

April 11, 2013

*Print/Type ASEP name as approved by the SED and address*

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ASEP 12-digit SED Code: \_\_\_\_\_

Provider Tax ID Number: \_\_\_\_\_

Re: Letter of Agreement to Provide Flow-Through Funds  
to Approved Special Education Programs

Dear Provider:

This Letter Agreement concerns the agreement between the New York City Department of Education (“Department” or “Board”) and New York State approved school-age program vendors (“Providers”) respecting federal Individuals with Disabilities Education Act (“IDEA”) funds. As you are aware, responsibilities and obligations concerning Providers’ request for and use of IDEA vendor funds and the Department’s disbursement of the fund allocations currently are embodied in the 2010 - 2015 *Non-Exclusive Requirements Agreement for the Provision of Services for School Age Students with Disabilities*, (“Agreement”) Section 33.

IDEA funds will be distributed only to ASEPs that have executed this Letter Agreement.

The Department recently has made changes to the process for identifying the number of students that are reported for purposes of determining the funding allocation, for submitting proposed budgets and narratives, and for reporting expenditure of IDEA funds. These changes already have been incorporated in the 2012 – 2017 preschool agreement. Since both preschool and school-age programs must follow the same IDEA process, in the interest of clarity the language in the two agreements should be aligned. Therefore, Section 33 of the school-age Agreement is superseded by the following:

### **33. SPECIAL CONDITIONS FOR RECEIPT OF IDEA VENDOR FUNDING**

- (a) This Section 33 shall apply to funds distributed to Providers **in their vendor relationship to the Department** pursuant to federal Individuals with Disabilities Education Act and consistent with §4410-b of the New York State Education Law Section 611 and Section 619.
- (b) Payment of IDEA **vendor funds** to the Provider will be made by the Board consistent with federal law and SED guidance and in accordance with procedures it has developed.
- (c) Provider agrees to notify the Department, in writing, within thirty (30) days of any change in its eligibility to receive IDEA funding for any grant year.
- (d) **In each school year, by a date fixed by the Board with reasonable time to respond, Provider shall indicate in CAFS or a successor system whether Provider may be applying for IDEA vendor grant funds for the following grant year. If the Provider indicates that such funds may be sought, the Board shall use the data reported in Provider's CMR that is due no later than the second Wednesday in October to create a SEDCAR 1 form based on students who were enrolled for Services in the Provider's approved program(s) as of the current school year Basic Educational Data System ("BEDS") date and are eligible for such funding upon the Board's application of business rules that are consistent with grant guidelines. The Board shall post a report of the students who were counted for purposes of the SEDCAR-1 form and the Provider's SEDCAR 1 with notice to Provider to indicate again whether Provider is applying for IDEA grant funds. That submission of a request for IDEA grant funds shall serve as the submission of the Provider's SEDCAR 1 form.**
- (e) **If, pursuant to paragraph 33(d), Provider indicates that it is not applying for funds, or if the Provider fails to indicate whether it is applying for funds by the posted deadline, the Provider will not be eligible to receive IDEA vendor funds for the applicable grant year.**
- (f) For the term of this Agreement, **payment of IDEA vendor funds**, including carry-over funds, shall be made by the Board to the Provider in accordance with the payment schedule described in the "Notice of Allocation." However, that schedule is subject to change contingent upon the timing of the Board's receipt of its allocation of funds and/or other time-sensitive actions by the SED.
- (g) **It is understood and agreed that the payment schedule is further contingent upon Provider's submission, and the Board's approval, as indicated by the release of vendor grant funds, of a Budget and Narrative and its submission of expenditure reports, in a format prescribed by the SED and/or the Board, including, but not limited to, electronic format. As the Provider is receiving IDEA funds through its vendor relationship with the Board, and, as the Board is not obligated to issue payments to the Provider for use of funds inconsistent with the grant or for purposes with which the Board is not in agreement, the Board reserves the right to reject**

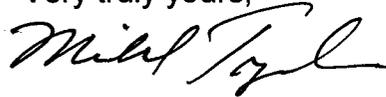
**the Provider's proposed use of IDEA vendor funds in whole or in part and to require Provider to re-submit the Budget and Narrative with changes that are consistent with grant guidelines and the Board's determination as to the services/goods it seeks to obtain from the Provider on behalf of Board-placed students.**

- (h)** Provider agrees first to obligate "carry over" funds from any previous grant year before obligating any current year sub-allocated IDEA Section 611 and Section 619 funds. Provider further agrees not to obligate grant funds, including carry-over funds, beyond June 30<sup>th</sup> or the end date SED sets for the respective grant year. For purposes of this Agreement, funds are "obligated" when the cost is accrued as defined by the SED Reimbursable Cost Manual.
- (i)** Provider agrees that IDEA funds will be expended in accordance with its approved Budget and Narrative and further agrees that it will disclose expenditures at such time and in such form as required by the SED and/or the Board. If it is determined by the Board that funds were expended in a manner not consistent with the budget and narratives approved by the Board, those funds will be subject to recovery by the Board.
- (j)** Provider agrees to complete and submit a final expenditure report to the Board on or before a date and in a format directed by the Board. Failure to submit a final expenditure shall result in recoupment of the grant funds disbursed to Provider in that grant year.
- (k)** The Provider's use of IDEA vendor funds is subject to audit and limited scope reviews as stated in Section 12. Provider must maintain and produce records in accordance with that Section.
- (l)** The Provider shall comply with all applicable federal, state, and local laws in connection with IDEA vendor funding. If the Provider is in violation of aforesaid laws, and/or the terms of this Agreement, the Department shall have the right to terminate Provider's IDEA funding.
- (m)** The Department reserves the right to amend this **Section 34** by letter, as may be necessary, in order to address a change in applicable law, regulation and guidelines governing the operation of IDEA vendor funding.
- (n)** Provider shall adhere to all expenditure and record-keeping rules, regulations and official advisements of NYSED, including, but not limited to Regulations of the Commissioner Part 200, section 200.9, which requires that Providers maintain accounts in accordance with generally accepted accounting principles; that Providers use the accrual basis of accounting; that accounting books of original entry include asset, liability and fund balance or equity accounts, as well as expenditure and revenue accounts; that subsidiary revenue and expenditure accounts be maintained for each approved program requiring a tuition rate, for preschool evaluation costs, and for each government grant administered by the Commissioner, including the federal Individuals with Disabilities Education Act ("IDEA") grant from which the Provider may receive funds as a vendor to the Board.

- (o) The Board shall have the right to conduct limited scope reviews, including review of the Provider's expenditure of IDEA vendor grant funds, in which case, all categories of supporting records may be sought and must be provided.

If you have any questions regarding this contract amendment, please contact Frank Lanore at Non-Public School Payables at [NPSPPaymentInquiries@schools.nyc.gov](mailto:NPSPPaymentInquiries@schools.nyc.gov).

Very truly yours,



Michael Tragale  
Chief Financial Officer

I am authorized to act on behalf of the organization referenced as the "ASEP" on page one of this Agreement. I am authorized to act on behalf of the ASEP and, in that official capacity, agree to the terms contained in this Letter Agreement.

\_\_\_\_\_  
Signature of ASEP Authorized Representative

\_\_\_\_\_  
Print Signatory's Name

\_\_\_\_\_  
Print Signatory's Title

Dated: \_\_\_\_\_

I am authorized to act on behalf of the parent corporation of the ASEP referenced on page one of this Agreement. I am authorized to act on behalf of the below-identified parent/umbrella organization and in that official capacity, agree to the terms contained in this Agreement

\_\_\_\_\_  
Signature of Authorized Representative of \_\_\_\_\_

\_\_\_\_\_  
Print Corporate Name

\_\_\_\_\_  
Print Signatory's Name

\_\_\_\_\_  
Print Signatory's Title

Dated: \_\_\_\_\_

**Upon execution, return this Agreement to:**

IDEA Unit, 65 Court Street, Room 1001, Brooklyn, New York 11201. Keep a copy of this document for your records.