary contact at the School for Regional Truancy Court hearings.
- d. The School's phone number.
- e. The School's physical address.

B. Philadelphia District Attorney's Office

The DAO agrees to provide truancy prevention/intervention services at for habitually truant students. The DAO will:

1. Maintain complete confidentiality as defined and required by state, federal, and local law and by the School for all information and records relating to School students. The DAO acknowledges that the School is bound by federal and state laws regarding the compilation, maintenance, and release of educational records. The DAO shall comply with all federal and state laws regarding the confidentiality of educational records of the School and the Student, including, but not limited to, the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, and its implementing regulations, 34 C.F.R. Part 99, and Title 22 of the Pennsylvania Code, 22 Pa. Code §§ 12.31–32. For the purposes of this MOU, the DAO is considered a contractor under FERPA and has a legitimate educational interest in student records.
2. Provide the School with the electronic referral forms needed to make referrals.
3. Upon receiving a student's demographic information from the Attendance Designee via the electronic referral form, send an Initial Warning Letter on DAO letterhead to the parents/guardians of those students who have been identified as habitually truant via First-Class Mail. The Initial Warning Letter will explain the importance of regular school attendance and the legal significance of truancy.
4. Schedule a Family Conference with parents/guardians of those students who continue to need school attendance support after the School has fulfilled its obligations under 24 P.S. § 13-1333 and the DAO has sent an initial Warning Letter. Subsequently, the DAO will:
 - a. Contact the parents/guardians scheduled for a Family Conference via phone at least three (3) days prior to the scheduled conference.
 - b. Send advanced written notice of the Family Conference via First-Class mail to the relevant parents/guardians at least two (2) weeks prior to the scheduled conference.
 - c. Ensure a member of the DAO is present at all Family Conferences held at the School, other physical location, or remotely.
5. Refer students and families as needed to agencies that will provide services aimed at addressing barriers to consistent school attendance in accordance with agreements

made at the Family Conference. The DAO will provide timely notice to the School via email once a referral has been made.

6. After the Family Conference and upon receiving notice from the Attendance Designee that a student's attendance has not improved in violation of the compulsory school attendance law (24 P.S. §13-1333), the DAO will do one or more of the following:
 - a. Schedule an additional meeting with the parent/guardian and/or student,
 - b. Make additional referrals to agencies that will provide services aimed at addressing barriers to consistent school attendance, and/or
 - c. Refer students and their parents/guardians to Regional Truancy Court in Philadelphia County.
7. Prior to referring a case to Regional Truancy Court, the DAO must ensure that the School is added to the citations list of the Juvenile Branch, Family Division of the Court of Common Pleas of Philadelphia - First Judicial District of Pennsylvania (the "Court") or, if the School was previously added, that the existing citation is accurate.
 - a. The DAO will forward the information requested in Section IV, Subsection A(7) of this MOU to the Court to add the School to the Court's citation list or verify the accuracy of the existing citation.
8. When referring cases to Regional Truancy Court, the DAO will:
 - a. Send the following required documents to Truancy Intervention and Support Services Unit of the City of Philadelphia Department of Human Services ("DHS") and the Court:
 - The attendance record for the current school year,
 - The attendance record from the previous school year, if available,
 - A copy of the School Attendance Improvement Plan written during the 2021-2022 school year, and
 - A record of all verbal or written contact between the School and the parent/guardian during the current school year regarding school attendance.
 - b. Submit requested student demographic information to the Court and DHS.
 - c. Notify the Attendance Designee electronically to confirm the referral has been made.
 - d. Notify the Attendance Designee electronically of scheduled hearing dates upon receipt of notice from the Court.
9. Train relevant School staff and parents/guardians regarding their duties as part of the Project "GO" School Attendance Support program, under compulsory school age law, and pursuant to this MOU and in accordance with the School's Health and Safety Plan.

IV. Notices. Any written communication required by this MOU shall be sent electronically to the contacts listed below.

Communication to the DAO shall be emailed to projectgo@phila.gov or to the following individuals:

Sarah Shaw
Sarah.shaw@phila.gov
 Senior Program Manager, Project Go

Suzanne Gallen
Suzanne.gallen@phila.gov
 Program Associate, Project Go

Communication to the School shall be emailed to the designated Attendance Designee(s) listed below:

1	Name:	Priscilla OFFERRALL	2	Name:	
	Email:	POFFERRALL@		Email:	
	Title:	ESPERANZA CYBER CS.NET		Title:	
3	Name:	ATTENDANCE COORD.	4	Name:	
	Email:			Email:	
	Title:			Title:	
5	Name:		6	Name:	
	Email:			Email:	
	Title:			Title:	

- V. **Cost.** There is no fee for these services and no monetary exchange between the parties for implementation of Project "GO" School Attendance Support program.
- VI. **Termination.** Failure to abide by the responsibilities outlined in this MOU may result in cancellation of the Project "GO" School Attendance Support program at the school.
- VII. **General Terms.** It is expressly understood that each party will operate according to their own policies. Nothing contained in this MOU supersedes the statutes, rules, and regulations governing each party. To the extent that any provision of this MOU is inconsistent with any such statute, rule or regulation, the statute, rule or regulation shall prevail.

If a conflict arises regarding the terms of this MOU, the Parties agree to work in good faith to resolve such conflict.

[Signature Page Follows]

This MOU will be signed by the appropriate agency representatives. By signing, the parties agree to support and uphold the MOU.

DAO:




Robert Listenbee
First Assistant District Attorney

Date: 10/26/21


Sarah Shaw
Senior Program Manager

Date: 10/26/21

Esperanza Cyber Charter:



School Principal's Signature
Print Name: Joseph R. Paprika
Title: Principal

Date: 10/12/2021


Priscilla Offer
Attendance Designee

Date: 10/21/2021

Date:

Attendance Designee

Attendance Designee

Date:

Date:

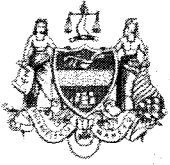
Attendance Designee

Attendance Designee

Date:

Date:

Attendance Designee



CITY OF PHILADELPHIA

POLICE DEPARTMENT
HEADQUARTERS, FRANKLIN SQUARE
PHILADELPHIA, PENNSYLVANIA

DANIELLE M. OUTLAW
POLICE COMMISSIONER

February 17, 2021

Ms. Yesenia Garcia
Esperanza Cyber Charter School
4261 North 5th Street
Philadelphia, PA 19140

RE: Memorandum of Understanding
Esperanza Cyber Charter School

Dear Ms. Garcia:

Enclosed are two copies of a standard MOU between the Philadelphia Police Department and above-referenced school. Both have been signed by Police Commissioner Danielle Outlaw. All copies must now be signed by the appropriate School Administrator. Once the copies are signed, your School will retain one original and the other original must be mailed back to my attention at:

Police Headquarters
Franklin Square
Room 312
Philadelphia, PA 19106

Should you have any questions, I can be reached at 215-686-3022.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Healy".

Francis T. Healy, Esq.
Special Advisor to the Commissioner

Board Affirmation Statement

Esperanza Cyber Charter School

4261 N. 5th street, Philadelphia, 19140

The purpose of this document is for the President of the governing board to affirm that the annual report information is accurate.

Steps to Complete this Section:

Note: Individual signatures required for each section.

1. Signature of President of the governing board and date signed for each section.
2. Upload Board Affirmation document which includes the Board President's signature and date signed.

Charter Annual Report Affirmation

I verify that all information and records in this charter school annual report are complete and accurate.

Affirmed on this 2nd day of August, 2022

By: *Res Magaly Martinez* (Signature of Board President)

Magaly Martinez (Print Name)

_____ Board of Trustees

Charter School Law Affirmation

Pennsylvania's first Charter School Law was Act 22 of 1997, 24 P.S. § 17-1701-A et seq., which primarily became effective June 19, 1997, and has subsequently been amended.

The Charter School Law provides for the powers, requirements, and establishment of charter schools. The Charter School Law was passed to provide opportunities to teachers, parents, pupils and community members to establish and maintain schools that operate independently from the existing school district structure as a method to accomplish all of the following: (1) improve pupil learning; (2) increase learning opportunities for all pupils; (3) encourage the use of different and innovative teaching methods; (4) create new professional opportunities for teachers; (5) provide parents and pupils with expanded choices in types of educational opportunities that are available within the public school system; and (6) hold charter schools accountable for meeting measurable academic standards and provide the school with a method to establish accountability systems.

The charter school assures that it will comply with the requirements of the Charter School Law and any provision of law from which the charter school has not been exempted, including Federal laws and regulations governing children with disabilities. The charter school also assures that it will comply with the policies, regulations and procedures of the Pennsylvania Department of Education (Department).

Additional information about charter schools is available on the Pennsylvania Department's website at: <http://www.education.state.pa.us>.

Affirmed on this 2nd day of August, 2022

By: *Res. Magaly Martinez* (Signature of Board President)

Magaly Martinez (Print Name)

_____ Board of Trustees

Note: Signature, Print Name and Board of Education are hard copy required (Board President must actually sign and complete).

Replace the following text in the header: LEA Name, Address, School Logo/Icon placeholder image.

**MEMORANDUM OF UNDERSTANDING
AS RECOMMENDED IN
PA. BULLETIN DOC. NO. 12-1339, JULY 2012
BETWEEN**

THE PHILADELPHIA POLICE DEPARTMENT

AND

ESPERANZA CYBER CHARTER SCHOOL

February 17, 2021

I. Introduction

A. Parties

The following Law Enforcement Authority or Authorities agree to follow the policies and procedures contained in this Memorandum of Understanding (hereinafter "Memorandum"):

- **Philadelphia Police Department
750 Race Street, Philadelphia PA, 19106**

The following School Entity or Entities agree to follow the policies and procedures contained in this Memorandum:

- **Esperanza Cyber Charter School
4261 North 5th Street, Philadelphia, PA 19140**

B. This Memorandum establishes procedures to be followed when certain incidents—described in Section II below—occur on school property, at any school sponsored activity, or on a conveyance as described in the Safe Schools Act (such as a school bus) providing transportation to or from a school or school sponsored activity. This Memorandum does not cover incidents that are outside of those school settings and create no substantial disruption to the learning environment.

C. The parties seek to foster a relationship of cooperation and mutual support and to maintain a safe school environment.

D. Legal Authority

1. The parties make this agreement as required by Article XIII-A of the Public School Code of 1949, popularly known as the "Safe Schools Act," as amended, 24 P. S. §§ 13-1301-A-13-1313-A.
2. In so recognizing this legal authority, the parties acknowledge their respective

duties pursuant to the Safe Schools Act and hereby agree to support and cooperate with one another in carrying out their joint and several responsibilities thereunder.

3. Information From Student Records

- a. The Law Enforcement Authority shall be governed by the following reporting and information exchange guidelines:
 - i. Criminal History Record Information Act, 18 Pa.C.S. § 9101 et seq.
 - ii. The prohibition against disclosures, specified in section IV(C)(5) of this Memorandum.
- b. When sharing information and evidence necessary for the Law Enforcement Authority to complete its investigation, the School Entity shall:
 - i. Comply with the Family Educational Rights and Privacy Act (hereinafter "FERPA"), 20 U.S.C. § 1232g, and its implementing regulations at 34 C.F.R. § 99.1 et seq., and 22 Pa. Code §§ 12.31-12.33, including any amendments thereto.
 - ii. Comply with the requirements of the Safe Schools Act, 24 P. S. §§ 13-1303-A and 13-1313-A, and any amendments thereto.
 - iii. Complete reports as required by section 1303-A of the Safe Schools Act, 24 P. S. § 13-1303-A, and any amendments thereto.
- c. The School Entity may disclose personally identifiable information from an educational record of a student to the Law Enforcement Authority if a health or safety emergency exists and knowledge of that information is necessary to protect the health or safety of the student or other individuals. In determining whether a health or safety emergency exists, the School Entity may take into account the totality of the circumstances pertaining to a threat to the health or safety of a student or other individuals. If the School Entity determines that there is an articulable and significant threat to the health or safety of a student or other individuals, it may disclose information from education records to the Law Enforcement Authority, if knowledge of that information is necessary for the Law Enforcement Authority to protect the health or safety of the student or other individuals. The School Entity must record the articulable and significant threat to the health or safety of a student or other individuals so that it can demonstrate—to parents, students and the Family Policy Compliance Office—what circumstance led it to determine that a health or safety emergency existed and why the disclosure was justified.

E. Priorities of the Law Enforcement Authority

1. Help the School Entity prevent delinquent acts through preventive measures,

including referrals to support services, diversionary programs, restorative practices, school-wide positive behavior supports, education and deterrence.

2. Investigate as appropriate all incidents reported to have occurred on school property, at any school sponsored activity, or on a conveyance as described in the Safe Schools Act (including a school bus) providing transportation to or from a school or school sponsored activity. The investigation of all reported incidents shall be conducted in the manner that the Law Enforcement Authority, in its sole discretion, deems appropriate; but any investigation shall be conducted so as to involve as little disruption to the school environment as is practicable.
3. Identify those responsible for the commission of the reported incident and, where appropriate, apprehend and prosecute those individuals. Identification and apprehension procedures shall involve as little disruption to the school environment as is practicable.
4. Establish and maintain a cooperative relationship with the School Entity in the reporting and resolution of all incidents described in Section II of this document.

F. **Priorities of the School Entity**

1. Help law enforcement prevent delinquent acts through preventive measures, including referrals to support services, diversionary programs, restorative practices, school-wide positive behavior supports, education and deterrence.
2. Create a safe learning environment.
3. Establish and maintain a cooperative relationship with the Law Enforcement Authority in the reporting and resolution of all incidents described in Section II of this document.
4. Provide the Law Enforcement Authority with all relevant information and required assistance in the event of a reported incident.
5. The School Entity shall give the Law Enforcement Authority a copy of the School Entity's behavior support services procedures and invite Law Enforcement Authority representatives to behavior support trainings.

II. Notification of Incident

The School Entity is required to notify law enforcement in specific situations listed in subsection A of this section, and has discretion over whether to notify law enforcement about incidents listed in subsection B of this section. Law enforcement's decision to investigate and file charges may be made in consultation with school administrators.

A. **Mandatory Notification**

1. The School Entity shall immediately notify the Law Enforcement Authority having jurisdiction where the offense occurred by the most expeditious means practicable of any of the following incidents occurring on school property, at any school sponsored activity, or on a conveyance as described in the Safe Schools Act (including a school bus) providing transportation to or from a school or school sponsored activity:
 - a. The following offenses under 18 Pa.C.S (relating to crimes and offenses):
 - i. Section 908 (relating to prohibited offensive weapons).
 - a. The term "offensive weapon" is defined by section 908 of the Crimes Code as "[a]ny bomb, grenade, machine gun, sawed-off shotgun with a barrel less than 18 inches, firearm specially made or specially adapted for concealment or silent discharge, any blackjack, sandbag, metal knuckles, dagger, knife, razor or cutting instrument, the blade of which is exposed in an automatic way by switch, push-button, spring mechanism, or otherwise, any stun gun, stun baton, taser or other electronic or electric weapon or other implement for the infliction of serious bodily injury which serves no common lawful purpose." See 18 Pa.C.S. § 908(c) (relating to definitions).
 - b. Consistent with section 908(b) of the Crimes Code (relating to exceptions), this reporting requirement does not apply to one who possessed or dealt with an offensive weapon solely as a curio or in a dramatic performance, or to one who possessed an offensive weapon briefly in consequence of having found it or taken it from an aggressor, or under circumstances similarly negating any intent or likelihood that the weapon would be used unlawfully.
 - ii. Section 912 (relating to possession of weapon on school property).
 - a. The term "weapon" is defined by section 912 of the Crimes Code to include, but is not limited to, a knife, cutting instrument, cutting tool, nunchuck stick, firearm, shotgun, rifle and any other tool, instrument or implement capable of inflicting serious bodily injury.
 - b. Consistent with section 912(c) of the Crimes Code (relating to defense), this reporting requirement does not apply to a weapon that is: (a) possessed and used in conjunction with a lawful supervised school activity or course; or (b) is possessed for other lawful purpose.
 - iii. Chapter 25 (relating to criminal homicide).
 - iv. Section 2702 (relating to aggravated assault).
 - v. Section 2709.1 (relating to stalking).

- vi. Section 2901 (relating to kidnapping).Section 2902 (relating to unlawful restraint).
 - vii. Section 3121 (relating to rape).
 - viii. Section 3122.1 (relating to statutory sexual assault).
 - ix. Section 3123 (relating to involuntary deviate sexual intercourse).
 - xi. Section 3124.1 (relating to sexual assault).
 - xii. Section 3124.2 (relating to institutional sexual assault).
 - xiii. Section 3125 (relating to aggravated indecent assault).
 - xiv. Section 3126 (relating to indecent assault).
 - xv. Section 3301 (relating to arson and related offenses).
 - xvi. Section 3307 (relating to institutional vandalism),
when the penalty is a felony of the third degree.
 - xvii. Section 3502 (relating to burglary).
 - xviii. Section 3503(a) and (b)(1)(v) (relating to criminal trespass).
 - xix. Section 5501 (relating to riot).
 - xx. Section 6110.1 (relating to possession of firearm by minor).
- b. The possession, use or sale of a controlled substance, designer drug or drug paraphernalia as defined in "The Controlled Substance, Drug, Device and Cosmetic Act," as amended, 35 P. S. §§ 780-101-780-144, popularly known as the "Drug Act." For purposes of this Memorandum, the terms "controlled substance", "designer drug" and "drug paraphernalia" shall be defined as they are in section 102 of the Drug Act. See 35 P. S. § 780-102 (relating to definitions).
 - c. Attempt, solicitation or conspiracy to commit any of the offenses listed in paragraphs 1 and 2 of this subsection.
 - d. An offense for which registration is required under 42 Pa.C.S. § 9795.1 (relating to registration).
- 2. In responding to students who commit an incident listed under section 1303-A(b)(4.1) of the Safe Schools Act (24 P. S. § 13-1303-A(b)(4.1)), a school entity may consider the propriety of utilizing available school-based programs, such as school-wide positive behavior supports, to address the student's behavior. Nothing in this provision shall be read to limit law enforcement's discretion.

B. Discretionary Notification

- 1. The School Entity may notify the Law Enforcement Authority having jurisdiction where the incident occurred of any of the following incidents occurring on school property, at any school sponsored activity, or on a conveyance as described in the Safe Schools Act (including

a school bus) providing transportation to or from a school or school sponsored activity:

- a. The following offenses under 18 Pa.C.S (relating to crimes and offenses):
 - i. Section 2701 (relating to simple assault).
 - ii. Section 2705 (relating to recklessly endangering another person).
 - iii. Section 2706 (relating to terroristic threats).
 - iv. Section 2709 (relating to harassment).
 - v. Section 3127 (relating to indecent exposure).
 - vi. Section 3307 (relating to institutional vandalism), when the penalty is a misdemeanor of the second degree.
 - vii. Section 3503(b)(1)(i), (ii), (iii) and (iv), (b.1) and (b.2) (relating to criminal trespass).
 - viii. Chapter 39 (relating to theft and related offenses).
 - ix. Section 5502 (relating to failure of disorderly persons to disperse upon official order).
 - x. Section 5503 (relating to disorderly conduct).
 - xi. Section 6305 (relating to sale of tobacco).
 - xii. Section 6306.1 (relating to use of tobacco in schools prohibited).
 - xiii. Section 6308 (relating to purchase, consumption, possession, or transportation of liquor or malt or brewed beverages by a person under 21 years of age).

b. Attempt, solicitation or conspiracy to commit any of the offenses listed in subsection (a).

2. In exercising its discretion to determine whether to notify law enforcement of such incidents, the School Entity may consider the following factors: the seriousness of the situation, the school's ability to defuse or resolve the situation, the child's intent, the child's age, whether the student has a disability and, if so, the type of disability and its impact on the student's behavior, and other factors believed to be relevant.

C. Law Enforcement Response to Notification

1. When notified of an incident listed in subsections A or B, law enforcement's decision to investigate and file charges, at the sole discretion of the Law Enforcement Authority, may be made in consultation with school administrators.
2. In determining whether to file charges, the Law Enforcement Authority is encouraged to consult with the District Attorney. Where appropriate under the law, part of this consultation may include a discussion about the availability or propriety of utilizing a diversionary program as an alternative to filing charges.

D. Notification of the Law Enforcement Authority when incident involves children with disabilities

1. If a child with a disability commits an incident of misconduct, school administrators and the Law Enforcement Authority should take into consideration that the child's behavior may be a manifestation of the disability and there may be no intent to commit an unlawful act. A child with a disability under this subsection shall mean a student with an IEP, a protected handicapped student with a service agreement that includes a behavior support plan, or such student for whom an evaluation is pending under 22 Pa. Code §§ 14.123 (relating to evaluation), 15.5 (relating to school district initiated evaluation and provision of services), 15.6 (relating to parent initiated evaluation and provision of services), or Chapter 711 (relating to charter school and cyber charter school services and programs for children with disabilities).
2. In the event a child with a disability commits a mandatory notification offense under Subsection A, the School Entity must provide immediate notification to the Law Enforcement Authority regardless of the disability. Such notification will state that the child has an IEP or a service agreement that includes a behavior support plan and may include the School Entity's recommendation that police intervention may not be required and advisement that the School Entity will act to address the student's behavior need as required by applicable federal and state law and regulations, including 22 Pa. Code §§ 14.133 (relating to positive behavior support), 15.3 (relating to protected handicapped students —general) or 711.46 (relating to positive behavior support). The Law Enforcement Authority may take the recommendation under advisement but reserves the right to investigate and file charges.
3. In the event a child with a disability commits a discretionary offense under Subsection B and the School Entity does not believe that police intervention is necessary, the School Entity will address the student's behavior need as required by applicable federal and state law and regulations, including 22 Pa. Code §§ 14.133, 15.3 or 711.46.
4. In accordance with 34 CFR 300.535 (relating to referral to and action by law enforcement and judicial authorities), nothing will prohibit the School Entity from reporting an offense committed by a child with a disability to the Law Enforcement Authority, and nothing will prevent State law enforcement and judicial authorities from exercising their responsibilities with regard to the application of Federal and State law to crimes committed by a child with a disability.
5. The School Entity, when reporting an offense committed by a child with a disability, should ensure that copies of the special education and disciplinary records of the child are transmitted for consideration by the appropriate authorities to the Law Enforcement Authority to whom the incident was

reported.

6. The School Entity, when reporting an incident under this section, may transmit copies of the child's special education and disciplinary records only to the extent that the transmission is permitted by FERPA.

[Describe any specific procedures to be followed for incidents involving a student with a plans) or 22 Pa. Code Chapter 711 (relating to charter school and cyber charter school services and programs for children with disabilities)]

- E. Upon notification of the incident to the Law Enforcement Authority, the School Entity shall provide as much of the following information as is available at the time of notification.

In no event shall the gathering of information unnecessarily delay notification:

1. Whether the incident is in-progress or has concluded.
2. Nature of the incident.
3. Exact location of the incident.
4. Number of persons involved in the incident.
5. Names and ages of the individuals involved.
6. Weapons, if any, involved in the incident.
7. Whether the weapons, if any, have been secured and, if so, the custodian of the weapons.
8. Injuries involved.
9. Whether EMS or the Fire Department have been notified.
10. Identity of the school contact person.
11. Identity of the witnesses to the incident, if any.
12. Whether the incident involves a student with a disability and, if so, the type of disability and its impact on the student's behavior.
13. Other such information as is known to the school entity and believed to be relevant to the incident.

- F. No later than September 30 of each year, the School Entity shall assemble and make ready for immediate deployment to its Incident Command Post the following information for the purpose of assisting the Law Enforcement Authority in responding to an emergency:

1. Blueprints or floor plans of the school buildings.
2. Aerial photo, map or layout of the school campus, adjacent properties and surrounding streets or roads.
3. Location(s) of predetermined or prospective command posts.
4. Current teacher/employee roster.
5. Current student roster.
6. Most recent school yearbook.
7. School fire-alarm shutoff location and procedures.
8. School sprinkler system shutoff location and procedures.
9. Gas/utility line layouts and shutoff valve locations.
10. Cable/satellite television shutoff location and procedures.

11. Other information the School Entity deems pertinent to assist local police departments in responding to an emergency.

III. Law Enforcement Authority Response

- A. Depending on the totality of the circumstances, initial response by the Law Enforcement Authority may include:
 1. For incidents in progress:
 - a. Meet with contact person and locate scene of incident.
 - b. Stabilize incident.
 - c. Provide/arrange for emergency medical treatment, if necessary.
 - d. Control the scene of the incident.
 - i. Secure any physical evidence at the scene.
 - ii. Identify involved persons and witnesses.
 - e. Conduct investigation.
 - f. Exchange information.
 - g. Confer with school officials to determine the extent of law enforcement involvement required by the situation.
 2. Incidents not in progress:
 - a. Meet with contact person.
 - b. Recover any physical evidence.
 - c. Conduct investigation.
 - d. Exchange information.
 - e. Confer with school officials to determine the extent of law enforcement involvement required by the situation.
 3. Incidents initially reported to the Law Enforcement Authority
If any incident described in sections IIA or IIB is initially reported to the Law Enforcement Authority, the Law Enforcement Authority shall proceed directly with its investigation, shall immediately notify the School Entity of the incident, and shall proceed as outlined in sections IIA through IIE.
- B. Custody of Actors
 1. Students identified as actors in reported incidents may be taken into custody at the discretion of the investigating law enforcement officer under any of the following circumstances:
 - a. The student has been placed under arrest.
 - b. The student is being placed under investigative detention.
 - c. The student is being taken into custody for the protection of the student.
 - d. The student's parent or guardian consents to the release of the student to law enforcement custody.

2. The investigating law enforcement officer shall take all appropriate steps to protect the legal and constitutional rights of those students being taken into custody.

IV. Assistance of School Entities

A. In Loco Parentis

1. Teachers, Guidance Counselors, Vice Principals and Principals in the public schools have the right to exercise the same authority as a parent, guardian or person in parental relation to such pupil concerning conduct and behavior over the pupils attending a school during the time they are in attendance, including the time required in going to and from their homes.
2. School authorities' ability to stand in loco parentis over children does not extend to matters beyond conduct and discipline during school, school activities, or on a conveyance as described in the Safe Schools Act providing transportation to or from school or a school sponsored activity.

B. Notification of Parent or Guardian

1. Parents or guardians of all victims and suspects directly involved in an incident listed under Section IIA or IIB shall be immediately notified of the involvement, and they shall be informed about any notification regarding the incident that has been, or may be, made to the Law Enforcement Authority.
2. The School Entity shall document attempts made to reach the parents or guardians of all victims and suspects directly involved in incident listed under Section IIA or IIB.

C. Scope of School Entity's Involvement

1. **General Principles:**
Once the Law Enforcement Authority assumes primary responsibility for a matter, the legal conduct of interviews, interrogations, searches, seizures of property, and arrests are within the purview of the Law Enforcement Authority. The School Entity shall defer to the Law Enforcement Authority on matters of criminal and juvenile law procedure, except as is necessary to protect the interests of the School Entity. The Law Enforcement Authority will keep the chief school administrator, or his designees, informed of the status of pending investigations.
2. **Victims**

- a. The School Entity shall promptly notify the parent or guardian of a victim when the Law Enforcement Authority interviews that victim. The Law Enforcement Authority shall follow its policies and procedures when interviewing a victim to ensure the protection of the victim's legal and constitutional rights.
 - b. In the event a victim is interviewed by Law Enforcement Authority on school property, a guidance counselor or similar designated personnel may be present during the interview.
3. Witnesses
- a. The School Entity shall promptly notify the parent or guardian of a witness when the Law Enforcement Authority interviews that witness. The Law Enforcement Authority shall follow its policies and procedures when interviewing a witness to ensure the protection of the witness's legal and constitutional rights.
 - b. In the event a witness is interviewed by the Law Enforcement Authority on school property, a guidance counselor or similar designated personnel should be present during the interview.
4. Suspects and Custodial Interrogation
- a. The School Entity shall help the Law Enforcement Authority to secure the permission and presence of at least one parent or guardian of a student suspect before that student is interrogated by law enforcement authorities.
 - b. When a parent or guardian is not present, school authorities shall not stand in loco parentis (in the place of the parent/guardian) during an interview.
 - c. If an interested adult cannot be contacted, the School Entity shall defer to the investigating Law Enforcement Authority, which will protect the student suspect's legal and constitutional rights as required by law.
5. Conflicts of Interest
- a. The parties to this Memorandum recognize that if a School Entity employee, contractor, or agent of the School Entity is the subject of an investigation, a conflict of interest may exist between the School Entity and the adult suspect.
 - b. Neither the individual that is the subject of the investigation, nor any person acting as his/her subordinate or direct supervisor, shall be present during Law Enforcement Authority's interviews of student co-suspects, victims or witnesses by the Law Enforcement Authority.
 - c. Neither the individual who is the subject of the investigation, nor his/her subordinate(s) and/or direct supervisor(s), shall

be informed of the contents of the statements made by student co-suspects, victims or witnesses, except at the discretion of the Law Enforcement Authority or as otherwise required by law.

D. Reporting Requirements

All school entities are required to submit an annual report, which will include violence statistics and reports, to the Department of Education's Office for Safe Schools. This annual report must include all new incidents described in Sections IIA and IIB. Before submitting the required annual report, each chief school administrator and each police department having jurisdiction over school property of the School Entity shall do the following:

- a. No later than thirty days prior to the deadline for submitting the annual report, the chief school administrator shall submit the report to the police department with jurisdiction over the relevant school property. The police department shall review the report and compare the data regarding criminal offenses and notification of law enforcement to determine its accuracy.
- b. No later than fifteen days prior to the deadline for submitting the annual report, the police department shall notify the chief school administrator, in writing, whether the report accurately reflects police incident data. Where the police department determines that the report accurately reflects police incident data, the chief of police shall sign the report. Where the police department determines that the report does not accurately reflect police incident data, the police department shall indicate any discrepancies between the report and police incident data.
- c. Prior to submitting the annual report, the chief school administrator and the police department shall attempt to resolve discrepancies between the report and police incident data. Where a discrepancy remains unresolved, the police department shall notify the chief school administrator and the office in writing.
- d. Where a police department fails to take action as required under clause a or b, the chief school administrator shall submit the annual report and indicate that the police department failed to take action as required under clause a or b.
- e. Where there are discrepancies between the School Entity's incident data and the police incident data, the following shall occur:
 - i. The parties agree to meet and confer in an attempt to resolve or reconcile any discrepancies in school violence data prior to filing the annual report

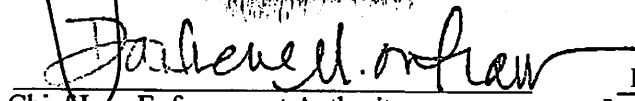
V. General Provisions

- A. This Memorandum does not create any contractual rights or obligations between the signatory Law Enforcement Authority, the signatory School Entity, any other signatory authorities or entities, or their respective officers, employees, agents or representatives.
- B. This Memorandum may be amended, expanded or modified at any time upon the written consent of the parties. It must be reviewed and re-executed within two years of the date of its original execution and every two years thereafter.
- C. If changes in state or federal law require changes to this Memorandum, the parties shall amend this Memorandum.
- D. All parties to this Memorandum will communicate fully and openly with each other in order to resolve any problems that may arise in the fulfillment of the terms of this Memorandum.



Chief School Administrator

ESPERANZA CYBER CHARTER SCHOOL
School Entity



Chief Law Enforcement Authority

Philadelphia Police Department
Law Enforcement Authority