

September 1, 2009

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

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:

The Approved Special Education Programs ("ASEP" or "Provider") listed above is currently under contract with the New York City Department of Education ("Department") to provide special education services to students with disabilities ("Contract"). This letter shall serve as the agreement between the Provider and the Department with respect to federal Individuals with Disabilities Education Act ("IDEA") Part B section 611 and section 619 flow-through *or* local district funds consistent with §4410-b of the New York State Education Law. If the ASEP is a subsidiary of a parent organization that entity must also sign this Letter of Agreement ("Agreement").

IDEA funds will be distributed only to ASEPs that have executed this Agreement and remain in good standing under their Contract with the Department for special education services

Background

ASEP status is defined by the New York State Education Department (“SED”). Pursuant to SED guidance, ASEPs that are eligible for IDEA funding are Approved Preschool Special Education Programs which operated a special education itinerant teacher program, a special class program or a special class in an integrated setting, and Approved School-Age Special Education Programs, which provided special education services. Included within these categories are 4201 Schools, which operated approved preschool or school-age special education programs; approved out-of-state private schools for students with disabilities that received students through courts or State agencies (Article 81 placements); and, approved private schools for students with disabilities, that received students from public school districts (Article 89 placements). Additionally, if an Approved Preschool Special Education program as described above also provided related services only, it may receive IDEA funds upon submitting a SEDCAR-1 form for the related services only children.

Pursuant to the federal IDEA 2004 Reauthorization and §4410-b of the New York State Education Laws, the SED allocates all IDEA Part B flow-through funds to local educational agencies (LEAs); the LEAs then allocate the vendor funds to ASEPs for preschool and/or school-aged students with disabilities. The Department, as an LEA, distributes the funds using a calculation based on student enrollment information submitted by the ASEPs on a SEDCAR-1 form. Only those ASEPs that have submitted a SEDCAR-1 form by the deadline established by the Department are eligible to receive IDEA funding. All information provided on the SEDCAR-1 and supplemental listing required by the Department is subject to verification.

In addition, the Department has developed procedures for the distribution of “carry-over” IDEA Section 611 and Section 619 funds to ASEPs. For purposes of this Agreement, “carry-over” funds are defined as unspent funds from the initial year in which they were allocated.

The Department and the Provider agree as follows:

This Agreement covers IDEA grant year and carry-over funds and is effective September 1, 2009 through August 31, 2012, unless the parties’ underlying Contract is terminated sooner. The parties intend to include the responsibilities and obligations related to IDEA funds in the next iterations of Non-Exclusive Requirements Agreement for the Provision of Services for School Age Students with Disabilities and/or the Non-Exclusive Requirements Agreement for the Provision of Services for Preschool Students with Disabilities which Contracts shall commence on September 1, 2010 and September 1, 2012, respectively. Upon execution of the Provider’s new Contract(s) with the Department, this Agreement shall be void and superseded by the new Contract(s).

The 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.

Payment of IDEA grant funds to the Provider will be made by the Department according to procedures it has developed consistent with federal law and SED guidance.

In each grant year, in order to receive an initial payment, the Provider must complete and submit all required forms, as described in the Notice of Allocation, including, but not limited to, the SEDCAR 1 form; supplemental listing of the names of students comprising the counts identified on the SEDCAR 1; Budget; and Program Narrative. The completed forms must be submitted to the Department by the date indicated in the instructions issued by the Department.

For the term of this Agreement, payment of sub-allocated funds, including carry-over funds, will be made by the Department 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 Department's receipt of its allocation of funds and/or other time-sensitive actions by the SED.

It is understood and agreed that the payment schedule is further contingent upon Provider's submission of all forms and expenditure reports, in the format prescribed by the SED and/or Department, including, but not limited to, electronic submission.

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 August 31st of the respective grant year; the obligations must be satisfied by August 31 of the grant year. For purposes of this Agreement, funds are "obligated" when the Provider commits to purchasing goods, supplies or services.

No later than sixty (60) days after the end of the grant year, Provider agrees to complete and submit a final expenditure report to the Department.

Provider agrees that IDEA funds will be expended in accordance with federal and New York State law and guidance and further agrees that it will disclose expenditures at such time and in such form as required by the SED and Department. The Department is not obligated to issue payments to the Provider for use of funds inconsistent with the IDEA grant. If it is determined by the Department that funds were expended inappropriately, those funds will be subject to recovery by the Department.

Provider agrees to maintain, and to submit upon request, all records and documents pertaining to the receipt and expenditure of IDEA funds, whether allocated or otherwise, including, but not limited to general ledgers, invoices, bills, cancelled checks and bank statements, time records, payroll and service records, and any and all other records in support of transactions for which IDEA funds were expended in whole or in part. The Department, City Comptroller, SED and State Comptroller, or their authorized

representative(s) including the Department's Office of Auditor General, reserve the right to conduct field reviews, desk reviews or audits of the receipt and use of IDEA funds by Provider. Access to property and personnel related to those funds shall be provided during any such review or audit upon request. Nothing in this Agreement shall diminish or otherwise modify audit procedures or obligations with which the Provider has agreed in connection with any other contract between the Provider and the Department.

Except as otherwise directed by the Department, the Provider shall, until seven (7) years after the end of each grant year to which the Agreement applies, or if earlier terminated, until seven (7) years after the termination of the Agreement, retain all books and records required hereunder, including, without limitation, all cost and accounting records, employee certifications, staff (pedagogical and non-pedagogical) attendance, service and time records pertaining to the use of these funds.

The Provider shall furnish any additional data and reports, including, but not limited to, SED submissions, as the Chancellor deems to be related to the performance of the Agreement, upon request of the Chancellor. The Provider shall be given a reasonable time to respond to such requests.

The Provider shall comply with all applicable federal, state, and local laws in connection with the services to be provided by the Provider under the Contract and this Agreement. If the Provider is in violation of aforesaid laws, and/or the terms of the Contract or this Agreement, the Department shall have the right to terminate this Agreement.

The Department reserves the right to amend this Agreement, as may be necessary, in order to comply with any change in applicable law, regulation and guidelines governing the operation of this Agreement.

The parties to this Agreement will maintain their independent and separate identities, each having exclusive control of its own management, assets and affairs. Neither party will, by virtue of this Agreement, assume any liability or obligation of the other party.

Sincerely,

A handwritten signature in black ink, appearing to read 'Photeine Anagnostopoulos', written in a cursive style.

Photeine Anagnostopoulos
Chief Operating Officer

I am authorized to act on behalf of the ASEP on page one of this Agreement and, in that official capacity, agree to the terms contained in this Agreement

Signature of ASEP Authorized
Representative

Print Signatory's Name

Print Signatory's Title

Dated: _____

I am authorized to act on behalf of the below-identified parent organization of the ASEP referenced on page one of this Agreement, 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 1503, Brooklyn, New York 11201. Keep a copy of this document for your records.