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Frank Edelblut
Commissioner

Christine Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
25 Hall Street
Concord, N.H. 03301

April 16, 2024

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the New Hampshire Department of Education to enter into a contract with The Children's Scholarship Fund (VC#325139) Concord, NH to implement the Education Freedom Accounts (EFA) Act established in RSA 194-F, by administering EFA accounts for eligible students effective upon Governor and Council approval through June 30, 2029, with the option to renew for three (3) additional Fiscal Years. 100% Education Trust Fund Funds.

Funds to support this request are available in the account titled Education Trust Fund in Fiscal Year 2025 and are anticipated to be available in Fiscal Years 2026, 2027, 2028, and 2029 upon the availability and continued appropriation of funds in the future operating budget as follows:

06-56-56-560040-30430000-652-500680 EDUCATION TRUST FUND
Education Freedom Accounts

EXPLANATION

The New Hampshire Department of Education (NHED) is requesting to enter into a contract with The Children's Scholarship Fund (CSF). A competitive bid process was used to identify entities, to provide these services. The Children's Scholarship Fund was the only proposal received. The proposal was reviewed by a panel, and the panel recommended CSF for the contract.

The NHED released a Request for Proposal (RFP) on May 17, 2023 in search of a scholarship organization approved under RSA 77:G to implement the EFA Act by administering EFA accounts for eligible students in accordance with RSA 194-F. The scholarship organization, as detailed in the RFP, was required to have extensive experience administering scholarships, including but not limited to: identifying and documenting eligible participants; developing an application and application process consistent with applicable statutes and administrative rules; ensuring that funds are only used for purposes in accordance with applicable

statutes and administrative rules; implementing a system for payment of services; identifying misuse of funds; and developing and implementing an appeals process.

The NHED used a scoring scale of 100 points. The weight of each criterion was based on an individual absolute priority (e.g. to develop an application process for an EFA Account and ensure that funds are used for educational purpose) or competitive priority (e.g. to recruit eligible applicants into the program and to implement fraud prevention protocols). Each priority in the RFP was individually weighted. Scoring review was conducted independently by three different reviewers. A Bid Scoring Summary Sheet for each reviewer was completed and received on July 28, 2023. The average score for each category was included in the overall average score. See Attachment A.

New Hampshire's EFAs empower families from low- and middle-income backgrounds with access to the educational options and environments that best meet their child's needs, interests, and talents. With the state funds intended for a child's education, parents can pay for the schools, educational services, courses, and programs of their choice. Funds unused each school year are rolled forward for future educational expenses until the child graduates from high school.

Per RSA 194-F, the Commissioner of the NHED is required to transfer to the scholarship organization the per student adequate education grant amount under RSA 198:40-a, plus any differentiated aid that would have been provided to a public school for that eligible student. The transfers shall be made in accordance with the distribution of adequate education grants under RSA 198:42. The NHED has selected CSF as the Scholarship Organization and as the recipient of this contract to implement this program. According to RSA 194-F:1, XII, "Scholarship organization" means a scholarship organization approved under RSA 77:G that administers and implements the EFA Act. Currently, only one organization in New Hampshire meets this criterion, the CSF.

CSF currently provides scholarships to empower low- and moderate-income New Hampshire families to choose the schools that best fit their children's needs, regardless of their income or zip code through several programs. CSF was first selected by NHED to implement the existing EFA program in July of 2021. CSF has been operating the Education Tax Credit Scholarship Program, under 77:G in New Hampshire since its inception in 2013. The program's NH Department of Revenue (NH DRA) ED-05 annual reports are detailed and public on the NH DRA's website. Lastly, CSF provides scholarships to students through fundraising and other activities as detailed in its financial statements, annual report, and Form 990s.

CSF New Hampshire is part of Children's Scholarship Fund National, a network of partner programs each providing scholarships that empower parents to choose schools they otherwise could not afford. CSF is a 501(c)(3) nonprofit charity scholarship organization. They have an annual independent audit. Their Form 990s, financial statements, and annual reports are public. They have a 4-star Charity Navigator rating - the highest possible rating - and also the have the highest possible score that a nonprofit can attain for accountability and transparency.

Respectfully submitted,



Frank Edelblut
Commissioner of Education

Attachment A
Bid Summary Scoring Sheet

Bid

There was only one bidder for this Request for Proposal.

Name of Bidder	Bid/Proposal Amount
Children's Scholarship Fund	N/A

Reviewers

Name of Reviewers	Title
Brian Voelk	Education Freedom Accounts Administrator II
Kristen Crawford	Assessment Administrator II
Timothy Carney	Educational Pathways Administrator II

Vendor	Overall Average Score
Children's Scholarship Fund	78

Criteria for Evaluation and Scoring

The New Hampshire Department of Education (NHED) used a scoring scale of 100 points. The weight of the criteria is based on each individual Absolute or Competitive Priority. Each priority in the Request for Proposal is individually weighted as set forth below.

Criteria in the RFP	Weight of Criteria
Absolute Priority #1 Scholarship Organization shall be a duly formed nonprofit corporation authorized to transact business in the State of New Hampshire, exempt from federal income taxation pursuant to section 501 (c)(3), in compliance with applicable state and federal laws and regulations, registered with the director of charitable trusts, and approved by the Department of Revenue Administration for the purpose of issuing scholarships.	8
Absolute Priority #2 Scholarship Organization shall develop an application process for an Education Freedom Account consistent with the EFA Act, create a standard application form that parents can submit to establish their student's eligibility, accept and approve applications for eligible students from parents on a rolling admissions basis, determine student eligibility and the grant amount by application of the eligibility criteria in the EFA Act, require parents or guardians to execute annually an agreement, confirm eligibility for an EFA applicant within thirty (30) calendar days of receipt of a completed application.	12
Absolute Priority #3 Scholarship Organization shall implement a process for review and approval of expenditures and allowable uses of Grant funds, ensure that funds in an EFA may only be used for educational purposes in accordance the list of allowable expenses, provide parents a written explanation of the allowable uses of EFA funds, the responsibilities of parents, the duties of Scholarship Organization, create and implement a dispute process	12

Attachment A
Bid Summary Scoring Sheet
Continued

for any questions or disputes regarding allowable expenses, and provide the NHED with reports which detail expenses by vendor as well as by category.	
Absolute Priority #4 Scholarship Organization shall implement a system for payment of services from EFAs to Education Service Providers by electronic or online funds transfer, adopt a system that provides maximum flexibility to parents by facilitating direct payments to Education Service Providers, ensure that EFA funds are not refunded, rebated, or shared directly with a parent or EFA student in any manner, manage accounts when students leave the program.	12
Absolute Priority #5 Scholarship Organization shall provide data, documentation, and reports as reasonably requested by the NHED, meet the reasonable data and performance reporting requirements of the NHED, describe vendor and category spending data, comply with all applicable federal and state regulations surrounding student data privacy and security.	8
Absolute Priority #6 Scholarship Organization shall incorporate and report accounting practices that segregate the financial and operational functions of the EFA program from any other part of Scholarship Organization's business.	10
Competitive Priority #1 Describe how you will identify and recruit eligible applicants into the program.	6
Competitive Priority #2 Describe how you will meet the customer service needs of the families that you are supporting.	6
Competitive Priority #3 Scholarship Organization may withhold from deposits or deduct from EFAs an amount to cover the costs of administering the EFA program up to 10 percent. Scholarship Organization shall drive efficiencies to maximize more funding to families rather than administrative costs.	8
Competitive Priority #4 Scholarship Organization shall be adaptive to legislative changes in the program. It shall work with the Department to ensure that the program is complying with any new or amended laws. Additionally, it will be available to present program performance information to the legislature in person if requested.	6
Competitive Priority #5 Scholarship Organization shall implement fraud prevention protocols, establish, or contract for the establishment of an online anonymous fraud reporting service, establish an anonymous telephone number for fraud reporting, require a surety bond for education service providers receiving more than \$100,000 in EFA funds, and ensure appropriate use and rigorous oversight of all funds expended under this program.	6
Competitive Priority #6 Scholarship Organization shall disclose their background check policy to parents and require that education service providers provide documentation of the processes used by the providers to ensure a safe learning environment. As a term of this contract, Scholarship Organization agrees to comply with the provisions of New Hampshire RSA	6

Attachment A
Bid Summary Scoring Sheet
Continued

169-C:29 and report all suspected instances of abuse and neglect of a child to the New Hampshire Division of Children, Youth, and Families.	
Total	100

Score

		Reviewers			
Criteria in the RFP	Maximum Points	Brian Voelk	Kristen Crawford	Timothy Carney	Average Score
Absolute Priority #1	8	8	8	8	8
Absolute Priority #2	12	12	12	12	12
Absolute Priority #3	12	12	6	12	10
Absolute Priority #4	12	6	12	6	8
Absolute Priority #5	8	8	8	4	6.7
Absolute Priority #6	10	6	6	6	6
Competitive Priority #1	6	6	6	6	6
Competitive Priority #2	6	6	3	6	5
Competitive Priority #3	8	5	5	5	5
Competitive Priority #4	6	6	4	6	5.3
Competitive Priority #5	6	4	2	2	2.7
Competitive Priority #6	6	4	4	2	3.3
Total	100	83	76	75	78

Review Process

Scoring review was conducted independently by three different reviewers. A Bid Scoring Summary Sheet for each reviewer was completed and received on July 28, 2023. The average score for each priority has been included in the overall average score. The proposal review panel has recommended Children's Scholarship Fund for the contract.

FORM NUMBER P-37 (version 2/23/2023)

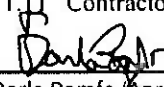
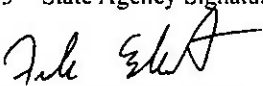
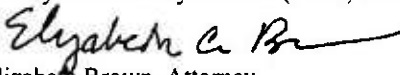
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

I. IDENTIFICATION

1.1 State Agency Name New Hampshire Department of Education (NHED)		1.2 State Agency Address 25 Hall Street Concord, NH 03301	
1.3 Contractor Name The Children's Scholarship Fund		1.4 Contractor Address 180 Loudon Rd. Concord, NH 03301	
1.5 Contractor Phone Number 603-785-0174	1.6 Account Unit and Class See Exhibit C	1.7 Completion Date June 30, 2029	1.8 Price Limitation N/A
1.9 Contracting Officer for State Agency Brian Voelk, Administrator		1.10 State Agency Telephone Number 603-931-0828	
1.11 Contractor Signature  Darla Romfo (Apr 30, 2024 14:38 EDT) Date: 04/30/24		1.12 Name and Title of Contractor Signatory Darla Romfo, CEO	
1.13 State Agency Signature  Date: 5/1/2024		1.14 Name and Title of State Agency Signatory Frank Edelblut, Commissioner of Education	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  Elizabeth Brown, Attorney On: 5/1/2024			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

2. SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT B which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed.

3.3 Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds. In no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provided in EXHIBIT B, in whole or in part, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT C which is incorporated herein by reference.

5.2 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8. The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance

hereof, and shall be the only and the complete compensation to the Contractor for the Services.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 The State's liability under this Agreement shall be limited to monetary damages not to exceed the total fees paid. The Contractor agrees that it has an adequate remedy at law for any breach of this Agreement by the State and hereby waives any right to specific performance or other equitable remedies against the State.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws and the Governor's order on Respect and Civility in the Workplace, Executive order 2020-01. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of age, sex, sexual orientation, race, color, marital status, physical or mental disability, religious creed, national origin, gender identity, or gender expression, and will take affirmative action to prevent such discrimination, unless exempt by state or federal law. The Contractor shall ensure any subcontractors comply with these nondiscrimination requirements.

6.3 No payments or transfers of value by Contractor or its representatives in connection with this Agreement have or shall be made which have the purpose or effect of public or commercial bribery, or acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business.

6.4. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with this Agreement and all rules, regulations and orders pertaining to the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 The Contracting Officer specified in block 1.9, or any successor, shall be the State's point of contact pertaining to this Agreement.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) calendar days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) calendar days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 give the Contractor a written notice specifying the Event of Default and set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) calendar days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, deliver to the Contracting Officer, not later than fifteen (15) calendar days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. In addition, at the State's discretion, the Contractor shall, within fifteen (15) calendar days of notice of early termination, develop and submit to the State a transition plan for Services under the Agreement.

10. PROPERTY OWNERSHIP/DISCLOSURE.

10.1 As used in this Agreement, the word "Property" shall mean all data, information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

10.2 All data and any Property which has been received from the State, or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

10.3 Disclosure of data, information and other records shall be governed by N.H. RSA chapter 91-A and/or other applicable law. Disclosure requires prior written approval of the State.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

12.1 Contractor shall provide the State written notice at least fifteen (15) calendar days before any proposed assignment, delegation, or other transfer of any interest in this Agreement. No such assignment, delegation, or other transfer shall be effective without the written consent of the State.

12.2 For purposes of paragraph 12, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.3 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State.

12.4 The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. **INDEMNIFICATION.** The Contractor shall indemnify, defend, and hold harmless the State, its officers, and employees from and against all actions, claims, damages, demands, judgments, fines, liabilities, losses, and other expenses, including, without limitation, reasonable attorneys' fees, arising out of or relating to this Agreement directly or indirectly arising from death, personal injury, property damage, intellectual property infringement, or other claims asserted against the State, its officers, or employees caused by the acts or omissions of negligence, reckless or willful misconduct, or fraud by the Contractor, its employees, agents, or subcontractors. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the State's sovereign immunity, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance: 14.1.1 commercial general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and

14.1.2 special cause of loss coverage form covering all Property subject to subparagraph 10.2 herein, in an amount not less than 80% of the whole replacement value of the Property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or any successor, a certificate(s) of insurance for all insurance required under this Agreement. At the request of the Contracting Officer, or any successor, the Contractor shall provide certificate(s) of insurance for all renewal(s) of insurance required under this Agreement. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. The Contractor shall furnish the Contracting Officer identified in block 1.9, or any successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. A State's failure to enforce its rights with respect to any single or continuing breach of this Agreement shall not act as a waiver of the right of the State to later enforce any such rights or to enforce any other or any subsequent breach.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no such approval is required under the circumstances pursuant to State law, rule or policy.

19. CHOICE OF LAW AND FORUM.

19.1 This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire except where the Federal supremacy clause requires otherwise. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

19.2 Any actions arising out of this Agreement, including the breach or alleged breach thereof, may not be submitted to binding arbitration, but must, instead, be brought and maintained in the Merrimack County Superior Court of New Hampshire which shall have exclusive jurisdiction thereof.

20. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and any other portion of this Agreement including any attachments thereto, the terms of the P-37 (as modified in EXHIBIT A) shall control.

21. THIRD PARTIES. This Agreement is being entered into for the sole benefit of the parties hereto, and nothing herein, express or implied, is intended to or will confer any legal or equitable right, benefit, or remedy of any nature upon any other person.

22. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

23. SPECIAL PROVISIONS. Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

24. FURTHER ASSURANCES. The Contractor, along with its agents and affiliates, shall, at its own cost and expense, execute any additional documents and take such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated hereby.

25. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

26. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

EXHIBIT A
Special Provisions

Additional Exhibit D

Renewals

Subject to Governor and Council approval, authorize the Department of Education to include a renewal option on this contract for up to three (3) additional Fiscal Years, subject to the contractor's acceptable performance of the terms therein:

The terms outlined in the P-37 General Provisions are modified as set forth below:

A.1 Paragraph 6.4 is stricken in its entirety and replaced as follows: The Contractor agrees to permit the State access to the Contractor's books, records, accounts, and Confidential Information as defined in Paragraph 10, for purposes of monitoring compliance with this Agreement and all applicable state laws and regulations applicable at any time during the performance of this Agreement.

A.2 Paragraph 10, Property Ownership/Disclosure, is stricken in its entirety and replaced as follows:

10.1 All data which has been received from the State, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement.

10.2 Disclosure of data, information and other records by the State shall be governed by N.H. RSA chapter 91-A and/or other applicable law.

10.3 Disclosure of any data received by the Contractor, from the State, requires prior written approval of the State.

10.4 In performing its obligations under this Agreement, Contractor may gain access to Personally Identifiable Information (PII) and financial information including tax returns and documents necessary to verify income from applicants for Education Freedom Account Students ("EFA Students"), confidential medical records of EFA Students and/or applicant's, education records, and individual education plans of EFA Students (collectively referred to herein as Confidential Information). The Contractor shall not use the Confidential Information obtained during the performance of, or acquired, or developed by reason of the Agreement, except as directly connected to and necessary for the performance of the duties under this Agreement. Contractor shall maintain the confidentiality of and protect from unauthorized use, disclosure, publication, and reproduction (collectively "release"), of all Confidential Information.

10.4.1 In the event of the unauthorized release of Confidential Information, Contractor shall immediately notify the individual identified in paragraph 1.14 of this Agreement and the State's Chief Information Security Officer. The State may immediately be entitled to pursue any remedy at law and in equity, including, but not limited to, injunctive relief.

10.4.2 In addition to the duties under 10.4.1, in the event of the unauthorized release of Confidential Information, Contractor shall immediately notify any EFA applicant, EFA student, any Parent of any EFA student participating in the EFA program, or an EFA Provider (as defined in Exhibit B) whose data was disclosed.

10.5 Confidential Information shall not include information which:

- a. shall have otherwise become publicly available other than as a result of disclosure by the receiving Party in breach hereof; or
- b. was disclosed to the receiving Party on a non-confidential basis from a source other than the disclosing Party, which the receiving Party believes

EXHIBIT A
Scope of Work
Continued

is not prohibited from disclosing such information as a result of an obligation in favor of the disclosing Party.

10.6 Contractor shall immediately notify the State if it receives a subpoena or other legal process demanding or attempting to compel a release of Confidential Information. In addition, Contractor shall immediately notify any affected or impacted EFA student or the parent of an EFA student if it receives a subpoena or other legal process demanding or attempting to compel a release of Confidential Information pertaining or relating to the EFA student or the parent of an EFA Student. Contractor shall cooperate with the State in any effort the State undertakes to contest the request, subpoena, or other legal process, at no additional cost to the State. Similarly, Contractor shall cooperate with any EFA student or the parent of an EFA Student in any effort the State undertakes to contest the request, subpoena, or other legal process, at no additional cost to the State. Any disclosure of the Confidential Information, in response to legal process, shall require the prior written approval of the State.

10.7 This covenant in paragraph 10 shall survive the termination of this Contract.

A.3 Paragraph 12 shall be amended to add paragraph 12.5:

12.5 Any subcontractor with access to participant data or Student EFA Accounts must satisfy the following requirements:

- a. Maintain commercial liability insurance against all claims of bodily injury, death, or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate or excess; and
- b. Maintain employee theft coverage in an amount equal to not less than \$2,000,000 and maintain SOC 2 Certification.

EXHIBIT B
Scope of Services

The Children's Scholarship Fund (CSF) shall act as a Scholarship Organization, pursuant to RSA 194-F, that administers and implements the Education Freedom Accounts (EFA) Act. CSF is responsible for providing all labor, materials, equipment, technology, including a commercially viable system for payment in accordance with RSA 194-F:4, VI, and any other resources necessary to satisfy the statutory obligations pursuant to RSA 194-F (the "EFA Act"), as amended from time to time. The school year for the Education Freedom Account program runs from July 1 through June 30.

CSF agrees:

1. To implement, administer, and adhere to NH Law RSA 194-F and NH Chapter Ed 800 rules in their entirety when administering the Education Freedom Account program (referred to herein as the "EFA Program"). CSF also agrees to incorporate and adhere to any legislative changes to RSA 194-F, any administrative rules relating to the Education Freedom Account program, or any other statutory change that impacts the administration of the EFA program.
2. That at all times it shall:
 - a. Satisfy all requirements necessary to be a scholarship organization as set forth in RSA 77-G, XVII.
 - b. Be approved by the Department of Revenue Administration, pursuant to RSA 77-G:5 as a scholarship organization; and
 - c. Comply with all provisions of RSA 77-G:5.

Application Process and Eligibility for EFA Program

CSF shall implement an application and eligibility process for the Education Freedom Account program consistent with RSA 194-F:3, RSA 194-F:1, VI, and NH Chapter Ed 800 rules. To ensure implementation of the program, CSF shall:

1. Create a standard application form. The application form shall:
 - a. Be publicly available.
 - b. Be capable of being submitted either in paper format or electronically to CSF.
 - c. Require the parent to provide evidence demonstrating the student on whose behalf the parent is applying satisfies the criteria for eligibility as set forth in RSA 194-F:1, VI.
2. Accept and approve applications for Eligible students as defined in RSA 194-F from parents on a rolling admissions basis and establish procedures for approving applications in an expeditious manner in such a way that would not preclude the admission of Eligible students any time during the fall and spring semesters.
3. Determine student eligibility and determine the amount of the grant based on the eligibility criteria in the EFA Act and applicable administrative rules.
4. Develop a standardized agreement that shall be entered into between the parent of an eligible student and the scholarship organization that complies with RSA 194-F:3 and require that parents annually execute such agreement, as a condition of the student's participation in the Education Freedom Account program, that enumerates the rights and responsibilities of the parent or guardian set forth by NHED, including an assurance of compliance with the terms of the program.
5. Approve or deny an application for an EFA within (30) calendar days of receipt of a completed application.
6. Use New Hampshire State Assigned Student Identifier (SASID) numbers for each participating Eligible student. For students who already have SASID numbers, CSF shall cooperate with parents and/or prior local education agencies to obtain Eligible student's SASID numbers. CSF shall obtain SASID numbers from the NHED for Eligible students who do not have SASID numbers.
7. Develop and implement policies and procedures required of the Scholarship Organization pursuant to RSA 194-F and NH Chapter Ed 800.

EXHIBIT B
Scope of Services
Continued

8. Develop an application for Education Service Providers and provide a process to permit education service providers to be approved as service providers by CSF on a rolling basis throughout the year consistent with the requirements set forth in ED 803.02.
9. Develop a background check policy that may be used by approved education service providers for employees of service providers who have direct contact with students.

Review of Expenditures and Allowable Uses

1. CSF shall establish an account for each Eligible student (referred to herein as an "EFA Account") in the established commercially viable system being used by CSF to allow for payment of services from EFAs to Education Service Providers. Each student's EFA Account shall hold the Eligible Students awarded funds.
2. CSF shall implement a process for review and approval of expenditures and allowable uses of Grant funds, as well as govern EFA Accounts according to RSA 194-F. CSF's process for review and approval of expenditures may include, but not limited to, the following:
 - a. Ensure that funds in an EFA Account may only be used for educational purposes in accordance with the list of qualifying expenses noted in RSA 194-F:2, II (a-o) and NH Chapter Ed 804.02 (a-e).
 - b. Provide parents a written guidance regarding the allowable uses of EFA Account funds.
 - c. CSF may pre-approve requests for reimbursements for qualifying expenses. No disbursement of funds shall occur without CSF's receipt of evidence that such expenditure has been made.
 - d. Create and implement a dispute process for disputes regarding allowable expenses.
 - e. Provide the NHED with reports which detail expenses by vendor as well as by category.
3. Once EFA funds are segregated to a EFA Account, CSF shall remain responsible for the administration of such funds and shall administrate those funds consistent with RSA 194-F and any administrative rules relating to the EFA program even if such funds remain after the termination of this contract, for any reason.

Implementation of a System for Payment of Services and Vendors

CSF shall implement a system for payment of services from EFA Accounts to Education Service Providers by electronic or online funds transfer. CSF may contract with a private institution or organization to develop the payment system. This shall include but not limited to:

1. Adopt a system that provides maximum flexibility to parents by facilitating direct payments to Education Service Providers.
2. Ensure that EFA Account funds are not refunded, rebated, or shared directly with a parent or EFA student in any manner. Any refund or rebate for goods or services purchased with EFA Account funds shall be credited directly back to the student's EFA Account.
3. Manage EFA accounts when students leave the program. Upon request by NHED, provide any information as requested regarding their withdrawal from the program.
4. Create and implement a process for the approval, continued approval, and removal of education service providers as part of the EFA program to include a process to dispute if the education service providers are not accepted or if they are removed from the program.
5. Maintain an updated list of education service providers and ensure that the list is publicly available through various sources, including, but not limited to, the Internet.
6. CSF shall not exclude, discriminate against, or otherwise disadvantage any Education Service Provider with respect to programs or services under this section based in whole or in part on

EXHIBIT B
Scope of Services
Continued

the provider's religious character or affiliation, including religiously based or mission-based policies or practices.

Reporting

To the extent permitted by all applicable federal and state laws governing student data privacy and security, CSF shall provide all reasonable data and performance reporting as required by NHED. CSF duties shall include, but not be limited to:

1. CSF shall provide available information in the form of data, reports and written and verbal testimony as requested by Education Freedom Savings Account Legislative Oversight Committee, State Board of Education, the NHED, or Parent and Education Service Provider Advisory Commission within 45 days of the request.
2. Provide any data, documentation, and reports as reasonably requested by the NHED within deadlines determined by the NHED and in the format designated by the NHED.
3. Provide NHED with timely access to data, eligibility and enrollment data, and any additional information required by the NHED to facilitate its monitoring and compliance with this contract as well as relevant laws and rules.
4. Provide the NHED with reports which detail the student's prior enrollment as indicated on their application or as provided to CSF by the Eligible students' parent upon request by NHED.
5. CSF shall submit EFA enrollment data for Eligible students through the approved NHED data collection system to the NHED 30 days in advance of funding according to RSA 194-F:2, 1, RSA 194-F:4, 1V NH Chapter Ed 804.01 (a-f), and NH Chapter Ed 804.03(a-b).

Authority and Responsibilities of CSF

1. CSF shall segregate the financial and operational functions of the EFA program from all other operations of CSF and avoid comingling any funds.
2. CSF shall ensure that each student's EFA account is segregated and accounted for separately and used for qualifying expenses for the Eligible Student that the account was established on behalf of.
3. CSF shall annually provide a statement to the NHED certified by its independent auditors of annual administrative expenses associated with operating the EFA program and an attestation that such expenses comply with RSA 194-F. The annual reports shall itemize, at least the following categories of administrative expenses: personnel expenses including salary, payroll taxes, employee benefits, retirement contributions, etc., office supplies including printing and postage, equipment, marketing, travel, technology including hardware and software, operating expenses including telecommunications, rent, utilities, insurance, etc., organizational dues, professional fees, contracts with third party vendors, and other expenses as charged to the administrative set aside.
4. CSF shall identify and recruit Eligible students into the program.
5. CSF shall meet the customer service needs of Eligible students, parents of Eligible Student, and potential applicants and create ways to measure the success of their customer support services through surveys or other means.
6. CSF shall drive efficiencies to decrease administrative costs that are governed by RSA 194-F:4, V, and maximize the amount of funding available to Eligible Students.
7. CSF shall create and implement a policy and procedure for funds not applied to administrative costs per RSA 194-F:4, V funding, and then distributed to eligible EFA Accounts.
8. CSF shall design and implement a process requiring parents of Eligible Students and/or Eligible Students to provide immediate notice to CSF when exiting the program.
9. CSF shall notify the NHED within 5 (five) business days of CSF becoming aware of a student's ineligibility to participate for any reason other than withdrawal from the Program.

EXHIBIT B
Scope of Services
Continued

10. CSF shall issue applicable tax documents to parents of Eligible Students, Eligible Students, and education service providers as required by The Internal Revenue Code and any other applicable state law.
11. CSF shall comply to all legislative or administrative rule changes that impact the program.
12. CSF shall provide program performance information to the legislature in person, at the request of NHED.
13. Parents of students with disabilities:
 - a. CSF shall ensure that parents of students with disabilities receive notice that participation in the EFA program is a parental placement under 20 U.S.C. section 1412, Individuals with Disabilities Education Act (IDEA) along with an explanation of the rights that parentally placed students possess under IDEA and any applicable state laws. As amended in House Bill 446 and RSA 194-F4, III, CSF shall provide a written explanation of their rights to services pursuant to federal and state law specific to the education options available in the EFA program.
 - b. CSF shall ensure that parents of students with disabilities receive notice that if the student attends a public school outside of their resident district, their district of residence remains responsible for meeting the requirements of IDEA.

Terms of Funds transferred to CSF from NHED

The NHED authorizes CSF to act as the scholarship organization pursuant to RSA 194-F and NH Chapter Ed 800.

1. CSF shall hold EFA Account funds received from the NHED under RSA 194-F:2 in a segregated bank account. If CSF's duties under this Agreement are delegated to a subcontractor, the subcontractor shall hold all EFA Accounts funds in a segregated custodial account f/b/o CSF.
2. CSF shall insure that all EFA Account funds received from the NHED pursuant to this Agreement, other than administrative funds, shall be held at a financial institution that provides deposit insurance against bank failure or theft solely.
3. CSF shall ensure that no EFA Account funds are pledged as collateral to any lender or encumbered for any purpose.
4. Over the five-year term of this agreement, CSF shall be responsible for funds allocated to administer EFA accounts for eligible students for the school years:
 - July 1, 2024 through June 30, 2025;
 - July 1, 2025 through June 30, 2026;
 - July 1, 2026 through June 30, 2027;
 - July 1, 2027 through June 30, 2028; and
 - July 1, 2028 through June 30, 2029.
5. CSF will not commingle its own funds or the funds of any other program in the same bank account as EFA Account funds. CSF will not allow any subcontractor to commingle EFA Account funds with any other funds or to use EFA Account funds for any purpose other than paying allowable expenses for an Eligible Student.
6. CSF shall not use any of the funds in the segregated account for its own benefit, except as permitted under this agreement and applicable law.
7. CSF shall return to the NHED any funds which are not subject to a claim by an EFA student.
8. The amount withheld from the EFA Accounts to cover administrative costs shall not exceed the maximum percentage established in RSA 194-F:4. All remaining funds shall be made available to Eligible Students, on a pro rata basis, for allowable uses.

EXHIBIT B
Scope of Services
Continued

Making Grants to Eligible Student Accounts

CSF shall be responsible, in cooperation with the NHED, for determining the per student Grant amount by application of the criteria set forth in RSA 194-F:2, I, RSA 194-F:4, IV, NH Chapter Ed 804.01(a-f), NH Chapter Ed 804.03(a-b).

1. The NHED shall transfer to the CSF the Grant amount for each Eligible student according to RSA 194-F:2, I, RSA 194-F:4, IV NH Chapter Ed 804.01 (a-f), and NH Chapter Ed 804.03(a-b).
2. Grant funds will be transferred to CSF for Eligible students enrolled in the program, and which have been communicated to the NHED by CSF 30-days in advance of the funding date.

Deposits into Student EFAs

1. CSF shall continue making Grants into an Eligible student's EFA annually until:
 - a. CSF determines that the EFA student is no longer an Eligible student.
 - b. CSF determines that there was intentional misuse of the funds in the EFA.
 - c. The parent or EFA student withdraws from the EFA program.
 - d. The EFA student enrolls full-time in the resident district public school.
 - e. The EFA student graduates from high school; or
 - f. Any other reason required under RSA 194-F and NH Chapter Ed 800.
2. If an Education Service Provider requires partial payment of tuition or fees prior to the start of the academic year to reserve space for an EFA Eligible student admitted to the Education Service Provider, such partial payment may be paid by CSF, if funds are available, prior to the start of the school year in which the EFA is awarded and deducted in an equitable manner from subsequent quarterly EFA deposits to ensure adequate funds remain available throughout the school year. Such advanced payment of funds to the Education Service Provider shall be made on the condition that the Education Service Provider agrees, in writing, in advance of receipt of such funds that if the EFA Eligible student elects, for any reason, not to attend or use the Education Service Provider the Education Service Provider shall return the funds to the CSF for reimbursement to the student's EFA Account.

Audits and Misuse

1. The scholarship organization shall contract, as part of its annual financial audit or separately with an unaffiliated auditor, to conduct a risk-based audit of individual EFA accounts on, at a minimum, an annual basis consistent with 194-F:4, X and NH Chapter Ed 803.01(j). The scholarship organization shall submit a copy of the audit report to the department within 90 days of the completion of the audit.
2. CSF may make any parent, Eligible Student, or Education Service Provider ineligible for the EFA program in the event of intentional misuse of EFA funds according to RSA 194-F:4, XI (a-d) and RSA 194-F:4, XII (a-b).
3. CSF shall develop and implement an appeals process for parents, Eligible students or Education Service Providers deemed ineligible for participation in the Education Freedom Account program according to RSA 194-F:4 XIII (a-b) and NH Chapter Ed 806.01 (f and m).
4. CSF shall implement fraud prevention protocols consistent with RSA 194-F:4, state and federal law, and NHED administrative rules. Within 30 days of the effective date of the Agreement CSF shall present the NHED with fraud prevention protocols consistent with RSA 194-F:4, XVI (a-e). The NHED has sole discretion to approve the fraud prevention protocols.
5. CSF and the NHED agree that so long as CSF carries out its obligations under this Agreement and the policies and procedures adopted pursuant thereto in a commercially reasonable manner that CSF shall have no liability for the misuse of funds by an Education Service Provider or

EXHIBIT B
Scope of Services
Continued

Eligible Student except to the extent that CSF has actual knowledge or constructive knowledge of such misuse.

6. CSF shall provide the NHED with access to data, resources, and information to conduct compliance monitoring of the Education Freedom Account program. Notwithstanding the NHED's ability to monitor the EFA program, under no circumstances shall any Eligible Student, applicant, or parent data become the property of NHED.

Misuse by Eligible Student

In the case of suspected misuse by an Eligible student or the Eligible student's parent, CSF shall immediately freeze the EFA Account of the Eligible student in question, pending resolution of suspected intentional misuse.

1. CSF shall develop written procedures and protocols to ensure that a fair process exists to determine whether an intentional misuse of EFA funds has occurred.
2. If an Eligible student, or the Eligible student's parent, is free from personal misconduct as determined by CSF, CSF can reinstate the Eligible student EFA account or reinstate the Eligible student back into the Education Freedom Account program.
3. If the Eligible student has been determined to be free from personal misconduct, but not the Eligible student's parent or guardian, that student shall be eligible for an EFA in the future if placed with a new guardian or other person with the legal authority to act on behalf of the student.
4. CSF must notify the NHED, the State Board of Education, and the New Hampshire Attorney General's Office within 5 days of making a determination of suspected intentional misuse of EFA. If the amount of misused funds exceeds the amount of a Class B Felony, CSF will also notify local and/or state law enforcement.
5. CSF shall make a best-effort attempt to recover misappropriated funds.

Misuse by an Education Service Provider

CSF may bar an Education Service Provider from accepting payments from EFAs if CSF determines that the Education Service Provider has intentionally misrepresented information, failed to refund any overpayments in a timely manner, or routinely failed to provide students with promised educational goods or services.

1. CSF bars an Education Service Provider from participation in the Education Freedom Account program, it shall provide timely notification to parents of Eligible students.
2. CSF shall create procedures to determine the circumstances for barring and reinstatement of eligibility of an Education Service Provider from the Education Freedom Account program.

Parent and Education Service Provider Advisory Commission

CSF shall ensure that a Parent and Education Service Provider Advisory Commission is established pursuant to RSA 194-F:5, I-III.

Education Service Provider Disclosure

The scholarship organization shall comply with Ed 803.02(a) and publish on its website a standard application form, and procedures for review and approval of education service providers including, but not limited to procedures, if any, used by education service providers to ensure background check of employees who have direct contact with students. CSF shall require education service providers to comply with all applicable state and federal anti-discrimination laws pursuant to RSA 194-F:6,II(c).

EXHIBIT B
Scope of Services
Continued

Child Safety

CSF shall comply with the provisions of New Hampshire RSA 169-C:29 and report all suspected instances of abuse and neglect of a child to the New Hampshire Division of Children, Youth, and Families.

Compliance with Current Law

CSF shall comply with current applicable law in existence at the time of performance.

EXHIBIT C
Method of Payment

Upon receipt of data in paragraph 5 of the Reporting section the New Hampshire Department of Education (NHED) will prepare and review the calculation of the grant amount. The NHED will provide the grant amount calculation to The Children's Scholarship Fund (CSF) and upon receipt of the certified grant calculation, the NHED shall transfer to CSF the Grant amount for each Eligible student according to RSA 194-F:2, I, RSA 194-F:4, IV NH Chapter Ed 804.01 (a-f), and NH Chapter ED 804.03(a-b).

Grant funds will be transferred to CSF for Eligible students enrolled in the program, and which have been communicated to the NHED by CSF 30-days in advance of the funding date indicated in paragraph 2 of Making Grants to Eligible Student Accounts section above.

Over the five-year term of this agreement, CSF shall be responsible for funds allocated to administer EFA accounts for eligible students for the school years:

- July 1, 2024 through June 30, 2025;
- July 1, 2025 through June 30, 2026;
- July 1, 2026 through June 30, 2027;
- July 1, 2027 through June 30, 2028; and
- July 1, 2028 through June 30, 2029.

Grant Amount: The Grant amount shall mean the amounts defined in Making Grants to Eligible Student Accounts section in Exhibit B above. Such amounts, for the fiscal year beginning July 1, 2024, the annual amount per student enrolled in kindergarten through grade 12 in an education freedom account shall be made according to RSA 194-F:2, I, RSA 194-F:4, IV NH Chapter Ed 804.01 (a-f), and NH Chapter Ed 804.03(a-b).

CSF may withhold from deposits or deduct from EFA Accounts an amount to cover the costs of administering the EFA program, up to the maximum allowed percent of the total amount of the Grant according to RSA 194-F. If the actual costs to CSF of administering (as defined by Exhibit B) the EFA Accounts is less than the maximum allowed percent of the total amount of the Grant according to RSA 194-F, all remaining funds shall be distributed on pro rata basis to each Eligible students' EFA Account.

As part of the End of Year (EOY) final reconciliation process, CSF shall provide the data for any payment that is due back as instructed by the NHED. CSF shall respond to this request for data within 30 days. The NHED shall review and approve the reconciliation and CSF shall provide any payment to the NHED within 30 days of the receipt of the final approved reconciliation.

Funding Source: Funds to support this request are available in the account titled Education Trust Fund in Fiscal Year 2025 and are anticipated to be available in Fiscal Years 2026, 2027, 2028, and 2029 upon the availability and continued appropriation of funds in the future operating budget as follows:

06-56-56-560040-30430000-652-500680 EDUCATION TRUST FUND
Education Freedom Accounts

Method of Payment: Payment is to be made on the date determined in statute on the basis that data uploads are compliant with NHED requirements and established NHED deadlines.

EXHIBIT D

Data Protection

Data Protection

1. For purposes of this Agreement, Data shall include all files, forms, electronic information and other documents or information, in either electronic or paper form, that will be used by the Contractor during the contract term to provide services under the terms of this Agreement.
2. Protection of personal privacy and data shall be an integral part of the business activities of the Contractor to ensure there is no inappropriate or unauthorized use of data provided by the State to the Contractor or of the Confidential Information of any EFA applicant, EFA students, the Parent of any EFA student participating in the EFA program, or any EFA Provider (collectively referred to as "EFA Program Related Data") at any time. To this end, the Contractor shall safeguard the confidentiality, integrity, and availability of EFA Program Related Data and comply with the following conditions:
 - a. The Contractor shall implement and maintain appropriate administrative, technical and organizational security measures to safeguard against unauthorized access, disclosure or theft of EFA Program Related Data. Such security measures shall be in accordance with recognized industry practice and not less stringent than the measures the Contractor applies to its own Personal Data and non-public data of similar kind.
 - b. All data obtained by the Contractor in the performance of this contract and all EFA Program Related Data shall be encrypted at rest and in transit with controlled access. Unless otherwise stipulated, the Contractor is responsible for encryption of all EFA Program Related Data.
 - c. Unless otherwise stipulated, the Contractor shall encrypt all non-public data at rest and in transit.
 - d. The Contractor shall not use any information obtained while performing any duties under this Agreement or any EFA Program Related Data for any purpose other than providing the services as set forth in this Agreement.

Data Location

The Contractor shall provide its Services to the State solely from data centers within the Continental United States. All storage, processing and transmission of EFA Program Related Data shall be restricted to information technology systems within the Continental United States. The Contractor shall not allow its personnel or sub-contractors to store State data on portable devices, including personal computers.

Security Incident Or Data Breach

1. The Contractor shall inform the State of any security incident or Data Breach in accordance with NH RSA Chapter 359-C:20: Notice of Security Breach.
2. Incident Response: the Contractor may need to communicate with outside parties regarding a security incident, which may include contacting law enforcement, fielding media inquiries and seeking external expertise as mutually agreed upon, defined by law or contained in the Contract. Discussing security incidents with the State should be handled on an urgent as-needed basis, as part of the Contractor communication and mitigation processes as mutually agreed upon, defined by law or contained in the contract.
3. Security Incident Reporting Requirements: the Contractor shall report a security incident to the State identified contact immediately if it reasonably believes there has been a security incident.
4. Breach Reporting Requirements: If the Contractor has actual knowledge of a confirmed data breach that affects the security of any EFA Program Related Data that is subject to applicable

EXHIBIT D
Data Protection
Continued

data breach notification law, the Contractor shall (1) promptly notify the appropriate State identified contact immediately, unless shorter time is required by applicable law, and (2) take commercially reasonable and consistent with industry best practices measures to address the data breach in a timely manner.

5. Data Breach means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Data Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.

Breach Responsibilities

1. This section only applies when a Data Breach occurs with respect to EFA Program Related Data data within the possession or control of the Contractor and/or the third-party designee hosting the data as agreed upon by the Contractor and the State.
2. The Contractor, unless stipulated otherwise, shall immediately notify the appropriate State identified contact by telephone in accordance with the agreed upon security plan or security procedures if it reasonably believes there has been a security incident.
3. Contractor shall also immediately notify any EFA applicant, EFA student, any Parent of any EFA student participating in the EFA program, and any EFA Provider (as defined in Exhibit B) whose data was disclosed.
4. The Contractor, unless stipulated otherwise, shall promptly notify the appropriate State identified contact within 24 hours or sooner by telephone, unless shorter time is required by applicable law, if it confirms that there is, or reasonably believes that there has been a Data Breach the Contractor shall:
 - a. Cooperate with the State as reasonably requested by the State to investigate and resolve the Data Breach;
 - b. Promptly implement necessary remedial measures, if necessary; and
 - c. Document responsive actions taken related to the Data Breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services, if necessary.
5. Unless otherwise stipulated, if a Data Breach is a direct result of the Contractor's breach of its contract obligation or the third-party hosting company to encrypt Personal Data or EFA Program Related Data, or otherwise prevent its release, the Contractor and/or the third-party hosting company shall bear the costs associated with:
 - a. The investigation and resolution of the Data Breach;
 - b. Notifications to individuals, regulators or others required by State law;
 - c. A credit monitoring service required by State (or federal) law;
 - d. A website or a toll-free number and call center for affected individuals required by State law — all not to exceed the average per record per person cost calculated for Data Breaches in the United States (currently \$201 per record/person) in the most recent Cost of Data Breach Study: Global Analysis published by the Ponemon Institute at the time of the Data Breach; and
 - e. Complete all corrective actions as reasonably determined by the Contractor based on root cause; all [(a) through (e)] subject to this Contract's limitation of liability.

CERTIFICATE OF ATTESTATION

Corporation

I, Elizabeth Toomey, hereby certify that I am the duly appointed Secretary of
(Name of Clerk of Corporation)

The Children's Scholarship Fund, I hereby certify that Darla Romfo
(Corporation Name) (Name of Contract Signatory)

Chief Executive Officer, is duly authorized to execute contracts on behalf of
(Title of Contract Signatory)

The Children's Scholarship Fund and may bind the company thereby.
(Corporation Name)

I hereby certify that said authority has not been amended or repealed and remains in full force and effect as of the date of the contract to which this certificate is attached. This authority **remains valid for thirty (30) days**. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

DATED: 04/30/24

ATTEST: Elizabeth Toomey, Board Secretary
Elizabeth Toomey (Apr 30, 2024 14:29 EDT) (Title of Clerk of Corporation)
(Signature of Clerk of Corporation)

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that THE CHILDREN'S SCHOLARSHIP FUND is a New York Nonprofit Corporation registered to transact business in New Hampshire on January 06, 2011. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 641259

Certificate Number: 0006270322



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 12th day of July A.D. 2023.

A handwritten signature in black ink, appearing to read "David M. Scanlan", is written over a faint circular stamp.

David M. Scanlan
Secretary of State

Business Information

Business Details

Business Name: THE CHILDREN'S SCHOLARSHIP FUND

Business Type: Foreign Nonprofit Corporation

Business Creation Date: 01/06/2011

Date of Formation in Jurisdiction: 01/06/2011

Principal Office Address: 8 West 38th Street 8th Floor, New York, NY,
10018, USA

Citizenship / State of
Incorporation: Foreign/New York

Duration: Perpetual

Business Email: kdoran@scholarshipfund.org

Notification Email: kdoran@scholarshipfund.org

Business ID: 641259

Business Status: Good Standing

Name in State of
Incorporation: THE CHILDREN'S SCHOLARSHIP FUND

Mailing Address: 8 West 38th Street 8th Floor, New York, NY,
10018, USA

Last Nonprofit Report
Year: 2020

Next Report Year: 2025

Phone #: 212-515-7105

Fiscal Year End Date: NONE

Principal Purpose

S.No	NAICS Code	NAICS Subcode
1	OTHER / To provide scholarships to children from low income families.	



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/30/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Risk Strategies Company 750 Third Avenue, Suite 1500 New York NY 10017	CONTACT NAME: Loma Gucciardi-Potter	
	PHONE (A/C, No, Ext): 212-297-1433	FAX (A/C, No): 646-719-2977
	E-MAIL ADDRESS: LGucciardi-Potter@risk-strategies.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: PHILADELPHIA INDEMNITY INSURANCE CO	18058
INSURED The Children's Scholarship Fund 8 West 38th Street New York, NY 10018	INSURER B: HARTFORD PROPERTY & CASUALTY	34690
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES	CERTIFICATE NUMBER: 1063730843	REVISION NUMBER:
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.		

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY				5/4/2024	5/4/2025	EACH OCCURRENCE \$ 2,000,000
	☐ CLAIMS-MADE ☒ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 2,000,000
							GENERAL AGGREGATE \$ 4,000,000
							PRODUCTS - COMP/OP AGG \$ 4,000,000
							\$
							COMBINED SINGLE LIMIT (Ea accident) \$
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
B	☐ AUTOMOBILE LIABILITY						PROPERTY DAMAGE (Per accident) \$
	☐ ANY AUTO						\$
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS					
	☐ HIRED AUTOS	☐ NON-OWNED AUTOS					
	☐ UMBRELLA LIAB	☐ OCCUR					EACH OCCURRENCE \$
	☐ EXCESS LIAB	☐ CLAIMS-MADE					AGGREGATE \$
	☐ DED	☐ RETENTION \$					\$
	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				5/4/2024	5/4/2025	☒ PER STATUTE ☐ OTHER
	☐ ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ Y/N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	☐ If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
THIS CERTIFICATE WAS ISSUED FOR EVIDENCE PURPOSES ONLY

CERTIFICATE HOLDER	CANCELLATION
The State of New Hampshire Department of Education 101 Pleasant Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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Children's Scholarship Fund
New Hampshire

The Children's Scholarship Fund empowers families by providing children in need with scholarships, and by supporting expanded educational opportunities for all children.

Financial Statements Together with
Report of Independent Certified Public
Accountants

The Children's Scholarship Fund

For the year ended August 31, 2023
with summarized comparative financial information
for the year ended August 31, 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
The Children's Scholarship Fund

Opinion

We have audited the accompanying financial statements of The Children's Scholarship Fund (the "Fund"), which comprise the statement of financial position as of August 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of August 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is

not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on 2022 summarized comparative information

We have previously audited the Fund's 2022 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 1, 2022. In our opinion, the accompanying summarized comparative information as of and for the year ended August 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

New York, New York
November 21, 2023

The Children's Scholarship Fund

STATEMENT OF FINANCIAL POSITION

As of August 31, 2023
with summarized comparative financial information as of August 31, 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 7,764,037	\$ 21,425,941
Investments (Note C)	28,124,984	10,361,483
Contributions receivable, net (Note D)	-	1,763,214
Prepaid expenses and other assets	64,868	34,626
Deposits	23,346	23,346
New Hampshire Education Freedom Accounts	4,671,165	2,474,597
Operating lease right-of-use assets (Note I)	230,009	-
Property and equipment, net (Note E)	34,062	52,795
	<u> </u>	<u> </u>
Total assets	<u>\$ 40,912,471</u>	<u>\$ 36,136,002</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 22,313	\$ 11,531
Due to State of New Hampshire (Education Freedom Accounts)	5,378,521	2,764,783
Refundable advances	55,243	637,434
Operating lease liabilities (Note I)	248,552	-
Accrued expenses and other liabilities	165,509	143,610
	<u> </u>	<u> </u>
Total liabilities	<u>5,870,138</u>	<u>3,557,358</u>
Commitments		
Net assets		
Without donor restrictions	9,954,492	8,572,395
With donor restrictions (Note F)	25,087,841	24,006,249
	<u> </u>	<u> </u>
	35,042,333	32,578,644
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 40,912,471</u>	<u>\$ 36,136,002</u>

The accompanying notes are an integral part of this financial statement.

The Children's Scholarship Fund

STATEMENT OF ACTIVITIES

For the year ended August 31, 2023
with summarized comparative financial information as of August 31, 2022

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Operating revenues and support				
Contributions	\$ 2,768,786	\$ 20,123,040	\$ 22,891,826	\$ 23,785,605
Fundraising events (net of costs of direct benefits to donors of \$2,070)	-	2,494	2,494	3,031
Program service revenue	1,138,185	-	1,138,185	860,103
Investment income	1,309,290	-	1,309,290	115,237
Total operating revenues and support	5,216,261	20,125,534	25,341,795	24,763,976
Net assets released from restrictions (Note F)	19,043,942	(19,043,942)	-	-
Total operating revenues, support and net assets released from restrictions	24,260,203	1,081,592	25,341,795	24,763,976
Operating expenses				
Program services:				
Scholarships and grants (Note G)	19,227,637	-	19,227,637	20,245,323
Program management, outreach and support	1,888,331	-	1,888,331	1,459,006
Total program services	21,115,968	-	21,115,968	21,704,329
Support services:				
Management and general	502,138	-	502,138	423,517
Fundraising	1,260,000	-	1,260,000	1,192,095
Total support services	1,762,138	-	1,762,138	1,615,612
Total operating expenses	22,878,106	-	22,878,106	23,319,941
CHANGES IN NET ASSETS	1,382,097	1,081,592	2,463,689	1,444,035
Net assets, beginning of year	8,572,395	24,006,249	32,578,644	31,134,609
Net assets, end of year	\$ 9,954,492	\$ 25,087,841	\$ 35,042,333	\$ 32,578,644

The accompanying notes are an integral part of this financial statement.

The Children's Scholarship Fund

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended August 31, 2023
with summarized comparative totals for the year ended August 31, 2022

	Program Services	Support Services		2023 Total Expenses	2022 Total Expenses
		Fundraising	Management and General		
Scholarships and grants	\$ 19,227,637	\$ -	\$ -	\$ 19,227,637	\$ 20,245,323
Salaries	1,190,825	780,995	229,767	2,201,587	1,827,823
Payroll taxes	83,672	53,996	13,261	150,929	130,284
Employee benefits	210,501	97,626	25,406	333,533	258,162
Occupancy costs	41,942	61,988	8,780	112,710	211,340
Professional fees	26,607	56,916	182,517	266,040	196,974
Donor communication costs	-	84,960	-	84,960	121,113
Event costs	-	2,038	-	2,038	2,197
Offices expenses	20,301	14,211	2,325	36,837	36,922
Information technology	248,911	22,768	765	272,444	143,293
Travel	18,949	55,512	28,245	102,706	59,158
Depreciation and amortization	16,510	10,129	1,435	28,074	29,990
Insurance	27,287	10,866	1,612	39,765	36,380
Miscellaneous	2,826	7,995	8,025	18,846	20,982
Total expenses	<u>\$ 21,115,968</u>	<u>\$ 1,260,000</u>	<u>\$ 502,138</u>	<u>\$ 22,878,106</u>	<u>\$ 23,319,941</u>

The accompanying notes are an integral part of this financial statement.

The Children's Scholarship Fund

STATEMENT OF CASH FLOWS

As of August 31, 2023

with summarized comparative financial information as of August 31, 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from contributors	\$ 24,075,670	\$ 22,372,107
Cash received from State of NH EFA, net of returned funds	15,242,920	9,004,046
Investment and other income	1,275,229	113,280
Scholarships and grants paid	(19,227,637)	(20,245,323)
Cash paid to vendors, suppliers and employees	(3,566,178)	(2,991,326)
Cash paid to vendor to fund NH EFA accounts	(13,689,066)	(7,853,757)
Net cash provided by operating activities	<u>4,110,938</u>	<u>399,027</u>
Cash flows from investing activities:		
Purchases of investments	(34,544,079)	(16,941,109)
Sales of investments	16,780,578	13,165,740
Purchases of property and equipment	(9,341)	(27,792)
Net cash used in investing activities	<u>(17,772,842)</u>	<u>(3,803,161)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(13,661,904)</u>	<u>(3,404,134)</u>
Cash and cash equivalents, beginning of year	<u>21,425,941</u>	<u>24,830,075</u>
Cash and cash equivalents, end of year	<u><u>\$ 7,764,037</u></u>	<u><u>\$ 21,425,941</u></u>

The accompanying notes are an integral part of this financial statement.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE A - THE CHILDREN'S SCHOLARSHIP FUND

The Children's Scholarship Fund ("CSF" or the "Fund") is a not-for-profit charitable organization which was formed on April 28, 1998 for the purpose of expanding educational opportunities available to low-income families. CSF provides partial tuition assistance to families in need so children can attend the K-8 schools that best meet their needs, regardless of their ability to pay or where they live. In furtherance of its mission, CSF makes matching grants to other scholarship organizations so they may also provide partial scholarship awards to children from low-income families.

Since CSF's first scholarships were awarded in 1999, more than 200,750 children from low-income families have received tuition assistance through CSF grants. See Note G for additional information.

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") and has been classified as an organization which is not a private foundation.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Fund's financial statements distinguish between net assets and changes in net assets without donor restrictions and those with donor restrictions as follows:

Net assets without donor restrictions - consist of all funds which are expendable at the discretion of the Fund's management and Board of Directors for carrying on daily operations. These funds have neither been restricted by donors nor set aside for any specific purpose.

Net assets with donor restrictions - net assets that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of the Fund pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash equivalents include short-term highly liquid investments with original maturities at the time of purchase of three months or less.

Investments

Investments in Treasury bills are stated at their fair value in the statement of financial position. Net realized and unrealized gains and losses for the period are shown in the statement of activities.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2023 and 2022

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation or amortization is computed on a straight-line basis over the estimated useful lives of the related assets as follows:

Office and computer equipment and systems	Three years
Furniture and fixtures	Five years
Leasehold improvements	Useful life of the asset or the term of the lease, whichever is shorter

Contributions

The Fund recognizes revenue from contributions in accordance with guidance that requires the Fund to evaluate whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be a contribution, the Fund evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Fund is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The Fund records contributions when an unconditional promise to give is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as either without donor restrictions or with donor restrictions, based on donor-imposed restrictions, if any.

Unconditional promises to give with payments due in future years are reported as contributions with donor restrictions and discounted to present value using a credit adjusted rate of return. An allowance for uncollectible contributions receivable is provided based on management judgment including such factors as prior collection history and type of contribution. Contributions receivable are charged off against the allowance for uncollectible accounts when management determines that recovery is unlikely, and any amounts subsequently collected are recorded as income in the period received. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met. Conditional contributions received in advance of meeting the associated conditions are recorded as refundable advances on the statement of financial position.

Program Service Revenue

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), CSF recognizes revenue when control of the promised goods or services are transferred to the customers in an amount that reflects the consideration CSF expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. CSF has identified program service revenue to be subject to ASC 606. CSF recognizes revenue from contracts with customers, as goods or services are transferred or provided in accordance with ASC 606.

In connection with its agreement with the State of New Hampshire, CSF acts as an administrative agent for funds to be disbursed to qualified students for educational expenses. In return for these administrative services CSF retains no more than 10% of the funds received annually as a recovery for administrative costs incurred. ASC 606 allows as a practical expedient, for an entity that has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, the entity may recognize revenue in the amount to which the entity has a right to invoice.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2023 and 2022

This administrative fee is recognized as program service revenue over time as CSF performs these administrative services, based on direct and allocated costs incurred, which corresponds with the fulfillment of CSF's performance obligations under the contract.

As the amounts and the students that will receive funding under the program is determined by the State of New Hampshire, CSF has accounted for the student funds as an agency transaction whereby revenue is recognized as the net fee earned. The administrative costs incurred related to the transaction are recorded as revenue within program service revenue and as an expense within operating expenses in the statement of activities. Accordingly, CSF has recognized the upfront payment to be distributed to students as a liability within Due to State of New Hampshire (Education Freedom Accounts) on the statement of financial position, which is reduced as funds are subsequently approved for qualified educational expenses or returned to the State of New Hampshire. The Fund has engaged Class Wallet to facilitate the distribution of funds to students and as such has recorded the amounts held by Class Wallet as New Hampshire Education Freedom Accounts on the statement of financial position. Amounts not utilized under the program will be returned to the State of New Hampshire.

Scholarship Awards

CSF awards partial scholarships so that children from low-income families can attend the private or parochial school of their choice. These scholarships are recorded as an expense at the time they become unconditional, which is usually when the student attends their chosen school.

Leases

CSF adopted ASU 2016-02, *Leases (Topic 842)* as of September 1, 2022. After the adoption of this standard, CSF determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether CSF controls the use of the identified asset throughout the period of use. CSF classifies leases as either finance or operating. CSF does not have any finance leases at adoption. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent CSF's right to use an underlying asset for the lease term and lease liabilities represent CSF's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments is discounted based on CSF's incremental borrowing rate.

CSF's operating lease ROU assets are measured based on the corresponding operating lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of our ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the long-lived asset guidance.

CSF does not allocate consideration between lease and non-lease components, such as operating costs, as CSF has elected to not separate lease and non-lease components for any leases within its existing classes of assets. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred.

Operating leases are presented separately as operating lease right-of-use assets and operating lease liabilities in the accompanying statement of financial position.

Prior to the adoption of ASC 842, CSF recognized rent expense on a straight-line basis over the term of the lease. The difference between cash rent payments and the recognition of rent expense was recorded as a deferred rent liability within accrued expenses and other liabilities on the statement of financial position.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2023 and 2022

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis based on either financial or non-financial data, such as the number of employees or estimates of time and effort incurred by personnel.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

Concentrations of Credit Risk

Financial instruments that potentially subject the Fund to concentrations of credit risk consist principally of cash and cash equivalents. The Fund maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Fund's cash accounts were placed with high credit quality financial institutions and the Fund has not experienced, nor does it anticipate, any losses in such accounts.

Fair Value of Financial Instruments

The Fund follows guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The guidance provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The guidance also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Assets and liabilities, subject to the guidance, measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date.
- Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies.
- Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value require significant management judgment or estimation.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2023 and 2022

Income Taxes

The Fund follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Fund is exempt from federal income tax under Section 501(c)(3) of the Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Fund has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which there was nexus; and to identify and evaluate other matters that may be considered tax positions. The Fund has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Presentation of Certain Prior Year Summarized Information

The accompanying financial statements include prior year summarized comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Fund's consolidated financial statements as of and for the year ended August 31, 2022, from which the summarized comparative information was derived.

Certain reclassifications have been made to the prior year summarized financial statements to conform to the current year presentation.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This standard requires the recognition of a right-of-use asset and lease liability on the statement of financial position for substantially all leases. The standard retained a dual model for lease classification, requiring leases to be classified as finance or operating lease to determine recognition in the statement of activities and cash flows. Additionally, in July 2018, the FASB issued ASU 2018-11, *Leases, Targeted Improvements*, which provided entities with a transition method option to not restate comparative periods presented, but to recognize a cumulative effect adjustment to beginning retained earnings in the period of adoption. CSF elected the modified retrospective transition method and did not restate prior comparative periods. The standards also provide additional transition relief, of which CSF has elected to (1) not reassess whether any expired or existing contracts are or contain leases, (2) retain the classification of leases (e.g., operating or finance lease) existing as of the date of adoption, (3) not reassess initial direct costs for any existing leases, and (4) not utilize hindsight when assessing lease term and ROU asset impairment. The standards require more detailed disclosures to enable users of financial statements to understand the amount, timing and uncertainty of cash flows arising from leases. The guidance is effective for public companies beginning after December 15, 2018 and nonpublic companies beginning after December 15, 2021. CSF adopted this standard as of September 1, 2022. See Note I.

NOTE C - INVESTMENTS

The composition of the Fund's investments as of August 31, 2023 and 2022 were comprised solely of U.S. Treasury bills and were classified within Level 1 of the fair value hierarchy.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2023 and 2022

NOTE D - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable consist of the amounts expected to be collected within one year. All of the net receivables were restricted for scholarship awards.

In addition, as of August 31, 2023, CSF has received conditional promises totaling approximately \$14.9 million (\$12.9 million of which are restricted for scholarship awards). These gifts are primarily conditioned on satisfying matching fund requirements by CSF and/or its grantee scholarship organizations and accordingly have not been recognized in the accompanying financial statements.

NOTE E - PROPERTY AND EQUIPMENT, NET

Property and equipment at August 31, 2023 and 2022 consisted of the following:

	2023	2022
Office and computer equipment and systems	\$ 170,655	\$ 182,422
Furniture and fixtures	9,210	9,210
	179,865	191,632
Less: accumulated depreciation and amortization	(145,803)	(138,837)
Property and equipment, net	\$ 34,062	\$ 52,795

Depreciation and amortization expense for the years ended August 31, 2023 and 2022 was approximately \$28,000 and \$30,000, respectively.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of approximately \$25,088,000 and \$24,006,000 at August 31, 2023 and 2022, respectively, were primarily available for scholarships and grants.

Net assets were released from donor restrictions by satisfying the restricted purpose as follows:

	2023	2022
Scholarships and grants	\$ 17,627,637	\$ 19,503,188
Expended for operating costs	1,416,305	1,282,813
	\$ 19,043,942	\$ 20,786,001

NOTE G - SCHOLARSHIPS AND GRANTS

CSF awards partial scholarships so that children from low-income families can attend the private or parochial school of their choice. In addition, CSF makes matching grants to other scholarship organizations so they may also provide partial scholarship awards to children from low-income families. During the years ended August 31, 2023 and 2022, the total value of the scholarship payments made by CSF and other grantee scholarship organizations amounted to approximately \$54,455,000 and \$48,873,000, respectively. CSF distributed approximately \$19,228,000 and \$20,245,000 of these awards during fiscal years 2023 and

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2023 and 2022

2022, respectively. The remaining \$35,227,000 in 2023 and \$28,628,000 in 2022 was funded by matching contributions provided by the other scholarship organizations.

There were no unconditional scholarships and grants payable as of August 31, 2023 or 2022.

NOTE H - EMPLOYEE BENEFIT PLAN

CSF has a defined contribution retirement plan which provides for CSF to make matching contributions of up to 5% of the compensation of eligible employees. The plan allows the participants to make voluntary contributions subject to Internal Revenue Service limitations. CSF incurred approximately \$104,000 and \$86,000 in pension expense relating to this plan for the years ended August 31, 2023 and 2022, respectively.

NOTE I - LEASES

CSF leases office space in New York City and New Hampshire with lease terms that expire on July 31, 2026 and April 30, 2023, respectively. Additionally, the terms of New York City lease agreement include escalating payments over the term of the lease. Upon adoption, ASC 842 *Leases* had an impact in CSF's statement of financial position. As part of the transition, CSF elected the following practical expedients:

- Package of practical expedients which eliminates the need to reassess (1) whether any expired or existing contracts are or contain leases; (2) the lease classification for any expired or existing leases; and (3) the initial direct costs for any existing leases.
- The practical expedient whereby the lease and non-lease components will not be separated for all classes of assets.
- Not to recognize ROU assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date.
- The Fund uses the risk-free rate as the discount rate in order to determine present value of the lease liabilities.

For existing leases, CSF did not elect the use of hindsight and did not reassess lease term upon adoption.

CSF adjusted the opening ROU asset balance based on its remaining deferred rent liabilities. On September 1, 2022, CSF recorded \$303,339 in operating lease ROU assets and \$324,014 in operating lease liabilities. The adoption of ASC 842 had no significant impact on CSF's changes in net assets.

As of August 31, 2023, CSF has no additional operating leases that have not yet commenced.

The components of lease cost for operating leases does not include any short-term or variable lease costs as of August 31, 2023. Lease costs of approximately \$83,000 are disclosed on the statement of functional expenses in occupancy costs.

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2023 and 2022

Supplemental cash flow information related to leases was as follows during 2023:

Cash paid for amounts included in the measurement of	\$ 85,304
Operating cash flows used in operating leases	
Supplemental disclosure of noncash leasing ROU	
obtained in exchange for new operating lease liabilities	303,339

The following table represents the weighted-average remaining lease term and discount rate as of August 31, 2023:

Operating leases:	
Weighted average remaining lease term (years)	3
Weighted average discount rate	3.465%

Future undiscounted lease payments for CSF's operating lease liabilities as of August 31, 2023:

	<u>Amount</u>
2024	\$ 87,436
2025	89,624
2026	<u>84,082</u>
Total future lease payments	261,142
Less: imputed interest	<u>(12,590)</u>
Present value of lease liabilities	<u>\$ 248,552</u>

Disclosures Related to Periods Prior to Adoption of ASC 842

Total rent expense for the year ended August 31, 2022 was \$173,000. Rent expense related to lease agreements was recognized on a straight-line basis over the lease term.

Future minimum lease payments under non-cancelable operating leases as of August 31, 2022 were as follows:

	<u>Amount</u>
2023	\$ 99,100
2024	95,700
2025	97,800
2026	<u>91,600</u>
Total	<u>\$ 384,200</u>

The Children's Scholarship Fund
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2023 and 2022

NOTE J - COMMITMENTS AND CONTINGENCIES

As of August 31, 2023, CSF has outstanding conditional grants to other scholarship organizations totaling approximately \$2.6 million for the purpose of awarding scholarships to children from low-income families that are in kindergarten through eighth grade. These grants are subject to the satisfaction of stipulated conditions, including the achievement of matching fund requirements. If these conditions are satisfied, expenditures will be recognized and payments will be made during the year ending August 31, 2024.

NOTE K - AVAILABLE RESOURCES AND LIQUIDITY

The Fund considers contributions without donor restrictions and investment income without donor restrictions to be available to meet cash needs for general expenditures. General expenditures include management and general expenses, fundraising expenses and program management, outreach and support expenses.

In addition, the Fund receives significant contributions with donor restrictions that are used to fund scholarships and matching grants to other scholarship organizations. During fiscal year 2023, the Fund received donor restricted contributions for scholarships and matching grants of approximately \$18,660,000.

The Fund manages its financial assets to meet general expenditures, liabilities and scholarship and matching grant obligations as they come due. The Fund invests cash in excess of its near term requirements in various short-term investments including money market funds, U.S. Treasury bills and certificates of deposit.

The table below presents financial assets available for general expenditures within one year at August 31, 2023:

Cash and cash equivalents	\$ 7,764,037
Investments	<u>28,124,984</u>
Total financial assets	<u>35,889,021</u>
Less amounts not available to be used within one year:	
Donor contributions restricted for scholarships and grants	<u>(25,087,841)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 10,801,180</u>

NOTE L - SUBSEQUENT EVENTS

CSF evaluated its August 31, 2023 financial statements for subsequent events through November 21, 2023, the date the financial statements were available to be issued. CSF is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**Children's Scholarship Fund
Board of Directors**

Mr. Matthew W. Bonanno
Co-Chair, Children's Scholarship Fund
Managing Director, General Atlantic

Ms. Margot McGinness
Co-Chair, Children's Scholarship Fund

Mr. Jeffrey S. Chang
Senior Director, Private Equity Team, Guardian Life Insurance Company of America

Mr. Stephen Fraidin
Partner, Cadwalader, Wickersham & Taft LLP

Mr. Michael Gerstner
Chairman, RS Access

Mr. Christopher P. Halpin
Chief Financial Officer, IAC

Mr. Xavier James
Chief Operating Officer, Major League Baseball Players Association

Mr. David E. Johnson
Caligan Partners

Mike McCurry
Immediate Past Chair, Children's Scholarship Fund
Distinguished Professor of Public Theology, Wesley Theological Seminary

Ms. Darla M. Romfo
President and COO, Children's Scholarship Fund

Mr. Kevin M. Short
Managing Partner and CEO, Clayton Capital Partners

Mr. Remy W. Trafelet
President and CEO, Trafelet & Company, LLC

Ms. Heather Vratton

Mr. Juan Williams
Fox News

Requirement B.15. Key personnel sheet - names, annual salary, amount of salary paid by contract

The Children's Scholarship Fund

Schedule of Key Employees who work on EFA program administration

(Note key employee as defined by IRS Form 990 Instructions)

As of June 2023

Employee	Job Title	Annual Salary	% allocated to EFA program administration	% allocated to EFA program administration
Darla Romfo	President & CEO	\$ 350,000	13%	\$ 45,500
Kathleen Doran	Chief Financial Officer	\$ 245,250	17%	\$ 41,693
Kate Baker Demers	Executive Director of NH Programs	\$ 165,000	95%	\$ 156,750
Marie Bathelmy	Director of Scholarship Operations	\$ 130,000	40%	\$ 52,000

Experience

Children's Scholarship Fund **July 1999-Present**
President and CEO

- Manage all aspects of a national education nonprofit whose mission is to provide educational opportunities to low-income kids by empowering their parents to send them to private schools.

Senator John Breau **November 1995-June 1999**
Legislative Director and Counsel to Chief Deputy Whip

- Managed all legislative staff and all interactions with Democratic leadership staff on behalf of the Senator in his Washington, DC office.

Senator Kent Conrad **June 1993-November 1995**
Legislative Assistant and Legislative Director

- Served as the Senator's advisor on tax matters before the Senate Finance Committee and was promoted to manage all legislative staff on behalf of the Senator.

Tri-Five Properties **April 1991-May 1993**
In-House Counsel

- In-house counsel to an affiliated group of companies representing a Toronto based investor group with commercial real estate holdings in Florida. Co-managed Florida office and all Florida personnel.

Forsyth, Swalm and Brugger **June 1987-March 1991**
Associate and Shareholder

- Practiced law in the areas of tax, estate planning, and real estate. Involved in human resource and budgeting aspects of practice management.

Ernst and Whinney **September 1984-May 1987**
Staff and Sr. Tax Consultant

- Provided transaction oriented tax planning and problem resolution services to corporate, health care and NFP clients. Wrote for in-house publications and taught at in-house education programs.

Education

George Washington University Law School **September 1981-May 1984**
Juris Doctor

University of North Dakota **August 1977-May 1981**
B.S. in Accounting and B.A. in Political Science

Qualifications and Board memberships

Legal: Member of the Florida Bar; Member of the D.C. Bar

Other: Certified Public Accountant in Virginia

Affiliations and Board Memberships: Board member of The Drexel Fund, Brilla College Prep Charter Schools, the Invest in Education Coalition, and Silvercrest Asset Management Group. Former member of the White House Commission on U.S. Presidential Scholars.

KATE BAKER DEMERS

New Hampshire Executive Director, Children's Scholarship Fund

180 Loudon Rd.

Concord, NH 03301



kbaker@scholarshipfund.org

PROFESSIONAL EXPERIENCE

Children's Scholarship Fund, New Hampshire / Network for Educational Opportunity Concord, NH

Executive Director Aug. 2012 to Present

- Established and managed a New Hampshire K-12 Scholarship Organization that has raised and provided \$10 million in education scholarships to underprivileged children.
- Operationalized and managed administration of New Hampshire Education Freedom Accounts that have provided unique learning experiences for more than 3000 NH children.
- Engaged nation-wide stakeholders and community leaders state-wide, featured favorably in media and celebrated for leading innovation and operational excellence.

AssureTec Technologies Manchester, NH

Business Manager Nov. 2010 to Aug. 2012

- Partnered with Vice-President of Sales and Marketing to develop sales, marketing and public relations strategies and department reporting.
- Increased sales and customer satisfaction by conducting staff training program, implementing sales management analytic tools, CRM, and customer support system.
- Led marketing activities of the organization, including complete company rebranding; web and collateral creation, public relations, social media, marketing and marketing analytics /ROI reporting, to maximize valuation.
- Developed and managed budgets and partnered with Vice-President of Finance and Administration in the financial management of the organization.

The Scholars' Academy (now Polaris Charter School) Manchester, NH

Co-Founder, Chairman of the Board Aug. 2008 to March 2016

- Developed school model, wrote and implemented business plan, marketing plan and fundraising plan, lead growth of organization, cultivated donors, recruited Board members and volunteers.
- Collaborated with specialists in gifted education to develop and provide curricular vision, direction, and educational oversight.
- Interviewed, hired, and trained faculty and staff including mentoring school director and classroom teachers in the areas of school management, multiage grouping and curriculum.
- Created annual budgets and forecasts, school policies and procedures and financial reporting.

The Bedford Youth Performing Company Bedford, NH

Business Administrator & Instructor Jun. 2004 to Nov. 2010

- Partnered with executive director to develop and implement growth strategy, marketing plan, and development plan that resulting in growth of school from 250 to 1000 students.
- Conducted staff and faculty training, managed payroll and human resources.
- Responsible for financial management, budgets and reporting, and collections.
- Researched grant opportunities and wrote successful grant proposals, fostered relationships with partner non-profits and donors.
- Designed programs and taught classes to hundreds of students generating increase in revenue every year.

R.T. Robertson Consultants Manchester, NH

Accounting Manager/Management Consultant Jun. 2000 to Jul. 2004

- Managed clients including: property management, hotel, professional services, and biotechnology start-up.
- Developed budgets, processed accounts payable and accounts receivable, utilized general ledger, managed cash flow and implemented cost controls.

EDUCATION

University of New Hampshire, Durham
Bachelor of Science: Business Administration, Cum Laude

COMMUNITY LEADERSHIP EXPERIENCE

Council for Thriving Children – Governor Sununu Appointee
Catholic Charities New Hampshire – Trustee
Rotary Club of Concord & Rotary Club Foundation – Board Member and Membership Chair
Polaris Charter School – Chairman of the Board
Polaris Charter School Educational Foundation – Co-Founder
Academy of Science and Design Educational Foundation – Co-Founder
The Greater Manchester Alliance for the Gifted – Co-Founder and President
City of Manchester - Education Advisory Committee - Mayor Guinta Appointee
Manchester School District – Magnet Program Implementation Committee
Manchester School District – Gifted and Talented Program Advisory Committee
University of New Hampshire – Whittemore (Paul) School of Business - Economics Teaching Assistant

AWARDS

General Federation of Women's Clubs NH Unity Award 2023
NH Liberty Alliance Activist of the Year 2021
Granite State Christian Schools Association – Leadership Award 2019
NH Catholic Schools – Superintendents Award 2018
New Hampshire Union Leader and Business and Industry Association "40 under Forty" 2013
The Peace Islands Institute New Hampshire 2013 Education Award

**Kathleen M. Doran, CPA
Eastchester, NY 10709**

SUMMARY

Senior financial professional with more than 20 years of management experience, working with leading financial institutions, boards of directors, and external auditors. CPA/M.S. Taxation with in-depth knowledge of not-for-profit accounting. Expertise includes the streamlining of accounting processes to generate cost savings, internal control system development including computer-based platforms for closing and account tracking, and team leadership in IT initiatives and database creation. Strong leadership, analytical, problem-solving, organizational, and communication skills.

PROFESSIONAL EXPERIENCE

Chief Financial Officer The Children's Scholarship Fund	2021 - Current New York, NY
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Consulting Services Michael A. Rozycki, CPA, PLLC	2019 - 2021 2018 - 2020 Pelham, NY
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- Provide auditing, accounting, tax and budget services for public accounting firm specializing in Commercial Real Estate Accounting for Cooperatives and Condominiums..

Chief Financial Officer Community Housing Innovations, Inc.	2017 - 2019 White Plains, NY
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- Directed operating budget of over \$30 million for over 20 programs.
- Managed budgeting, reporting and funding from various funding agencies: Suffolk, Nassau, Westchester, Orange and Dutchess County Department of Social Services, U.S. Department of Housing and Urban Development, NYS Office of Mental Health, NYS Affordable Home Corporation, NYS Office of the Attorney General, and NYS Office of Temporary and Disability Assistance.
- Prepared consolidating financial statements in compliance with Generally Accepted Accounting Principles, and Government Auditing Standards, and Uniform Guidance (Formerly OMB Circular A-133).
- Prepared IRS Federal Form 990 and NYS CHAR500.
- Formulated policies and procedures to strengthen internal controls. This included streamlining processes by leveraging available technology to attain operational efficiencies.
- Direct supervision of 6 accounting staff and Operations Manager.
- Collaborated with Executive Director and Associate Executive Director as a strategic thought partner.
- Developed external relations with funding agencies, financial institutions and auditors.
- Managed large portfolio of properties, cash flow needs and lending institutions debt coverage covenants.

Director of Financial Operations Archdiocese Of New York – Global Regional School System	2013 - 2017 New York, NY
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- Directed operating budget of over \$190 million for 94 elementary schools and 9 regional offices.
- Reorganized and managed the Global Regional System back-office operation, accounting and financial services unit and human resources, comprising more than 40 employees.
- Directed and oversaw government funding of over \$30 million for 74 Pre K for All programs.
- Provided bi-annual training to staff regarding new processes and financial reporting.
- Developed and implemented a formal budget creation and review process; enabling the timely release of tuition rates and fees for the following school year, and timely review of actual to budget variances.
- Developed the financial statement reports for each of the 94 elementary schools, rolled up to 9 regional level reports and combined into one global financial statement report. This resulted in the first ever audited financial statements for the elementary schools.
- Presented financial statements to regional boards, business managers and Archdiocese senior management.
- Developed and drafted all accounting policies and internal control procedures regarding tuition collections and payment, cash receipts, cash disbursements, fundraising and temporarily restricted donations.
- Streamlined the payment of invoices by implementing a school credit card and prepaid cash card petty cash system.

Chief Financial Officer/Treasurer/Secretary
The Woodlawn Cemetery

2006 - 2013
Bronx, NY

- Directed operating budget of over \$10 million and trust funds of over \$100 million, prepared financial statements and IRS Federal Form 990.
- Managed the administration, accounting, human resources/payroll and information technology staff, comprising of more than 15 employees.
- Developed and implemented the cemetery's first five year forecast review process, a comprehensive document retention/destruction policy, and a month-end close process that reduced staff time by half and produced needed timely reports.
- Created an endowment module in HMIS cemetery software that accounts for the activity of over 9,000 endowed properties.
- Team leader on key initiatives including IT projects - website and GIS (Geographic Information System) base map database development, a Partners in Preservation program that garnered a \$150,000 grant to preserve the Belmont Mausoleum, the restoration of additional historic mausoleums, and a National Historic Landmark DVD.
- Lead financial reporting and informational return filings in New York and other states for Woodlawn Conservancy, Inc. (formerly Friends of the Woodlawn Cemetery) a 501(C)(3) support organization.
- Provided final financial reports for grants received, including the Department of Cultural Affairs and the New York Community Trust, as well as quarterly operating results and budget variances to the board of directors and finance committee.
- Worked with investment advisors and reconcile investment activity on a monthly basis.

Audit Supervisor
O'Connor Davies, LLP (Public Accounting Firm)

2001 - 2006
Harrison, NY

- Analyzed budgets, supervised and completed audits and reviews.
- Client experience included not-for profit and health care organizations.
- Prepared, analyzed, reviewed, and interpreted financial statements and related notes.
- Primary liaison for client management, led audit teams on audit engagements.
- Identified weaknesses in internal controls and prepared management letters.
- Prepared and reviewed restricted net assets schedules and tax returns.
- Trained junior staff members.

Staff Accountant

Speer & Fulvio, LLP (Public Accounting Firm)

2000 - 2001

New York, NY

- Performed client audits, compilations, and reviews.
- Prepared tax returns.
- Reviewed audit findings with clients.

Accountant

Lehman Brothers

1997 - 2000

New York, NY

- Handled monthly, quarterly, and yearly financial reporting/profit & loss (P/L) for broker dealer and holding companies.
- Reconciled front office P/L to subsystem general ledger (G/L), posting adjustments.
- Properly classified inventory, financings, and customer balances in the corporate G/L.
- Prepared and confirmed intercompany eliminations for inventory, fails, and financings.
- Managed multi-product trading system including client queries, trade capture, and reporting.
- Conducted annual review of financial reporting with external auditors and SEC.
- Served as international offices financial reporting liaison.
- Ensured a successful European Monetary Unit (EMU) and Y2K conversion.
- Researched and resolved intercompany breaks and erroneous balance sheet accounts.

Internal Auditor

Chase Manhattan Bank

1995 - 1997

New York, NY

- Obtained, recorded, and confirmed detailed profiles of audited business functions: Middle Market, Loan Workout, NYC Municipals, Asset Based Lending, Trust Operations, Chase Insurance.
- Evaluated internal control systems to identify control points and/or weaknesses.
- Performed substantive and compliance testing for operation areas (funds transfer, section 20 Firewall Compliance, extensions of credit, overdrafts, abeyance accounts, system access, G/L transactions, account openings, official checks, daily proof, securities processing, settlement and various reconciliations).
- Documented audit findings and presented them to auditee management.
- Participated in fraud investigations.

EDUCATION

Baruch College, The City University of New York

M.S. Taxation

Manhattan College

B.S. Accounting and Finance, Cum Laude

PROFESSIONAL LICENSE & AFFILIATIONS

Certified Public Accountant, New York 2002

American Institute of Public Accountants - Member

New York State Society of Certified Public Accountants - Member

Metropolitan Cemetery Association - Secretary/Treasurer 2013

SOFTWARE SKILLS

Fund EZ, Sage Mas90, Creative Solutions, HMIS cemetery software, Parish Soft Connect Now, Outlook, Excel, Word, PowerPoint

Marie M. Bathelmy

QUALIFICATION HIGHLIGHTS:

- Over 20 years of experience in developing and managing public/private partnerships and following through to ensure success
- Highly skilled in organizing start up phases of new projects and programs
- Excellent interpersonal and communication skills
- Able to work independently and as a member of a team
- Bilingual, bicultural professional fluent in verbal and written Spanish

EXPERIENCE:

The Children's Scholarship Fund (CSF)

Brooklyn, NY

08/16-Present

Director of Scholarship Operations, executive staff

- Oversee CSF's overall scholarship granting program in New York City that serves over 6,000 students across 220 K-8 schools
- Supervise the application processing and student qualification of the Education Tax Credit & Education Freedom Account programs in the state of New Hampshire that serves over 3,300 students
- Manage the build out, implementation, and maintenance of several online scholarship and alumni management systems
- Provide operations support for CSF's IT services and phone system
- Develop and implement outreach and marketing strategies targeting prospective scholarship families and outreach to new schools interested in partnering with CSF
- Establish and sustain rapport with CSF's funding partners, including the Archdiocese of New York and the Diocese of Brooklyn, and with CSF's program vendors, including NeonOne and ClassWallet
- Provide technical assistance to CSF's nation-wide program partners in the areas of program implementation, best practices, and online systems design

Brooklyn Jesuit Prep (BJP)

Brooklyn, NY

08/14-06/16

Director, Graduate Support Program

- Developed quality supplemental and enriching programming for the 85 BJP graduates in grades 9-12 and over 80 BJP graduates in college and beyond that has resulted in increased graduate participation
- Monitored each graduate's academic progress and behavior in high school to ensure stability, accountability and motivation
- Maintained a strong rapport with the graduates through social media, email, and school visits
- Established and sustained positive communication and rapport with high school guidance counselors, deans, and principals at the high schools that the BJP graduates attended as well as the graduate's parents
- Maintained overall graduate support program budget and managed contracts and financial aid for the graduates in high school
- Designed and lead an 8-week high school prep and transition seminar for 8th grade students
- Introduced, designed, and implemented school-wide learning and cultural initiatives such as Career Day & heritage month celebrations that have become part of the school's yearly programming

Strategic Planning Consultant

Brooklyn, NY

07/13-07/16

Specializing in nonprofits and educational institutions, designed and implemented strategy plans in the areas of marketing, community outreach, operations, logistical coordination, and cultivation.

- *Legacy Project at St. John the Baptist Roman Catholic Church:*
Project Manager for the historic relocation of the 146 year-old parish; designed a campaign to increase parish giving & stewardship; and developed a clear communications plan for the relocation & fundraising efforts
- *Cristo Rey Brooklyn High School:*
Developed marketing and collateral materials, provided operational & logistical support, and trained successor during transition period

Marie M. Bathelmy

Cristo Rey Brooklyn High School

Brooklyn, NY

11/08-06/13

Director of Admissions

School Administration & Management, member of the Leadership Team:

- Developed and presented admissions strategies to Board of Trustees and to funders as necessary
- Developed and maintained brand strategies with school's President and marketing firm
- Active thinking partner in the decision-making process of school policies and initiatives

Oversaw all aspects of the department and student recruitment to ensure that each entering class had qualified, talented students:

- Designed and implemented a comprehensive strategic plan of outreach initiatives and of admissions policies that increased student inquiries by approximately 20% each academic year
- Sourced, created, and maintained key partnerships at the public, private, and community levels that increased the school's market by 100% contacts since 2008
- Created and implemented multi-faceted marketing and communications campaign that include print, email, media, and social media that align with the organization's brand
- Directed the admissions process from point of inquiry through enrollment
- Worked with fellow Leadership Team members to ensure the admissions strategy and process ran smoothly
- Evaluated and followed up using data and real time input and acted on key opportunities for continuous growth and improvement

The National Urban Technology Center, Inc.

New York, NY

02/02-10/08

Contracts and Administration

Responsible for multiple high-level functions within the non-profit corporation:

Project Management, Operations & Logistics

- Primary liaison to partners, grant funders, and clients, including: the Office of the First Lady of New York State; NYCDOE school principals, teachers, and District Superintendents; Bank Street College of Education; US Department of Justice; US Department of Education; Internal Revenue Service; The New York City Housing Authority; and various corporate sponsors
- Customized agendas, scheduled delivery of services & travel, and facilitated training workshops by project, grant or client across all 50 US states, US territories and Native American Tribal Nations
- Recruited, hired, trained, and managed technical and training consultants as required by project
- Managed and maintained project and grant budgets ranging from \$1,500 to over \$1 million

Marketing, Community Outreach & Planning

- Provided strategic planning to clients for building capacity and maintaining sustainability through evaluating needs, identifying resources, creating new/reinforcing existing partnerships, designing community technology programs, and reviewing curriculum effectiveness
- Created compelling advertising copy and lay out visually appealing content for catalogs and other marketing materials such as fliers and postcards for direct mailing campaigns
- Represented organization at national conferences for the US Department of Education and US Department of Justice and at community meetings and fairs

Contracts, Administration & HR

- Recruited, interviewed, hired and trained new full time and consultant staff; facilitated new-hire orientations
- Served as Group Benefits Administrator (GBA) for health insurance, Plan Administrator for the 401(k) plan and Payroll & Fringe Manager
- Drafted Consultant Agreements and Memorandums of Understanding

The United Way of New York City

New York, NY

05/99-03/01

Program Intern, Management Assistance Program (MAP)

- Coordinated Special Projects and LINKAGES Training Sessions
- Conducted Intake/Mailing Process, Registration, and Placement Process of LINKAGES participants

Program Intern, Hunger Prevention and Nutrition Assistance Program (HPNAP)

- Evaluated prospective community groups for Food, Operations, and Capital Equipment funding

Marie M. Bathelmy

- Conducted site visits and TANF Eligibility Project (TEP) Survey's at HPNAP funded agencies

EDUCATION:

Columbia University

New York, NY

Bachelor of Arts in History, May 2001

SKILLS:

Languages: Spanish and Haitian-Creole

Computer: Windows and Ubuntu systems; Microsoft Office (Word, Excel, PowerPoint), Salesforce

ACTIVITIES:

Trustee, St. John the Baptist Roman Catholic Church

Volunteer, St. Frances Cabrini Catholic Academy

Volunteer, St. Matthias Catholic Academy