

TEXAS EDUCATION AGENCY
Application for an Open-Enrollment Charter School-Sixth Generation
Coversheet

Type:	Open Enrollment _____
(check one)	"75% Rule" <input checked="" type="checkbox"/> _____

Date of Submission: August 18, 2000
RFA#701-00-008

Name of Proposed School: Ripley House Charter School

Maximum Grade Levels to be served: Kindergarten through Fifth Grade

Estimated 1st Year Enrollment: 108 Max Enrollment: 216

Name of Sponsoring Entity: Neighborhood Centers inc.

Chairperson of Board of Sponsoring Entity: Ronald C. Lewis

Chief Executive Officer of Sponsoring Entity: Angela Blanchard

Chief Executive Officer of School: Cynthia Patton, Ph.D.

Applicant Mailing Address: P.O. Box 271389, Houston, Texas 77277-1389

School Site Address: 4410 Navigation, Houston, Texas 77003
(If different from above)

Contact Phone# 713-669-5258 Fax# 713-669-5236

Contact Email Address: [REDACTED]

I certify that I have the authority as the Chief Executive Officer of the sponsoring entity designated above to make application for an open-enrollment charter school. I further certify all information contained in this application is complete and accurate, realizing that any misrepresentation could result in disqualification from the charter application process or revocation after award. I authorize the Texas Education Agency to investigate the references listed in this application.

Angela Blanchard 8/17/00
Signature of Chief Executive Officer Of Sponsoring Entity Date

Cynthia Patton
Signature of Application Preparer Was this person paid? Yes ___ No

Signature of Chairperson of the Governing Board of the Sponsoring Entity Date

F. History of sponsoring entity

1. Financial history of the entity

(Appendix E- Financial and Independent Auditor's Report)

2. Credit Report

(Appendix F- D&B Monitoring Scope)

3. Most recent IRS filing

(Appendix G-IRS Form 990)

4. Disclosure of any liens

None

5. Litigation History

- a. Maria Guzman Gonzalez and Juvenal P. Guzman, Individually and as Next Friends of Glenda Isabella Guzman, a minor vs. Neighborhood Centers Inc., No. 95-043211, 189th Judicial District Court of Harris County, Texas.
- b. Mega Child Care, Inc. v. Neighborhood Centers Inc., No. 200016217, 61st Judicial District Court of Harris County, Texas.
- c. Ace Cash Express Inc. v. Neighborhood Centers Inc., No. CV11C0001421, Justice Court, Precinct 1, Place 1, Harris County, Texas.

II. Community Support (Reviewed by Agency)

A. Provide information on the manner in which community groups are involved in the charter school planning process.

Neighborhood Centers Inc. operates four community centers in Harris County. The oldest one, Ripley House, has been providing social and educational services to the Second Ward Community since 1940. During the last half of the 1990 decade, \$11,000,000 was raised to rebuild Ripley House. Part of the planning phase for the new Ripley House Neighborhood Center where the charter school will be located was soliciting community input through an extension Community Support and Awareness Campaign that utilized interviews, surveys, and focus groups. One of the concerns that was extracted from this information was the educational need of the children and youth in Houston's Second Ward. Since then, several discussions were held concerning the possibility of a charter school located on the new facility. A community meeting to discuss the proposed school was held on August 8, 2000. The new Ripley House will open its doors to the community in November, 2000.

B. Provide a copy of notice for, the registration log, and a synopsis for a public hearing held to discuss the proposed charter school*p5224Y

In addition to the above referenced process, a community meeting was held on August 8th, 2000 at the Ripley House Neighborhood Center located at 4410 Navigation. The meeting started at 6:30 p.m. and 70 adults were in attendance (Appendix H-Meeting Attendance Sheet). Two Neighborhood Centers Inc. employees presented the information in both English and Spanish. The majority of questions raised by the community residents surrounded the educational approach and how children are enrolled in the school. Teacher to child ratio and quality of services was also discussed. The meeting was conducted in a positive atmosphere and the residents appeared genuinely interested.

Ripley House Community Meeting

Neighborhood Centers Inc. will be holding a community meeting to discuss a proposed charter school at the new Ripley House facility. All interested persons are encouraged to attend.

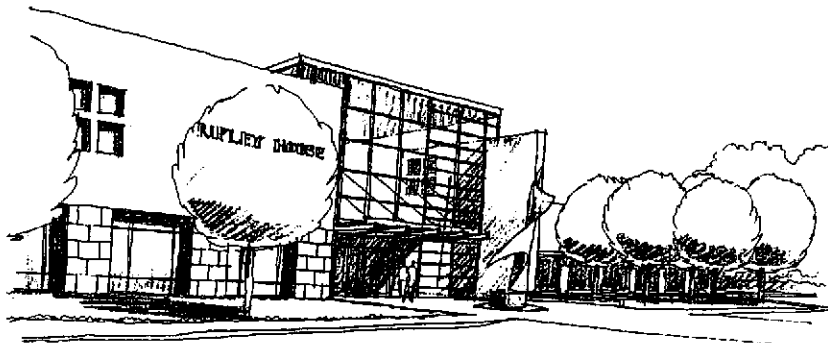
Tuesday, August 8, 2000
Ripley House
Neighborhood Center
4401 Lovejoy
6:30 p.m.



Ripley House Junta Comunitaria

Neighborhood Centers Inc. tendra una junta comunitaria para discutir una propuesta para una escuela "Charter" (una escuela autorizada por el Estado y administrada por Neighborhood Centers Inc.) en la nueva facilidad de Ripley House. Todas las personas interesadas estan cordialmente invitadas a atender la junta.

Martes, 8 de agosto del 2000
Centro Comunitario Ripley House
4401 Lovejoy
6:30 p.m.



C. Discuss any business arrangements or partnerships with existing schools, educational programs, businesses, or non-profit organizations (Include letters from each entity represented)

Neighborhood Centers collaborates with different entities for the following: *Professional Development*- Neuhaus Education Center provides curriculum and professional development services; *Schools* – NCI collaborates with local Independent School Districts and universities to provide enhanced learning opportunities for children and youth as well as training opportunities for Agency staff; *Educational Programs* – NCI receives funding or other support from other non-profit organizations, businesses and government agencies to provide educational programs and social services to children, youth, families and seniors; *Administrative Responsibilities* –Arrangements have been made with businesses partners to carry out certain administrative duties. (Appendix I-Letters From Each Entity Represented)

Program Service Providers-NCI subcontracts with non-profit and government organizations to provide services to clients. Services include case management and nutritional and educational services. (Appendix I-Letters From Each Entity Represented)

D. List five persons who are not directly involved with the school as employees or as board members, who will serve as references for the sponsoring entity. Provide phone numbers, addresses, and nature of experience with sponsoring entity.

The Honorable Lee P.
Brown, Mayor
City of Houston
P.O. Box 1562
Houston, TX 77271

Marianne Ehrlich, Executive
Director
Healthy Family Initiatives
7500 Beechnut, Suite 227
Houston, TX 77074
713/270-8849

Jackie Martin, President
United Way of the Texas
Gulf Coast
P.O. Box 924507
Houston, TX 77292
713/685-2756

Diane Rath, Chair
Texas Workforce
Commission
101 E. 15th Street
Austin, TX 78778
512/463-2800

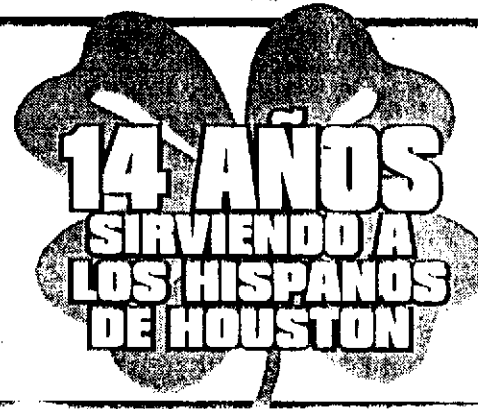
The Honorable Judge Robert
Eckels, County Judge
Harris County
1001 Preston, Suite 911
Houston, TX 77002
713/755-4000

Rodney Bradshaw, Manager
Houston-Galveston Area
Council
P.O. Box 22777
Houston, TX 77227
713/993-4530

These individuals and organizations are associated with NCI through collaborations and/or contracts.

- E. Each applicant must publish the following statement in a newspaper of general distribution in the geographic area proposed for the school. The statement must also be mailed to the city council and commissioner's court with jurisdiction over the geographic area. Attach evidence of publication.**

BUENA SUERTE



RÓ, PERMITANOS AYUDARLE. TEL. 713-243-8791.

[YA ES TIEMPO DE TENER SU PROPIA CASA MOVIL] FACIL DE CALIFICAR. NO IMPORTA SI NO ES CIUDADANO. LLAME A LILIA, TEL. 281-687-8593.

[NO GASTE SU DINERO EN RENTA], COMPRE SU CASA MOVIL. DESDE \$500.00 DE ENGANCHE. TEL. 713-946-1317.

[45 SUR/COLLEGE], 3-2, BUSCA REPARAR LA CASA] DESDE 58,000. NECESITA MANO OBRA, PAGOS MENOS DE \$550., LOTE EN ESQUINA, PISO DE MADERA, EXTENSION CONSTRUIDA EN LIVING ROOM. LLAMAR A CELIA AL TEL. 713-784-0054 O 713-913-0804 AGENTE.

[45 SUR/EDGEBROOK, 3 CUARTOS, 2 BAÑOS, CON PISCINA] COMEDOR FORMAL, RECIBIENDO PINTADA, CERÁMICA EN TODA LA CASA, 2,180 PIES. DUEÑO AYUDA CON ALGO DEL CIERRE. LLAME A CECILIA AL TEL. 281-748-8048, CELULAR 713-784-0054 (MENSAJE).

[PARA QUE RENTAR?] HACER SUS SUEÑOS SE HAGAN REALIDAD ES MI DESEO. DEJE QUE YO LE AYUDE A COMPRAR O VENDER SU CASA, EVANNA PINEI, TEL. 281-732-6997. RE/MAX.

[45 SUR/TELEPHONE], 3 RECÁMARAS, 2 BAÑOS, LISTA PARA MOVERSE. REMODELADA COMPLETAMENTE. DUEÑO TODAVIA NO LA PONE EN EL MERCADO. APURESE, DURARA POCO. AGENTE CECILIA. TEL. 281-748-8048 O 713-913-0804.

ANUNCIARSE AQUÍ 713-272-0101 EXT. 22

QUISICION AGENTE. 713-913-0804, CELULAR 281-748-8048, CECILIA.

[ROMPA LAS CADENAS DEL ALQUILER], BAJOS ENGANCHE, BAJOS INTERESES NO CREDITO, PROGRAMAS DE PAGO EN 12 O 23 AÑOS, PREGUNTE POR OSCAR, LLAME HOY AL TEL. 281-777-8281 O 281-920-4663 Y DIGA LO LEI EN BUENA SUERTE.

[PRESTAMOS PARA COMPRAR SU CASA] CONOZCA SUS OPCIONES, APRENDA SUS LIMITES, PROGRAMAS DE COMPRADORES POR PRIMERA VEZ. OFRECEMOS TODO TIPO DE PRESTAMOS, NOSOTROS VAMOS A SU DOMICILIO. LLAME HOY AL TEL. 713-812-1040 Y PREGUNTE POR SERGIO, DIGA LO LEI EN BUENA SUERTE.

[QUIERE COMPRAR SU CASA?] NO SE PREOCUPE PORQUE IMIS MORTGAGE TIENE MUCHOS PROGRAMAS DE GOBIERNO PARA CALIFICAR. NO CREDITO O MAL CREDITO, VENGA! PODEMOS AYUDARLE. DIGA QUE LO VIO EN BUENA SUERTE. TEL. 281-931-0771.

[CASAS MOVILES USADAS] DESDE \$2,500.00 AL CONTADO O EN PAGOS. TEL. 713-946-4663.

NOTICE OF INTENT TO APPLY FOR OPEN-ENROLLMENT CHARTER SCHOOL

Neighborhood Centers Inc. is applying to the State Board of Education for approval to operate an open-enrollment charter school (charter school) to be located at 4110 Navigation. Charter schools are public schools established by nonprofit organizations, institutions of higher education, or governmental entities. These schools are publicly funded and are free from many state regulations that apply to other public schools. The following descriptive information about the proposed school is being provided for the benefit of the community in which the school would be located if approved.

Sponsoring Agency: Neighborhood Centers Inc.
Chief Executive Officer: Angela Blanchard, President and CEO

Ronald C. Lewis, Chairman; Jonathan Day, First Vice Chair, Stephen Kaufman, Second Vice Chair; Don A. Turkleson, Treasurer; Sylvia Capetillo, Secretary; Karyl M. Lawson, Assistant Secretary; Tom Sanders, Past Chairman; Robert Ambrose; Rudy Ayles; Joanne Baker; Susan Baker; Modelle Brudner; Dr. Ruth Burgos-Sasscer; Margo Cater; Bill Chiles; Gail Creech; Bettye Drisdale; Noel Granbatt; James Hills; Don Holt; Christina Morales Krasnick; Sharon Michael Owens; Norma L. Montalvo; Susan Parastar; Michael Ronca; and Nancy Wooldridge.

Location: 4110 Navigation, Houston, Texas 77003
Brief description of the school: An elementary school that meets Texas Education Guidelines applying a micro-community approach with a focus on life skills.
Grade levels: K-5th
Opening date if approached: August, 2001

The State Board of Education invites comments about any aspect of the proposed school or its sponsoring entity. Comments must be communicated in the form of a signed letter directed to the State Board of Education. Only letters specifically addressing a proposed school will be considered by the board. Letters may be sent to the following address: Texas Education Agency, Division of Charter Schools, 1701 N. Congress, Austin, Texas 78701

AUMENTE LAS VENTAS DE SU NEGOCIO

BUENA SUERTE



Roxanna Anderson
713-272-0101 Ext. 46

¡Gane más Dinero!
Llame Hoy Mismo

On August 14, 2000, a copy of the following notice was sent to the City of Houston Council and the Commissioners court:

**Notice Of Intent To Apply
For Open-Enrollment Charter School**

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7000 0520 0017 6175 1017

U.S. Postal Service CERTIFIED MAIL RECEIPT <i>(Domestic Mail Only: No Insurance Coverage Provided)</i>		
Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)	✓	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ <i>all</i>	
Recipient's Name (Please Print Clearly) (To be completed by mailer) City of Houston Council Street, Apt. No.; or PO Box No. P.O. Box 1562 City, State, ZIP+4 Houston TX 77251		
PS Form 3800, February 2000 See Reverse for Instructions		

7000 0520 0017 6175 1024

U.S. Postal Service CERTIFIED MAIL RECEIPT <i>(Domestic Mail Only: No Insurance Coverage Provided)</i>		
Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ <i>all</i>	
Recipient's Name (Please Print Clearly) (To be completed by mailer) The Honorable Judge Eckels Street, Apt. No.; or PO Box No. 1001 Preston Suite 911 City, State, ZIP+4 Houston TX 77002		
PS Form 3800, February 2000 See Reverse for Instructions		

III. Governance of the Sponsoring Entity (Reviewed by Agency)

A. Profile of the Founding Board and/or Initial Incorporators of the sponsoring entity. (not applicable to governmental entities or college/universities)

It could be said that Neighborhood Centers Inc. started in the early 1900's when a teacher at a neighborhood school in the Second Ward noticed a small child sitting on the school steps in the cold. The teacher asked the child, "Why are you here?" and the little child answered, "I am waiting for my brothers and sister to take me home." This teacher was so affected by this situation that she called Mrs. Alice Graham Baker and asked her if she could help with this problem of unsupervised children. As a result of this caring teacher's concern, Neighborhood Centers Inc. was founded in 1907 as the Houston Settlement Association by Mrs. Alice Graham Baker, grandmother of James A. Baker III, and 11 women from the Second Ward Women's Club. Mrs. Baker served as the Association's first president. Throughout the last century NCI has provided educational and social services that met the needs of the community. As the community changed, so did the services. NCI presently has a 27 member Board of Directors and three Life Board Members. The Board Members consist of professionals and life-long volunteers committed to fulfilling the mission of Alice Graham Baker, *"our mission is to enhance the development and full potential of individuals, families and neighborhoods through effective human service systems, responsive programs and appropriate facilities in adherence with core values."*

1. Describe the organizing group of initial incorporators who are working together to apply for a charter, including the names of organizers, their backgrounds and experiences, and 3 references for each. (Not necessary if same as board of sponsoring entity listed in Section I.)

The Ripley House Charter School Advisory Board will govern the Ripley House Charter School. The Advisory Board provides a process forum to the Charter School for creative and collaborative problem-solving regarding issues affecting children, youth, and families at Ripley House Charter School through the following avenues:

- Establishing linkages that ensure a collaborative planning process to develop school curriculum, policies, and social service issues affecting children in the Charter School
- Monitoring information that can be utilized to address school and community issues.
- Planning process that offers an opportunity for inclusive community participation and community consensus building.
- Prioritization of Charter School driven projects.
- Utilizing the Developmental Asset and Life-skills model as a framework and philosophy.

Currently, there are three identified individuals, who are working collaboratively as Ripley House Charter School Advisory Board Members, to apply for a charter. All are employees of NCI who were selected for their experience and expertise in education and community organizing. They are Cynthia Patton, Ph.D., Director of Children and Youth Education and Enrichment Services, Felix Fraga, Vice President of External Affairs, and Margie Pena, manager of Ripley House Community Center. Cynthia Patton, Ph.D. brings more than twenty years of experience in designing and providing educational programs for children, youth and adults. Felix Fraga began his career at Ripley House in 1953 as an eighth grade student working part time. Mr. Fraga is a graduate of the Warden School of Social Work, Our Lady of the Lake, San Antonio. He has been a strong advocate for education, serving on the Houston ISD School Board and as a member of the Houston City Council. Margie

Pena, born and raised in the Second Ward, has been an active advocate for the community for the past twenty years and has served on numerous community organization's boards. The Advisory Board provides input and guidance on developing priority issues and initiating collaborative projects. It is expected when the charter is awarded that other community leaders, volunteers, and parents will be added to the Board. Community members and Ripley House Charter School parents will be recruited during school year 2000-01 to serve on the board.

Board Member References: (list here with 3 references each.)

Cynthia Patton, Ph.D.

<p>Suzanne Hinds, Executive Director Initiatives For Children, Inc. 8580 Katy Freeway, Suite 220 Houston, Texas 77024 713-365-0313</p>	<p>Jane Flinn Asst. Director, Special Ed Cypress Fairbanks ISD 10300 Jones Rd. Houston, Texas 77065 281-897-4000</p>	<p>Bishop William Sterling c/o Church of the Good Shepherd Episcopal Church 1207 Winding Way Friendswood, Texas 77546 281-482-8833</p>
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Felix Fraga

<p>Salvador Esparza, Owner SLI Landscapers 18010 Bamwood Houston, TX 77090 281-444-2983</p>	<p>Angela Blanchard President and CEO Neighborhood Centers Inc. P.O. Box 271389 Houston, Texas 77277-1389 713-669-5258</p>	<p>Richard Aguirre Financial Consultant 3202 Wesleyan, Suite 216 Houston, Texas 77027 713-857-6116</p>
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Margie Pena

<p>Paz A. Guerra, LPC, LMFT Vice President, Prevention & Community Based Services Family Services Center 4625 Lillian Houston, Texas 77007 (713) 867 7710</p>	<p>Constable Victor Trevino Pct. 6 333 Lockwood Dr. Houston, Texas 77011 (713) 923 9156</p>	<p>Jackie Martin, President United Way of Texas Gulf Coast 2200 N. Loop West Houston, Texas 77018 (713) 685 2300</p>
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2. Describe what role each person will play and why she/he has chosen to support application.

Each board member was selected for their commitment to children, community service and professional expertise. Dr. Cynthia Patton will be serving as CEO for the Ripley House Charter School. Felix Fraga will be serving as a community representative for the Ripley House Charter School. Margie Pena brings her hands-on experience working with families in the Second Ward to the Ripley House Charter School.

3. Describe the following:

a. the officer positions designated:

Positions. The members shall elect annually from their number a Chair, Vice, Chair, Past Chair, and a Secretary. All officers shall be elected for a term of two (2) years, and no officer shall serve in the same office for more than four (4) terms.

Chair. The Chair shall preside over all meetings of the Advisory Board and shall make such appointments on committees as are called for in these By-laws or set up by resolution of the Advisory Board as hereinafter provided. The Chair shall serve as either a member of NCI's Program Services Committee or a Special Director of the Board of Directors of Neighborhood Centers Inc. as specified by the Neighborhood Centers Inc. By-laws, Article IV, Section 1.

Chair-elect. In the absence of the Chair, the Chair-elect shall preside over meetings and perform such other of the Chair's duties as are deemed necessary by the Chair. The Chair-elect shall be elected Chair upon expiration of the Chair's term.

Past Chair. The outgoing Chair shall serve as Past Chair.

Secretary. The Secretary shall write or cause to be written the minutes of the meetings and shall perform such other secretarial duties as may be required by the Advisory Board.

Treasurer. Treasurer shall have fiscal responsibility of money taken in and paid out.

b. the manner in which officers are selected and removed from office:

The officers of the Charter School shall be elected annually by the Charter School Advisory Board at the regular annual meeting of the Charter School Advisory Board. New officers may be created and filled at any meeting of the Charter School Advisory Board. Each officer shall hold office until her/his successor shall have been duly elected and shall have been qualified. *Removal:* Any officer elected or appointed by the Charter School Advisory Board may be removed by the Charter School Advisory Board whenever, in its judgment, the best interests of the Charter School are not being served.

c. the manner in which members of the governing body are selected and removed from office:

The members of the Charter School shall be appointed annually by the Charter School Advisory Board at the regular annual meeting of the Charter School Advisory Board. Each member shall hold office until her/his successor shall have been duly appointed and shall have been qualified.

d. the manner in which vacancies on the governing board are filled:

A vacancy in any office, because of death, resignation, removal, disqualification, or otherwise, may be filled by the Advisory Board for the unexpired portion of the term.

e. the term for which members of the governing body serve:

The members of the Charter School Advisory Board shall be constituted as follows: Members shall serve until the annual meeting of the Charter School Advisory Board in the year in which her or his term expires, or until her or his successor is duly appointed and qualified. Members to succeed those whose terms are expiring shall be appointed by majority vote at the regular annual meeting of the Charter School Advisory Board to serve a term of (2) years, except that the Charter School Advisory Board may by designation appoint one or more members to serve a term of less than (2) years. Terms of Board members will be staggered so that turnover of positions is limited to less than one quarter of the total Board seats per school year. The Charter School Advisory Board shall designate which of the members selected to serve as a result of an increase in the number of members shall initially serve one or two year terms, or such determination may be made by lots or by any other method chosen by the Board. There shall be no limit on the number of terms any member may serve.

f. whether the terms are to be staggered:

Terms of Board members will be staggered so that turnover of positions is limited to less than one quarter of the total Board seats per school year.

4. Include any plans for further recruitment of founders or organizers of the school.

As school enrollment increases each year, parent and community member participation and involvement will grow. Advisory Board membership is a core component to the success of the Charter School. Every effort will be made to recruit, train, engage and collaborate with the parents and community members. NCI has a history and mission driven record of success in collaborative participation.

B. School Management Board

1. Biographical Affidavit for each member of the school management board if different from board of sponsoring entity listed in Section 1 above.

The school management board will be the same as the Charter School Advisory Board. Affidavits of current members are included in Appendix J.

2. Describe the following:

a. the officer positions designated;

b. the manner in which officers of the governing board are selected, and removed from office;

c. the manner in which members of the governing body are selected, and removed from office;

d. the manner in which vacancies on the governing board are filled;

e. the term for which members of the governing body serve;

f. whether the terms are to be staggered.

A through F : These positions are described within the Charter School Advisory Board section. The Charter School Advisory Board and the School Management Board are synonymous.

3. Specify the extent to which any private entity will be involved in the operation of your charter school. Identify any members of the governing board or officers of the charter school who are affiliated with that entity.

All administrative concerns will be the responsibility of the Board and the administrators selected to serve. The governing Board reserves the power to engage in any operations/management agreement within the context of its Bylaws. Members of the governing board will be prohibited from involvement with any private entity under contract with the Ripley House Charter School.

4. The manner in which the charter school will conduct textbook selection.

A shared philosophy, by the program and parents, as well as a planned, organized, consistently implemented curriculum, will support child development and education for children ages 5-11. Textbooks will reflect this philosophy. Textbook selection will be determined by members of a curriculum committee led by the C.E.O./Director, Advisory Board members, parents and community members. All T.E.A. rules and guidelines will be adhered to in the selection of textbooks.

IV. SCHOOL DEMOGRAPHICS (Reviewed by Agency)

A. What are the school's enrollment projections for the first five years? What is the school's maximum enrollment goal? What grades will be served? How many students are expected to be in each grade or grouping? What will be the maximum class size allowed? Any increase in the grade levels served and maximum enrollment as specified on the cover sheet of this application, and any increase in maximum class size must be approved by the SBOE.

By combining strong programming and effective outreach into the community, the Ripley House Charter School will grow to an enrollment of 216 within four years. Projected for the first year, beginning in August 2001, enrollment will be 108 students. The first year there will be six classrooms of eighteen students each. Four of the classrooms will be combined classes of kindergarten-first grade students. The other two classrooms will be combined grade classrooms of second and third graders.

The following chart summarizes projected growth.

Year	1	2	3	4	5
# of Classrooms	6	9	11	12	12
Total # of Students	108	162	198	216	216
# of Kindergarten-1st classes	4	4	4	4	4
# of 2nd-3rd classes	2	3	4	4	4
# of 4th-5th Classes		2	3	4	4

Maximum class size will be 18 students. This reflects the newest research that links achievement to low class size. Grades served will be kindergarten through fifth. Mixed grade classrooms will allow for the benefit of providing opportunities for older students to model the life skills to the younger, reinforcing a sense of responsibility among the older children. Students who may not be performing at grade level also are given the chance to tutor younger children. This tutoring provides the older student a chance to review lower level learning materials without shame or embarrassment. Grades kindergarten and first will be combined, with second and third as a second level. Fourth and fifth will be final level with students spending two years in each level.

B. Describe the community or region where the school will be located.

Ripley House is located just northeast of downtown Houston in a heavily Hispanic, low-income part of town (see XI Description of Need for detailed demographic information). Due of the absence of zoning, homes are mixed in with various sorts of businesses and industry. There is a lack of parks and open green belts for this community. Since 1940, Ripley House has served as an oasis for Second Ward residents providing a wide variety of social and community services based on the needs of the surrounding neighborhood. The charter school will allow the newest proven ideas in education to be an option for the children who live in the area surrounding Ripley House.

C. Why was this location selected?

A new \$11 million Ripley House facility will open by the end of 2000. This state-of-the art 60,000 square feet facility will be the perfect space for the micro-community charter school that NCI envisions. Surrounded by park-like grounds that contain a new ball field and playground, the new building has a cafeteria, dance room, gymnasium, dark room and computer labs. The new Ripley House will be wired with fiber optic cable that will allow high-speed use of the Internet by students and teachers. Each classroom will have two computers that will be accessible to students as resource tools as well as traditional computer use of word processing, spreadsheet, and database capabilities. With a class size of 18, the computer to child ratio will be 9:1.

Are there alternative locations suitable to the needs and focus of the school?

Neighborhood Centers Inc. operates two other community centers in Harris County that would be excellent sites for micro-community charter schools. One is Cleveland Ripley located in the low-income area of Pasadena, Texas. The second is Harbach Ripley located near Hobby Airport in the Southeast part of Harris County. As is true with Ripley House, the area around Harbach Ripley is mixed industrial and low-cost housing. The neighborhoods around Cleveland Ripley are mixed Hispanic and Anglo. The neighborhood around Harbach Ripley is primarily African American with a growing Hispanic and Asian population. NCI's goal is to expand the micro-community charter school concept to one of these centers within five years of opening the Ripley House Charter School.

V. HUMAN RESOURCE INFORMATION (Reviewed by Agency)

A. Describe your human resources policies governing salaries, contracts, hiring and dismissal, sick and other leave, ad benefits. (Provide salary schedules, sample contracts and copies of policies on other issues in Attachments.)

(Attachment 1-Personnel Policies and Procedures Manual.)

B. Administrators (Reviewed by Agency)

1. Biographical Affidavit for each administrator of the school.

Cynthia Patton Ph.D. has over 20 years experience in the field of early childhood education, youth services, and social services. She has three Texas Teaching certificates including Home Economics Teacher Education, Kindergarten Endorsement and Generic Special Education. She has designed, conceptualized, implemented and evaluated a wide variety of social service and educational programs for a variety of populations including teen mothers, infants and young children, school-age children and youth. From her experience in

the classroom, as an administrator, and as an educator in university settings, Dr. Patton combines the theoretical and research information, then translates it into usable "best practices" to be applied in the field. Currently, as Director of Children and Youth Education and Enrichment Services for Neighborhood Centers Inc., Dr. Patton oversees these program areas:

- After school Youth Programming in the community centers which utilizes the Asset Building Approach;
- The Bridge/El Puente-a social service project focusing on children zero to six and their families, located on site at an apartment complex;
- Early Childhood Development Centers-two nationally accredited child care centers providing quality care to low-income families;
- Early Childhood Professional Development-a training unit that provides a wide variety of training to early childhood educators.

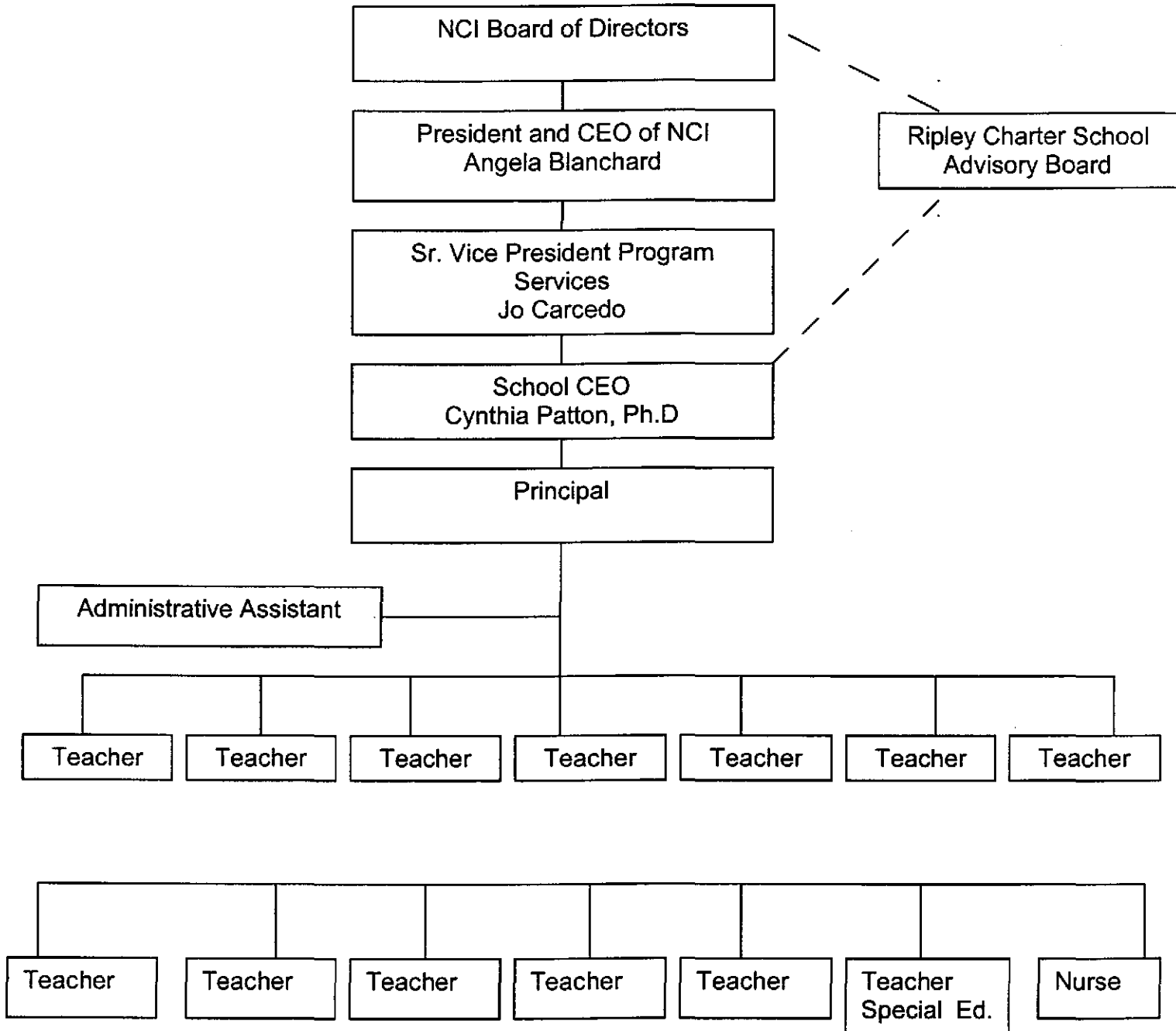
Additional administrators to be hired upon award of charter.

2. Powers and Duties

a. Who will be the school's Chief Executive Officer? Describe the chain of command (attach an organizational chart)

Cynthia Patton, Ph.D. will be the Charter School Chief Executive Officer. The Chief Executive Officer shall be the chief administrative officer of the charter school and shall be responsible to the Charter School Advisory Board. The CEO may be assisted by additional staff as necessary. The CEO shall have the authority to appoint Advisory Committees and task groups as the CEO may deem appropriate, with express duties and responsibilities. As NCI staff, Dr. Patton reports directly to Senior Vice President of Program Services. Other divisions of NCI will support the CEO. Administrative Services will provide Human Resource, Facility, and Procurement support. Financial Services will handle invoicing, payroll, budget development, and financial review. Contract Compliance will monitor contract stipulation compliance internally. NCI has a strong tradition of interdepartmental support in the areas of professional development, program design and sharing "best practices."

RIPLEY CHARTER SCHOOL ORGANIZATIONAL CHART



b. What experience has the proposed CEO had in managing a school and/or business?

Dr. Patton has 22 years experience working with children of all ages in leadership and teaching positions. Dr. Patton managed two schools: Good Shepherd Day School/1980-1987 and Sunset Pearl /1991-1992. She was a founder of Good Shepherd Day School which has grown into a 160 student preschool and elementary school. She has extensive experience in providing training and professional development opportunities for staff. She has written curriculum for preschool and assisted in the development of curriculum for a private elementary school. Her experience includes working with at risk youth as a Behavior Management Specialist in a school district, as well as grant writing, fundraising and program evaluation. Her inclusive positive management style allows staff to grow to potential and set and reach goals for themselves. She currently is responsible for budgets in excess of \$2,500,000. She is the author of "What Do I Do Till You Get Home?" School Age Child Care in Texas written for the Texas Department of Community Affairs.

c. What criteria will the founders use to choose the school's academic and financial leaders?

Neighborhood Centers Inc. has a 90 year history and reputation of expertise in Early Childhood Development and Fiscal Management. This is demonstrated by the programs that NCI delivers: Gulf Coast Careers Child Care, Head Start, Early Childhood Development Centers, Youth and Family, and Health and Elderly programs. NCI is the fourth largest private local recipient of United Way funding. NCI remains fiscally responsible as well as adheres to the mission of the Agency in delivery of quality programming to (low-income) communities in Houston and the twelve surrounding counties.

Based on this community oriented long-term success, NCI will use the following criteria to choose the school's academic and financial leaders:

- Expertise in finance, education, or community organizing
- Commitment to the Second Ward community that surrounds Ripley House
- Willingness to work to make Ripley House Charter School a success

d. Provide a complete job description for the CEO, school academic director, financial director and other administrative personnel.

CEO

SUMMARY: The responsibilities of the CEO include oversight and responsibility for the complete delivery of the program. Areas of responsibility are facilities, staffing, board relations, community partnership building, implementation of the micro-community model, and fiscal oversight. He/She articulates the values, vision and mission of the school; understands and implements a systems approach in the provision of educational services; works within a multi-disciplinary team framework to develop and implement culturally sensitive educational delivery systems with measurable outcomes; defines criteria of system evaluation; achieves educational results in a manner that is financially responsible; communicates effectively at varying levels within the school and with volunteers and funding source representatives; and represents the school in public forums.

QUALIFICATION REQUIREMENT: Advanced degree in education or a closely related field from four-year college or university; minimum 5 years combined classroom and supervisory experience in full-day educational program or Masters in Education with 3 years combined classroom and supervisory experience preferred, or equivalent combination of education and experience. Minimum of 5 years management experience.

LANGUAGE SKILLS: Ability to effectively present information and respond to questions from groups, children, community, staff and the general public. Ability to clearly present information through the spoken word; influence or persuade others through oral presentation in positive or negative circumstances and listen well; write clearly and effectively present ideas to document activities and to read and interpret a variety of written information.

REASONING ABILITY: Ability to define problems, collect data, establish facts, and draw valid conclusions. Ability to interpret an extensive variety of technical instructions and deal with several abstract and concrete variables. Ability to make decisions quickly on available information and to take action; to make commitments and not change decisions when challenged and to deal with emergencies when necessary; to take action in solving problems while exhibiting judgment and a realistic understanding of issues; use reason, even when dealing with emotional topics.

GOAL SETTING/PROBLEM SOLVING: Ability to define realistic, specific goals and objectives and to prioritize objectives; start and persist with specific courses of action while exhibiting high motivation and a sense of urgency; use a systematic approach in solving problems through analysis of the problem and evaluation of alternative solutions.

CREATIVE ABILITY: Ability to develop unique and novel solutions to problems; use intuition and a new way of thinking to create new ideas; present information in an attention getting and interesting manner.

LEADERSHIP/MOTIVATIONAL ABILITY: Ability to work with people in such a manner as to build high morale and group commitments to goals and objectives; create positive energy (motivation) in both individuals and groups; communicate with others in a warm and helpful manner while simultaneously building credibility and rapport; influence the actions and opinions of others in a desired direction; exhibit judgement in leading others to worthwhile objectives.

PHYSICAL DEMANDS: The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. While performing the duties of this job, the employee is regularly required to stand; walk; and use hands to finger, handle or feel objects, tools, or controls. The employee frequently is required to sit and reach with hands and arms. The employee is occasionally required to climb or balance; stoop, kneel, crouch, or crawl and taste or smell. The employee must occasionally lift and/or move up to 10 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

School Academic Director/Principal

SUMMARY: Directs activities of Charter School to provide instruction and care for children by performing the following duties. Is responsible for the overall direction, coordination, and evaluation of charter school. Carries out supervisory responsibility in accordance with the Agency's policies and applicable laws. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems. Interviews and recommends hiring of teaching and service staff. Confers with parents regarding program activities, policies, and enrollment procedures. Reviews and evaluates program activities to ensure conformance to Agency policies and procedures, state and local regulations and national accreditation standards. Reviews and approves menu plans and food purchases. Enforces the Agency's EEO and safety policies. Manages all charter school staff. Other duties may be assigned. Management retains the discretion to add to or change the duties of the position at any time.

QUALIFICATION REQUIREMENT: Bachelor's degree (B.A.) in elementary education or a closely related field from four-year college or university; advanced degree strongly preferred. Minimum 5 years combined classroom and supervisory experience. Mid level management experience strongly preferred. Exposure to Neuhaus education concepts, and micro-community concepts preferred.

LANGUAGE SKILLS: Ability to effectively present information and respond to questions from groups, children, community, staff and the general public. Ability to clearly present information through the spoken word; influence or persuade others through oral presentation in positive or negative circumstances and listen well; write clearly and effectively present ideas to document activities and to read and interpret a variety of written information.

REASONING ABILITY Ability to define problems, collect data, establish facts, and draw valid conclusions. Ability to interpret an extensive variety of technical instructions and deal with several abstract and concrete variables. Ability to make decisions quickly on available information and to take action; to make commitments and not change decisions when challenged and to deal with emergencies when necessary; to take action in solving problems while exhibiting judgment and a realistic understanding of issues; use reason, even when dealing with emotional topics.

GOAL SETTING/PROBLEM SOLVING Ability to define realistic, specific goals and objectives and to prioritize objectives; start and persist with specific courses of action while exhibiting high motivation and a sense of urgency; use a systematic approach in solving problems through analysis of the problem and evaluation of alternative solutions.

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Financial Director

SUMMARY: Coordinates activities of accounts payable, cash receipts and payroll and generates monthly financial statements and reports by performing the following duties. Ensures compliance with filing requirements of IRS and other regulatory authorities as needed. Ensures accuracy of monthly cash receipts and journal entries. Reviews general ledger for errors and responds to queries regarding same. Determines work procedures, prepares work schedules and expedites workflow to ensure timely and correct payment and accounting for invoices and payroll. Assigns duties and examines work for accuracy, legibility and compliance to policies and procedures. Studies and standardizes procedures to improve efficiency of subordinates. Prepares 3 year operating budgets and cash flow projections for the Charter School and generates monthly variances. Other duties may be assigned. Management retains the discretion to add or change the duties of the position at any time.

QUALIFICATION REQUIREMENTS: Bachelors degree in business or accounting from four-year college or university and 3 years experience in accounting or finance. To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

LANGUAGE SKILLS: Ability to effectively present information and respond to questions from groups of managers, clients, customers, and the general public. Ability to clearly present information through the spoken word; influence or persuade others through oral presentation in positive or negative circumstances and to listen well; write clearly and effectively present ideas to document activities and to read and interpret a variety of written information.

MATHEMATICAL SKILL: Ability to work with mathematical concepts such as probability and statistical inference. Ability to apply concepts such as fractions, percentages, ratios and proportions to practical situation.

REASONING ABILITY: Ability to define problems, collect data, establish facts, and draw valid conclusions. Ability to interpret an extensive variety of technical instructions and deal with several abstract and concrete variables. Ability to make decisions quickly on available

information and to take action; to make commitments and not change decisions when challenged and to deal with emergencies when necessary; to take action in solving problems while exhibiting judgment and a realistic understanding of issues; use reason, even when dealing with emotional topics.

GOAL SETTING/PROBLEM SOLVING SKILLS: Ability to define realistic, specific goals and objectives; start and persist with specific courses of action while exhibiting high motivation and a sense of urgency; use a systematic approach in solving problems through analysis of the problem and evaluation of alternative solutions.

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OTHER SKILLS AND ABILITIES: Familiarity with Agency's program operations. Experience in non-profit procedures necessary. Must be PC Literate-Excel/FundWare, CPA Preferred.

PHYSICAL DEMANDS: The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. While performing the duties of this job, the employee is frequently required to stand; walk; sit; use hands to finger, handle, or feel objects, tools or control; and talk or hear. The employee is occasionally required to reach with hands and arms; climb or balance; and stoop, kneel, crouch, or crawl. The employee must occasionally lift and/or move up to 10 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

Administrative Assistant

SUMMARY: Coordinates enrollment and attendance, prepares invoices, substitute teacher coordination, PEIMS data entry, orders supplies, coordinates communications with parents, provides clerical support to the Charter school and the Director, as necessary; coordinates the resource availability for resource library; tracks parent volunteer hours. Create and maintains a filing system for all essential documents, coordinates and documents enrollment and attendance, prepares invoices for submission to accounting, manages inventory of school and office supplies, manages textbook inventory. Other duties as assigned. Management retains the discretion to add to or change the duties of the position at any time.

QUALIFICATION REQUIREMENTS: Bachelor's degree from four-year college or university; or one to two years related experience and/or training; or equivalent combination of education and experience. Must be computer literate. (Windows/PowerPoint/Word/Excel).

LANGUAGE SKILLS: Ability to read and interpret documents such as contracts, general business periodicals, professional journals, technical procedures, or governmental regulations, and procedure manuals. Ability to write routine reports, procedure manuals, and correspondence. Ability to effectively present information and respond to questions from groups of managers, clients, customers and the general public.

REASONING ABILITY: Ability to solve practical problems and deal with a variety of concrete variables in situations where only limited standardization exists. Ability to interpret a variety of instructions furnished in written, oral, diagram, or schedule form. Ability to prioritize among competing demands.

CERTIFICATES, LICENSES, REGISTRATIONS. Type 50 wpm; PC literate.

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e. How will the administrative personnel be evaluated?

The NCI policy and procedures of evaluation will be consistent in the charter school using the Staff Training Assessment and Rewards System (STARS) evaluation tool. STARS is a comprehensive, measurable, attainable, results oriented evaluation tool that NCI has adopted as policy. STARS is consistent with essential functions and Agency objectives of job performance. In addition to the STARS evaluation tool, TEA objectives will be incorporated in each teacher/classroom leader evaluation. The STARS evaluation tool is available upon request.

f. What will be the salary range and benefits for administrative staff?

<i>Position</i>		<i>Salary</i>	<i>Benefits</i>
Teachers		\$33,000	4,500
Special Education Teacher	(16 hrs/week @\$15 x38 weeks)	\$9,120	1,044
School Academic Director		\$40,000	7,866
Administrative Assistant		\$22,000	5,078
Nurse	(16 hrs/week @\$25 x36 weeks)	\$14,400	1,493

C. For Faculty and Staff (Reviewed by Agency)

1. Include a description of the qualifications to be required for all classroom teachers and staff.

One of the most important determinants of program quality is having qualified staff who interact with children and families and who ensure the provision of quality services.

A description of qualifications include; training or experience in the area of expertise required by the position, experience in educational settings, experience working with low-income children and families, interpersonal and communication skills, and education related to the program's requirements. Agency management also takes a proactive approach to finding and developing staff. On an on-going basis, Agency staff explore the community to identify individuals who would make successful staff members. They also adopt strategies to help develop skills and knowledge of parents and staff working in the charter school who wish to advance. Further discussion of staff requirements are found under XII G.

All Ripley Houses Charter School Staff will be thoroughly familiar with the micro-community approach that will be the foundation of the school's program. By utilizing an economic model that uses currency, students learn the vocabulary and concepts surrounding the free enterprise system by participating in the micro-community. Every student has a job and is paid weekly for their work with "Ripley Gold." The students' funds are accumulated in the student run bank and used to purchase items during "Going to Town Days" and during the Silent Auction. Ripley Gold is also used to reinforce school attendance and provide consequences by means of fines.

2. Describe the targeted staff size and the teacher to student ratio.

One staff to 18 students per classroom.

3. Identify the proposed faculty and staff if possible.

Presently, staff members have not been identified to serve these positions. Upon notification of charter award, staff will be recruited immediately.

4. How will the faculty and staff be evaluated?

The evaluation will include all TEA mandates and the NCI STARS evaluation tool (Reference V (B) 2 e).

5. Provide complete job descriptions of all charter school faculty and staff, including instructional and non-instructional duties.

CEO

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School Academic Director/Principal

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rewarding and disciplining employees; addressing complaints and resolving problems. Interviews and recommends hiring of teaching and service staff. Confers with parents regarding program activities, policies, and enrollment procedures. Reviews and evaluates program activities to ensure conformance to Agency policies and procedures, state and local regulations and national accreditation standards. Reviews and approves menu plans and food purchases. Enforces the Agency's EEO and safety policies. Manages all charter school staff. Other duties may be assigned. Management retains the discretion to add to or change the duties of the position at any time.

QUALIFICATION REQUIREMENT: Bachelor's degree (B.A.) in elementary education or a closely related field from four-year college or university; advanced degree strongly preferred. Minimum 5 years combined classroom and supervisory experience. Mid level management experience strongly preferred. Exposure to Neuhaus education concepts, and micro-community concepts preferred.

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Administrative Assistant

SUMMARY: Coordinates enrollment and attendance; prepares invoices; substitute teacher coordination, PEIMS data entry, orders supplies, coordinates communications with parents, provides clerical support to the Charter school and the Director, as necessary; coordinates the resource availability for resource library. Creates and maintains a filing system for all essential documents, coordinates and documents enrollment and attendance, prepares invoices for submission to accounting, manages inventory of school and office supplies, manages textbook inventory. Other duties as assigned. Management retains the discretion to add to or change the duties of the position at any time.

QUALIFICATION REQUIREMENTS: Bachelor's degree from four-year college or university; two years related experience and/or training; or equivalent combination of education and experience. Must be computer literate. (Windows/PowerPoint/WordPerfect).

LANGUAGE SKILLS: Ability to read and interpret documents such as contracts, general business periodicals, professional journals, technical procedures, or governmental regulations, and procedure manuals. Ability to write routine reports, procedure manuals, and correspondence. Ability to effectively present information and respond to questions from groups of managers, clients, customers and the general public.

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Teacher

SUMMARY: Responsible for providing classroom instruction and assisting campus administration as needed. Develop and implement lesson plans using brain compatible components, Integrated Thematic Instruction, Lifeskills, and Gardner's Seven Intelligences,

as well as Multi-sensory Strategies. Meet and instruct assigned classes at designated times and locations, using lesson plans and curriculum objectives to meet students' needs. Develop and implement Individual Education Plans for each student in class. Create classroom environment conducive to learning that is appropriate for the maturity and interest level of the students. Perform other related duties as assigned.

QUALIFICATION REQUIREMENT: Bachelor's degree (B.A.) in elementary education or a closely related field from four-year college or university; minimum 2 years classroom experience. Neuhaus Training preferred.

LANGUAGE SKILLS: Ability to effectively present information and respond to questions from groups, children, community, staff and the general public. Ability to clearly present information through the spoken word; influence or persuade others through oral presentation in positive or negative circumstances and listen well; write clearly and effectively present ideas to document activities and to read and interpret a variety of written information.

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PHYSICAL DEMANDS: The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. While performing the duties of this job, the employee is regularly required to stand; walk; and use hands to finger, handle or feel objects, tools, or controls. The employee frequently is required to sit and reach with hands and arms. The employee is occasionally required to climb or balance; stoop, kneel, crouch, or crawl and taste or smell. The employee must occasionally lift and/or move up to 10 pounds. Specific vision abilities

required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

Special Education Teacher

SUMMARY: Responsible for providing classroom instruction and assisting campus administration as needed. Develop and implement lesson plans using brain compatible components, Integrated Thematic Instruction, Lifeskills, and Gardner's Seven Intelligences, as well as Multi-sensory Strategies. Meet and instruct assigned classes at designated times and locations, using lesson plans and curriculum objectives to meet students' needs. Develop and implement Individual Education Plans for each student in class. Create classroom environment conducive to learning that is appropriate for the maturity and interest level of the students. Ensure all Federal and state rules and regulations are followed as regards special education. Responsible for scheduling, holding, attending, and documenting Admission, Review, and Dismissal (ARD) meetings for all Special Education students. Arrange for additional support services as needed. Provide educational services to special education students as prescribed in IEPs. Document all special education students' progress throughout the school year. Oversee screening, referral and evaluation process ensuring that all special education deadlines are adhered to. Perform other related duties as assigned.

QUALIFICATION REQUIREMENT: Bachelor's degree (B.A.) in elementary education or a closely related field from four-year college or university; minimum 2 years classroom experience. Neuhaus Training preferred. Generic Special Education Teaching Certificate required.

LANGUAGE SKILLS: Ability to effectively present information and respond to questions from groups, children, community, staff and the general public. Ability to clearly present information through the spoken word; influence or persuade others through oral presentation in positive or negative circumstances and listen well; write clearly and effectively present ideas to document activities and to read and interpret a variety of written information.

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GOAL SETTING/PROBLEM SOLVING: Ability to define realistic, specific goals and objectives and to prioritize objectives; start and persist with specific courses of action while exhibiting high motivation and a sense of urgency; use a systematic approach in solving problems through analysis of the problem and evaluation of alternative solutions.

CREATIVE ABILITY: Ability to develop unique and novel solutions to problems; use intuition and a new way of thinking to creative new ideas; present information in an attention getting and interesting manner.

LEADERSHIP/MOTIVATIONAL ABILITY: Ability to work with people in such a manner as to build high morale and group commitments to goals and objectives; create positive energy (motivation) in both individuals and groups; communicate with others in a warm and helpful manner while simultaneously building credibility and rapport; influence the actions and opinions of others in a desired direction; exhibit judgement in leading others to worthwhile objectives.

PHYSICAL DEMANDS: The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. While performing the duties of this job, the employee is regularly required to stand; walk; and use hands to finger, handle or feel objects, tools, or controls. The employee frequently is required to sit and reach with hands and arms. The employee is occasionally required to climb or balance; stoop, kneel, crouch, or crawl and taste or smell. The employee must occasionally lift and/or move up to 10 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

School Nurse/Registered Nurse (License Number Required)

SUMMARY: Responsible for the the implementation of health programs, health counseling with pupils, parents and school personnel, provision of preventive health services, augmentation of health education program and liaison with the school community. Provides direct health care, emergency first aide and related health services according to policies and procedures. Provide preventive health care by: providing appraisals, screening programs, referral and follow-up; recognizes, reports and uses control measures on communicable diseases; and monitors follow-up on immunization needs. Provide families with information on health and medical resources and assist families to access medical care. Conduct surveillance for communicable diseases. Conduct health counseling, make home visits and follow through on health problems, as needed. Perform other related duties a assigned.

QUALIFICATIONS: Registered Nurse with a Bachelor's degree. Currently licensed as an R.N. in the State of Texas. Clinical experience preferred. On-the-job training and attendance of designated in-service training programs.

OTHER REQUIREMENTS: Ability to communicate effectively in both written and oral forms. Ability to adjust the eye to bring an object into focus; judge distance (close and distant) reach with arms extended and use hands to manipulate the keyboard. Ability to lift and carry up to 40 pounds, stoop, kneel, crouch, walk, twist, bend, climb, drive and/or be mobile. Valid Texas Driver's License with appropriate insurance coverage.

D. Code of Conduct:

1. Describe in detail your school rules or guidelines governing student behavior.

The charter school governance will be incorporating the 19 *Life-skills* as our rules and procedures. These 19 *life-skills* are: respect, friendship, patience, integrity, problem solving, cooperation, organization, sense of humor, common sense, caring, creativity, effort, initiative, pride, curiosity, flexibility, courage, responsibility, and perseverance. The *life-skills* philosophy must be a commitment by teachers, staff, parents, and community members for success of the program. At any given moment students can conceptualize what *life-skills*

they are utilizing. *Life-skills* are displayed in every classroom and constantly and consistently reinforced. *Life-skills* become personal. *Life-skills* are the expectations of every student and teacher. They have meaning to each student's life whether in school, at home or elsewhere. *Life-skills* are read about, acted out, received, sung and humanely displayed at all times. When the occasion occurs where they are not, the student is asked, "what *lifeskill* did you NOT display and what could you have done to change it?" If a change has not been grasped in a reasonable amount of time then "a great change" is in order. This nonpunitive "great change" is facilitated through the student run court system. This peer court system is supervised and facilitated under the direction of faculty. All TEA mandates are incorporated into the Life-skills system.

RIPLEY HOUSE CHARTER SCHOOL COURT SYSTEM STUDENT JOB DESCRIPTIONS

STUDENT JUDGE

Duties: The judge will be in charge of the court. The judge will discuss with a client what lifeskills they need to work on and ways in which they can change their behavior. The judge will also determine the fine for a Great Change when a student admits to being guilty.

Qualifications: A person wanting to be a judge should be someone who is fair and can make a quick decision after listening to and considering both sides of an issue. A judge must be someone who is looked up to and respected as a model citizen; and who sets and example for others to follow by their behavior. A judge must also know all of the lifeskills, as well as their meanings.

STUDENT ATTORNEY

Duties: Attorneys will be assigned cases on a rotating basis. When given a case, an attorney will meet with her/his client. The attorney will make sure their client knows what will take place in court. The client will be instructed on the meaning of guilty and not guilty. The attorney will also discuss with their client what they are accused of, and listen to their client's version of what occurred. On the day of court, the attorney will pick up their client 5 minutes before early lunch. The attorney will deliver their client to the court room and will stay at their client's side during the court proceedings. In the event that a student pleads not guilty one attorney will be assigned to be the prosecuting attorney. The attorney already assigned to represent the client will continue to represent their client during a trial. Both attorneys will have one week to interview witnesses, make sure the witnesses come to the trial, and write an opening and closing statement which summarizes their cases.

Qualifications: A person wanting to be an attorney should be someone who is willing to spend their free time to meet with clients. They should be a good listener and be willing to defend a client even if they think their client is guilty. They should have a logical mind so they can come up with the right questions to ask witnesses during a trial. An attorney should be someone who is a good citizen and who sets an example for others to follow by their good behavior.

STUDENT DEPUTY

Duties: Deputies will work during lunch recess and before school on the playground watching to see if school rules are followed. If a rule is broken a Great Change may be issued by the deputy as long as the deputy talks to a teacher on duty before writing the Great Change. Deputies may sometimes need to appear in court as a witness in a trial.

Qualifications: A person wanting to be a deputy should be someone who will not be biased (they won't give a Great Change or not give a Great Change to someone because they like or dislike them). A deputy should also be someone who will not use their position to bully other students or boss them. Anyone who enjoys tattling or getting people in trouble will make a poor deputy. A deputy should be someone who is a good citizen and sets an example for others to follow by their good behavior.

STUDENT CHIEF OF POLICE

Duties: The chief of police will oversee the other deputies to make sure they do their job properly. The chief of police will check weekly to see if deputies are working when they are scheduled to work. The chief of police will pay all the deputies in their lunch their salaries. The chief of police will serve as bailiff during the weekly court sessions and will instruct students to rise to show respect for the judge at the beginning of each court session. The chief of police will run the community service program for those students who do not have enough Ripley Gold to pay their fines. The chief of police will check daily to see if those students have done their community service until their fine is paid off.

Qualifications: The chief of police needs to be very responsible and organized to fulfill their many responsibilities. A chief of police should be someone who is a good citizen and sets an example for others to follow by their good behavior.

STUDENT COURT CLERK:

Duties: The court clerk will keep the court's written records. Every morning the clerk will meet with the court system supervising teacher and log in any new Great Changes. The clerk will also assign an attorney to handle each Great Change and will fill out and deliver a notice to the attorney which tells what their client is accused of. During court, the clerk will call out each case, rite down the judge's decision, and collect fines. The clerk will also keep a file of all students who have been guilty of a Great Change.

Qualifications: A person wanting to be a court clerk should be someone who is organized, can write very neatly and quickly, and is not absent often. A court clerk should be someone who is a good citizen and sets an example for others to follow by their good behavior.

RIPLEY HOUSE STUDENT COURT SYSTEM PROCEDURES

The following is a step by step procedure of the court system process:

1. Student deputies or Ripley staff issue a Great Change for breaking a school rule.
2. The next day the student court clerk assigns the case to a student attorney and gives the attorney a form to give to their client informing them of what they are charged with and when their court date will be.
3. The attorney meets with their client to discuss with them what will take place when they go to court (such as standing to show respect for the student judge when court begins and pleading guilty or not guilty). The client will be made aware of what they are charged with and the meaning of guilty and not guilty. The attorney will also inform their client to be prepared to pay a fine and to bring their Ripley Gold to court.
4. On court day, 5 minutes before early lunch, the attorneys will pick up their clients and bring them to the lunchroom. The clerks, chiefs of police, and judges (all students) will also come to the lunchroom at this time. The court staff will eat lunch before

- court and the attorneys will sit with their clients. The court staff will sit together during lunch.
5. At the beginning of each court session the chief of police will instruct all to stand to show respect for the judge.
 6. When the client appears before the judge the clerk will read the charge on the Great Change and the judge will ask if they plead guilty or not guilty. The client's attorney will be at their side to assist them.
 7. If the student pleads guilty, the judge will discuss the offense with the student as well as what life skills they need to work on. Other court staff may join in on counseling the client after being called on by the judge. After discussion of how the client should change their behavior the judge will issue a fine in Ripley Gold.
 8. Clients will pay their fine at the time of sentencing. The court clerk will collect the fine from the client and will also keep a record of how much is paid, and what the offense was.
 9. If the student does not have enough Ripley Gold to pay their fine, they will be assigned community service. The chief of police will come to their classroom and ask the client's teacher to assign a monitor to see if the client picks up trash on the playground during recess. The chief of police will check daily with the monitor to see if the community service was performed. Both the monitor and the client will receive 2 Ripley Gold per day until the fine is paid in full.
 10. If a student pleads not guilty, they will have a trial the following week. Another attorney will be assigned to prosecute the case. Both attorneys will have a week to prepare a case by interviewing witnesses, the deputy or teacher who wrote the Great Change, and the person accused of the Great Change.
 11. During the trial both attorneys will give opening statements, call witnesses, and give closing arguments. A panel of students randomly selected will determine if the client is guilty or not guilty. If the client is found guilty the judge will determine the fine. If the client is found guilty she/he will also be assessed court costs which will include the salaries of the court staff.

RIPLEY HOUSE COURT SYSTEM S STUDENT JOB APPLICATION

Name _____ Teacher _____

Track _____ Grade _____ Lunch _____

The job, which I have applied for, is _____

Tell why you have chosen to apply for this job. Tell what qualifications you have that will help you do well in this job.

Teacher Signature _____

Parent Signature _____

COURT SYSTEM STUDENT JOBS AND PROCEDURES TEST

Name _____ Teacher _____

Track _____ Lunch _____

The job, which I have applied for, is _____

Tell two duties of your job. _____

Tell two qualifications for your job.

Tell (in your own words) at least 10 procedures of our court system beginning with when a student receives a Great Change

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

Circle the response that will make each sentence a true statement:

When a student goes to court, they are picked up by (the judge, their attorney).

After being given a Great Change, a student will receive a form telling them (when to come to court, how much their fine is).

Students who do not have enough Ripley Gold to pay their fine will (go to detention, pick up trash during recess).

If a student pleads not guilty, they will have a trial the (following week, same day).

2. Describe your school's policies regarding student expulsion and suspension. Include a description of procedures that satisfy due process requirements.

The absence of threat environment and implementation of lifeskills creates an environment allowing students to thrive, learn and accept responsibility for their actions. The Lifeskills and student court system are successful in handling most disciplinary infractions. We believe and are committed to creating this environment and do not foresee such action. However, if it ever becomes necessary to expel or suspend a student the Ripley House Charter School will adhere to the Texas Education Code of Conduct section 37.005 Suspension and section 37.007 Expulsion. Based on these codes, during school year 2000-01 the Ripley House Charter School Advisory Board, with guidance from Neighborhood Centers Inc. General Counsel, will devise procedures regarding student expulsion and suspension that satisfy due process requirements.

Examples of procedures of due process concerning suspension and expulsion, pending approval by the Ripley House Charter School Advisory Board, are: (1) adopt a school code of conduct under Texas Education Code Chapter 37 Code of Conduct section 11.251, (2) specify the circumstances, in accordance with this subchapter, under which a student may be removed from a classroom or campus, (3) outline conditions under which a student may be suspended as provided by Section 37.005 or expelled as provided by Section 37.007, (4) A teacher with knowledge that a student has violated the student code of conduct shall file with the school administrator a written report, not to exceed one page, documenting violation. The administrator shall not later than 24 hours after receipt of a report from a teacher, send a copy of the report to the student's parents or guardians, (5) A suspension under Section 37.005 may not exceed three school days. (6) Once the student code of conduct is promulgated, any change or amendment must be approved by the board of trustees.

Expulsion. Development of the procedures and policies regarding expulsion will be the charge of the Ripley House Charter School Advisory Board with the advice and counsel of NCI's General Counsel and all other professionals as the Board deems necessary to carry out this function.

3. Describe your school's mandatory student attendance plan and its fit with the code of conduct and the mission of the school.

The Ripley House Charter School will adhere to all accountability requirements as described within the *Student Attendance Accounting Handbook* that provides the charter schools with the Foundation School Program (FSP) eligibility requirements of all students and the minimum requirements of all student attendance accounting systems. The Ripley House Charter School will submit attendance information through the Public Education Information Management System (PEIMS) using Schools Administrative Student Information (SASI) software as is required of all public school districts. The Charter School will adhere to the TEA mandated attendance of 180 days per year. For reporting purposes, attendance will be taken during the second hour of each school day. State law requires that the student be in attendance 90% of the school year.

To encourage attendance and incorporate the mission utilizing the life-skills, students will earn Ripley Gold for each day they attend school. This currency is the backbone of the charter school economic student-run businesses and services. Five times a year "Going to Town Day" will give students an opportunity to spend their "money". There will also be a yearly silent auction allowing students to spend their cash. Students are involved in all

aspects of creating, planning, hiring and running and selling their business. Multi-age classrooms also collaborate to create a business. The school "money" becomes a reality, engaging students in a hands on approach to learning. Low school absenteeism has been proven effective utilizing this method of learning.

VI. BUSINESS PLAN (Reviewed by Agency)

A. Financial Management

1. Develop a preliminary startup budget, covering only the planning and Capital expenses necessary before school opening (MUST BE COMPLETED ON STATE-PROVIDED TEMPLATE A) and with supporting letters of credit and documentation verifying private sources of funds.

The planning for the Ripley House Charter School will be part of the job responsibilities of current NCI staff, Cynthia Patton, Margie Pena, and Felix Fraga with the assistance of community volunteers. Since the fundraising and building of the new Ripley House facility will be completed by November, 2000; there will be minimal capital expenses. Therefore, a start-up budget is not needed.

2. Present a three (3)-year budget covering all projected sources of revenue, both public and private, and planned expenses (MUST BE COMPLETED ON STATE-PROVIDED TEMPLATE IN APPENDIX VI). (Appendix K-Three Year Budget)

3. Present a three (3) year cash flow projection showing monthly cash in flows from all sources by month, including loans and all monthly cash outgoes for all purposes, including loans. (NOTE: MUST BE COMPLETED ON STATE-PROVIDED TEMPLATE IN APPENDIX VI.) (Appendix K-Three Year Cash Flow Projection)

4. Do you plan to conduct any fundraising efforts to generate capital or to supplement the per pupil allocations (ADA)? If so, briefly explain fund raising activities and goals.

NCI has just completed a capital campaign that raised over \$18 million dollars in 18 months. The Charter School will benefit from almost \$11 million of that money, which has been used to fund the construction of the new Ripley House facility. At this time there are no plans to conduct a fund raising campaign with the specific intention of augmenting charter school funds. However, NCI has a great deal of fund raising experience and has had successful sponsorships/partnerships with local corporations and foundations such as Enron and The Cullen Foundation. Were NCI to find it necessary to raise additional funds for the school, this would take the form of either establishing a corporate or foundation sponsor or a general fund raising campaign. Additionally, NCI receives funding from the United Way of the Texas Gulf Coast for youth development programming which can be allocated to this endeavor as determined feasible.

5. Provide a copy of the current and/or proposed business procedures handbook the school will be using, describe the policies, procedures, and forms for the daily business operation. (Appendix K-Accounting Policies and Procedures)

6. Provide a copy of the current or proposed monthly budget status report to the board of directors that will be used. (Appendix K-Monthly Budget Status Report)

7. Describe the financial accounting and payroll accounting system to be used and the system's capacity to use the state mandated financial accounting system in the Public Education Information Management System (PEIMS)

Neighborhood Centers Inc. uses an automated fund accounting system called Fundware and out sources the payroll function to ADP, a payroll service provider. Both systems have the ability to export/import data to/from various data formats which can be adapted to PEIM standards.

B. Facility Management (Reviewed by Agency) Description of and address for the physical facility.

1. Explain why this site would be a suitable facility for the proposed school. Address the necessity of renovation to the facility and compliance with applicable building codes. Describe the services of the facility including heating, ventilation, and lighting, sanitary conditions and water supply.

Ripley House, Ripley Campus
4410 Navigation Blvd.
Houston, Texas 77018

Neighborhood Centers Inc. and the Ripley Foundation have invested over \$11 million in the new state-of-the-art Ripley House facility schedule to open the fall of 2000. The 60,000 square-foot building has 12 classrooms, two computer labs, a full-sized gymnasium and auditorium, locker rooms and showers, a dance room, a dark room, an art studio, a reading room and a café with full kitchen. Outdoors, the 8-acre grounds have been designed in a park-like setting with an outdoor basketball court, a softball field, a walking trail and age-appropriate playground equipment.

This is a brand new building and will not require renovation. The heating, ventilation, lighting, sanitation, water and security systems are brand new and state-of-the-art and will adequately provide for the 60,000 square feet of the building.

Ripley House has a long history of dedication to providing youth development opportunities for area youngsters. For five years the Ripley Alternative Program (RAP), in collaboration with Houston Independent School District, provided middle school children on the verge of expulsion with an alternative school setting with individualized instruction that paved the way for success. NCI's plan to begin operating a charter school in the fall of 2001 will build on this tradition of innovative solutions to the unique challenges facing educators today. With its large classrooms, gymnasium and auditorium, dance room, computer labs and café, the new facility has all the elements necessary to support 200 students as they pursue their education. The Charter School will be one of the site's Core Components.

The Ripley House Charter School will be contained inside Ripley House Community Center. The Charter School will occupy four classrooms on the first floor where the cafeteria and gymnasium are. The remaining eight classrooms will be on the second floor where the computer labs, art room and dark room are located. Access to the school will be controlled.

4. Describe special use areas of the facility including playground/athletic areas, cafeteria, laboratories, general assembly areas, etc.

The total classroom square footage is 4284'.

Computer labs will have 20 computers each.

The gymnasium and auditorium are full sized at 6575 sq. ft.

The kitchen and café is equipped to serve 250 people simultaneously.

There are also regulation sized athletic fields, over 300 square feet allowing for multi-purpose usage for several sports leagues. The playground is regulation size allowing for a minimum of 80 square feet per child. The new playground equipment meets ADA standards with three stations designed for children with disabilities and wheel chair access. This equipment also meets Texas Department of Protective and Regulatory Services for Child Care Licensing Regulations.

5. Discuss any progress, partnership developments or future steps towards acquisition of a facility/land.

Since the facility is brand new with more than enough room for the program as designed, NCI has no need to pursue agreements or partnerships to acquire additional facilities at this time.

6. Attach a copy of a lease agreement, deed to property or purchase agreement as applicable. (Appendix L-Lease Agreement)

C. Student Attendance Accounting (Reviewed by Agency)

Describe your school attendance accounting procedures. Note: The TEA Student Attendance Accounting Handbook must be followed. Indicate name of computer program to be used for student accounting purposes and describe the capacity of that program to track student related data required in PEIMS.

All attendance accounting procedures will adhere to the TEA Student Attendance Accounting Handbook. Although the NCI Charter School will utilize an automated data processing system, a paper copy of all required attendance records will be kept for five (5) years as a back-up measure. Adequate documentation of any locally defined codes will also be retained with all auditable records. Furthermore, all student attendance data will be organized into three distinct data sets outlined in the Handbook as follows: (1) Student Detail Reports, (2) Campus Summary Reports, and (3) District Summary Reports.

NCI is currently investigating computer options and will identify appropriate software as soon as possible.

Attach a school calendar and identify the hours of school operation including a description of teacher/student contact hours.

SCHOOL CALENDAR: 2001-2002

AUGUST 2001

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27 Teacher work day	28 Teacher work day	29 Teacher work day	30 Teacher work day	31 Teacher work day	

SEPTEMBER 2001

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3 – Labor Day	4 Teacher work day	5 First semester begins	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

OCTOBER 2001

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15 – Fall Holiday	16 – Fall Holiday	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER 2001

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21 – Thanksgiving Holidays	22 – Thanksgiving Holidays	23 – Thanksgiving Holidays	24
25	26	27	28	29	30	

DECEMBER 2001

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3	4	5 - Winter break begins	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

JANUARY 2002

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
6	7 - Teacher work day	8 - Teacher work day	9 - Winter break ends	10	11	12
13	14	15	16	17	18	19
20	21 - MLK Birthday	22	23	24	25	26
27	28	29	30	31		

FEBRUARY 2002

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18 - Winter Holiday	19 - Winter Holiday	20	21	22	23
24	25	26	27	28		

MARCH 2002

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27 - Spring holidays	28 - Spring holidays	29 - Spring holidays	30
31						

APRIL 2002

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2	3	4	5	6
7	8	9	10	11 – Make-up day	12 – Make-up day	13
14	15-Spring Break Begins	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY 2002

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
			1	2	3	4
5	6	7	8	9	10	11
12	13 Teacher work day	14 Teacher work day	15-Spring Break Ends	16	17	18
19	20	21	22	23	24	25
26	27 – Memorial day	28	29	30	31	

JUNE 2002

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY 2002

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST 2002

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2	3
4	5	6	7	8	9	10
11	12	13	14 Last day of school	15 -Make-up day	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

This is a year round school.

First day of school: September 5, 2001

Last day of school: August 14, 2002

<p>Student Holidays: October 15-16, 2001: November 21-23, 2001: December 5 – January 9, 2002: January 21, 2002: February 18-19, 2002: March 27-29, 2002: April 11 – May 15: May 27: July 1-5:</p>	<p>Fall holidays Thanksgiving Holiday break Semester break Martin Luther King's Birthday Winter holidays Easter holidays Semester break Memorial Day Holiday Fourth of July Holiday Break</p>
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Make-up days (if needed): April 11-12, 2002
 August 15, 2002

Teacher Work Days: 190

Days of Instruction: 180

Hours of School Operation: The school day begins at 8:00 am. Dismissal is at 3 p.m. Two 15-minute recesses are scheduled for mid morning and afternoon. Students are assigned to one of two 30-minute lunch breaks scheduled from 11:30 am – 12 p.m. or 12 p.m. – 12:30 p.m.

Instructional periods are broken down into seven periods of teacher-student contact:

Students assigned to 1st lunch period	Students assigned to 2nd lunch period
8:00 am – 9:45 am (1 st & 2nd periods)	8:00 am – 10:00 am (1 st & 2nd periods)
10:00 am – 11:30 am (3 rd & 4 th periods)	10:15 am – 12:00 p.m. (3 rd & 4 th periods)
12:00 p.m. – 1:45 p.m. (5 th & 6 th periods)	12:30 p.m. – 2:00 p.m. (5 th & 6 th periods)
2:00 p.m.- 2:15 p.m. (7 th period)	2:15 p.m. – 3:00 p.m. (7 th period)

Provide a draft of board policy providing for the admission of students eligible for a public education grant (PEG) under Texas Education Code, Subchapter G, and Chapter 29. Describe how the school will implement the policy.

The following is a draft of the paragraph that shall be incorporated into the formal policy of the NCI Charter School Board as it relates to the admission of students who are eligible for public education grants:

"Any child who is eligible to receive a public education grant (PEG) under the Texas Education Code Chapter 29, Subchapter G, Section 202, is eligible to apply for admission to *NCI Charter School*. Eligibility for PEG shall be based on the student's official assignment to a Houston Independent School District elementary school that has been classified within the preceding academic year as low performing or at which 50% or more of the students did not perform satisfactorily per TEA Code Chapter 29, Section 202. Information regarding school classification and student performance is disseminated via the HISD Board of Trustees published annual report, which may be used as a reference in determining the classification of the student's assigned school. Proof of the student's assignment shall consist of written documentation on official HISD letterhead. PEG eligible students may be denied admission to the NCI Charter School if the school has reached maximum enrollment for a particular grade level based on student-to-square footage ratios or teacher-to-student ratios or if admission of the PEG eligible student would reduce the percentage of at-risk students being served by the Charter School to less than 75% of the total enrollment."

D. Transportation and Food Service (Reviewed by Agency)

1. Describe the provision for transportation for students served by the charter school. Pursuant to federal law, the school must provide transportation to students eligible for special education services as required by their individualized Education Plan (IEP).

NCI has a long history of providing transportation services for our clients. For students eligible for transportation services, NCI will use 15 passenger vans to pick up and take home these students. If these vans are not suitable for IEP required transportation, then NCI will contract to provide this service as needed.

2. Describe provisions of food service, if any, for students served by the Charter School, including plans for free or reduced lunch and breakfast programs. (If 10% of your students qualify for free or reduced lunch you are required to provide a breakfast program for those students.)

NCI currently provides breakfast, lunch and a snack to 1,750 children a day in our Head Start and Early Childhood Development Centers through the Child and Adult Care Food Program (CACFP) that is operated through U.S. Department of Agriculture (USDA). The experience providing this program will be used to access the National School Lunch and School Breakfast Programs, another USDA administered program. We anticipate using this funding mechanism to provide breakfast and lunch for our Charter School students.

VII. GEOGRAPHIC BOUNDARIES AND STATEMENTS OF IMPACT (Reviewed By Agency)

A. Geographic Boundaries

1. Describe the geographic area to be served by the school. Include a map showing boundaries clearly marked. Include a written description that clearly explains the area to be served. NOTE: this description must be specific and definite. For example, descriptions such as "southwest portion of the city" or "the greater metropolitan area" are insufficient. Acceptable definitions include those identifying the area in terms of city or county limits, street names, and boundaries of school districts or zip codes.

Primary Service Area

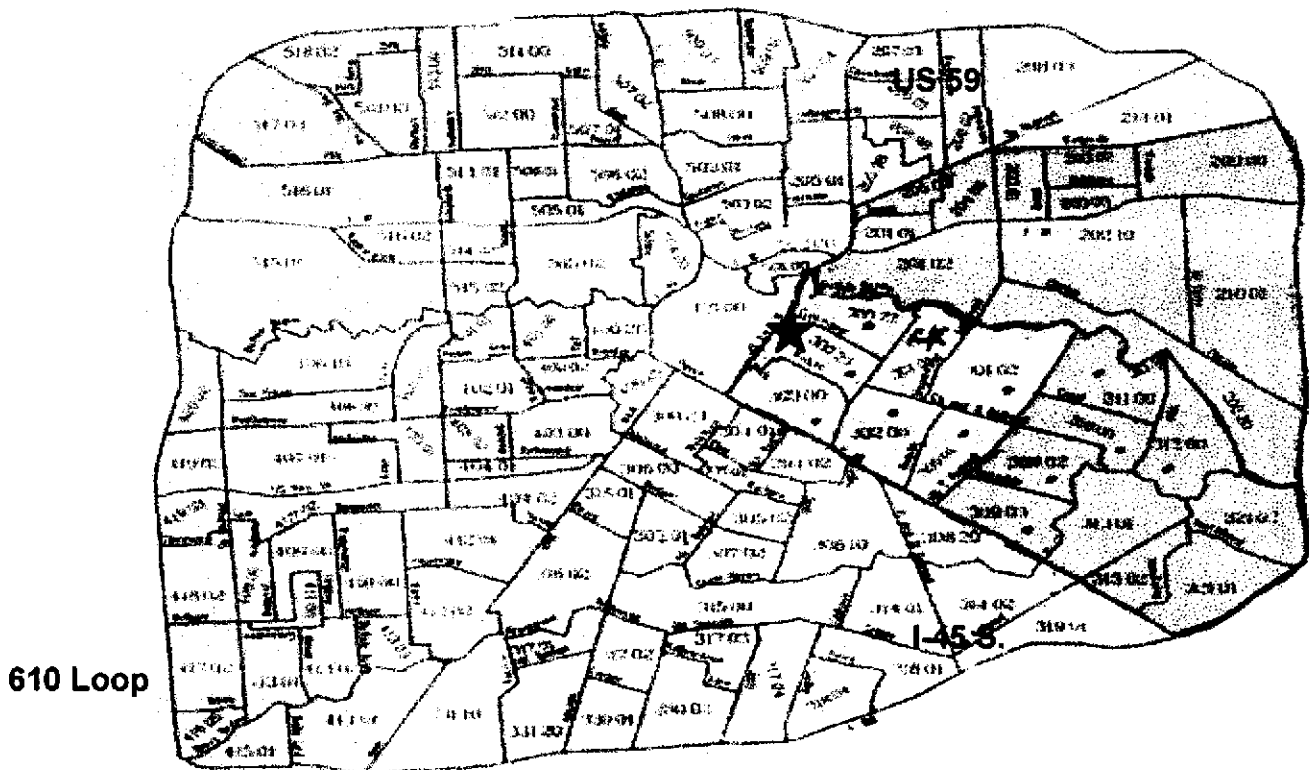
Zip Codes: 77003, 77011 (partial), 77023 (partial)

Boundaries: US 59 on the West, Buffalo Bayou on the North, I-45 on the South and HB&T Railroad on the East.

Secondary Service Area

Zip Codes: 77011 (partial), 77012 (partial), 77020, 77029

Boundaries: US 59 on the West, Buffalo Bayou on the North, I-45 on the South and HB&T Railroad (from I-45 to Buffalo Bayou) and US 59 (from Buffalo Bayou to Wallisville Rd.) on the West, Wallisville Rd. on the North, 1-45 on the South, and US 610 on the East.



- Primary Service Area
- Secondary Service Area
- ★ Ripley House

Provide a list of all districts within the geographical area that may be affected by the charter school, including those districts from which the charter school will accept transfers.

Houston Independent School District

B. Statements of Impact

Impact form sent to Houston Independent School District. (Appendix M-Statement of Impact)

Application Questions to be Reviewed By Review Committee

VIII. GOVERNANCE STRUCTURES AND PROCESSES (Scored by Review Committee)

A. What steps will be taken to maintain continuity between the founding coalition's vision and future governing boards?

Several steps will be taken to ensure the continuity of the vision of the founding coalition and future boards. Terms of Board members will be staggered so that turnover of positions is limited to less than one quarter of the total Board seats per school year. Future candidates will only be accepted onto the Board after an interview process during which they must be able to articulate and demonstrate their understanding and acceptance of the vision. Also, the Board will include parents of students currently enrolled in the Charter School. These Board members will have a very real stake in the school adhering to the vision that convinced them to enroll their children in the school in the first place.

B. Describe the roles and responsibilities of the board (s). If the governance structure includes more than one board, e.g., a school board that is separate from the board of the sponsoring entity, articulate the responsibilities assigned to each of the boards. Bear in mind that the board of the sponsoring entity is ultimately responsible for the school's compliance with the charter.

There are two boards that will govern the Charter School – the NCI Board of Directors and the *Charter School Advisory Board*. The NCI Board will be responsible for maintaining the financial integrity and physical facilities of the School. The NCI Board will conduct a quarterly review of the School's financial position and approve its annual budget. Likewise, the Board will approve and review an annual inspection of the school facilities. Any changes or expansion of the School must be reviewed and approved by the Board.

The *Charter School Advisory Board* will be responsible for approving all staffing changes, including hiring and dismissal of all staff. The *Charter School Advisory Board* will also review and approve any Policies and Procedures concerning the day-to-day functioning of the School that are not addressed by the TEA Charter School Handbook or TEA Education Code. The *Charter School Advisory Board* will review 6-week progress reports on the school's performance as submitted by the School Principal.

C. Describe the procedures for receiving and responding to complaints from both parents and employees.

Complaints are accepted from parents in writing or by phone. Teacher and staff complaints are accepted in writing or in person. All complaints should be dated and documented before being directed to the Principal. The Principal will respond in writing to the complainant and copy the *Charter School Advisory Board* within five days of receiving the complaint. In this initial response the principal will include a description of the complaint as received and a commitment to a 30-day resolution deadline. The Principal is then responsible for conducting an investigation of the circumstances that caused the complaint. A final written response describing how the complaint was resolved should be sent to the complainant(s) at the end of thirty days. Anonymous complaints may or may not be responded to at the discretion of the Principal.

If a satisfactory resolution can not be achieved within 30 days through the efforts of the School Principal, the complaint should then be forwarded to the *Charter School Advisory Board* with documentation of all attempts at resolution. The Board has ultimate responsibility for final resolution of all complaints that can not be resolved by the Principal.

D. What steps will be taken to facilitate a productive relationship between administrators and teachers?

The principal will be responsible for facilitating a productive relationship between teachers and administrators. Although much will be left to the discretion and imagination of the principal in how this is accomplished there are several steps that will be taken. The first step is to offer annual training on conflict resolution to all staff. Staff performance evaluations will include demonstration of these skills as a category for review. Additional training to develop communication skills and team building among teachers and administrators will also be offered on a yearly basis. Quarterly meetings will be held at which both teachers and administrators are present to discuss any issues confronting the school and to review the overall performance of the school. Feedback will be solicited from both teachers and administrators.

E. Discuss the nature or parental and student involvement in decision making matters.

In order to develop and reinforce a sense of ownership and belonging, students will decide by popular vote on the school colors, the mascot, the name of the school paper, and any other items relating to the creation of a school identity. A suggestion box and open door policy for the principal will be maintained for the students. Twice a year a student will be chosen by lottery to be Principal for a Day.

Parents of students currently enrolled in the Charter School will hold positions on the Charter School Advisory Board. In addition a Parent Advisory Board will be created. This Board will be of unlimited size. Members will be asked to hold regular meetings and to keep minutes. Representatives from the Parent Advisory Board will be invited to all staff and Board meetings, of which at least two meetings per year will be held in the evening to promote attendance by working parents. It is envisioned that the Parent Advisory Board will provide real input into the governance of the School via its participation in Board and staffs meetings.

IX. VISION OF THE SCHOOL (1-2 pages) (Scored by Review Committee)

A. Describe the long range vision of the school.

Ripley House has a long history of dedication to providing youth development opportunities for area youngsters. For five years the Ripley Alternative program (RAP), in collaboration with Houston Independent school District, provided middle school children on the verge of expulsion with an alternative school setting with individualized instruction that paved the way for success. Our vision is to elevate this experience to another level, a micro-community model.

The "absence of threat" is immediately felt as you enter the micro-community of the Ripley House Charter School. The furniture and décor invites you to linger. The typical school front office display of cold floors and bare halls that normally reeks of "school" are not found in Ripley House Charter School. The artwork, pictures of the students, colorful decorations, homelike furniture, a faux fireplace tiled with Mexican tiles reminiscent of the Hispanic

culture present in the Second Ward welcome the students while it emits a sense of comfort and home. Absence of threat in any person's surroundings lays the foundation for confidence, risk taking and success. This is the vision of the Ripley House Charter School micro-community. The Ripley House Charter School experience is an emersion into "a voyage of learning". Each student will experience holistic concepts about how the world works and her/his role in it. Talents will be honed, creativity blossomed and curiosity peaked to perform and excel in this global economy. Ripley House Charter School asks the question "where are the students most likely to be in 20 years" and equips them now to be a responsible citizen in that world.

The long range vision of the Ripley House Charter School is a micro-community of lifelong learners. This is a micro-community of faculty, parents, students and community members collaborating in an environment that appeals to every aspect of learning. The Ripley House Charter School micro-community uses a consensus-based model, in which teachers and students create a common set of expectations. The involvement of every teacher, parent, business and community partner shares a role in this charter school micro-community. Basic skills of the 21st century; math, reading, language and science are applied to all activities that result in concerned responsible citizens. Staff planning and training for the year round theme is extensive. A Learning Improvement Team meets weekly to operationalize the charter school micro-community. Parents and community members lend their expertise in the classroom run businesses. Through these choices, independence is fostered in the students. Teachers, students, parents, family, friends, staff and business partners all help share in the learning experiences. The "micro-community" model correlates the mastery of skills such as reading, writing, math, collaboration, community-service and problem solving with employability, economic growth and status within their peer groups in a culturally sensitive community and helps children develop positive attitudes toward learning, school, themselves and their community

Relating Integrated Thematic Instruction (ITI) with "body-brain" compatible learning to "real life," children who may start with very little experience, gain pride and realize the benefits of their labor as they become property owners, judges, bankers, legislators, and entrepreneurs in a safe and supportive learning environment. The primary goal of Ripley House Charter School micro-community is to prepare students to become active, caring, responsible citizens by multiplying opportunities for success. This micro-community charter school results in improved student learning in several ways. First, it is integrated into regular curriculum, making basics more interesting and relevant to students. Second, it gives children the opportunities to apply concepts learned in the classroom in real situations. Third, it rewards children for success in a broad array of multiple intelligences, building self-esteem and motivation in educators to tailor it to local and state standards.

The use of Multiple Intelligences, as well as the current best thinking and research on brain development, is the basis for the rich environment of the Ripley House Charter School. This environment incorporates all brain compatible components that have been shown to positively effect brain development. These components are "absence of threat", mastery, immediate feedback, collaboration, choices, enriched environment, adequate time, and meaningful content. Integrated Thematic Instruction (ITI) enhances and integrates this brain compatible approach to learning. To promote a productive learning environment and guide behavior, ITI establish five Lifelong Guidelines: trustworthiness, truthfulness, active listening, no putdowns, and personal best. NCI incorporates these guidelines in all Head Start programs. Because there is a strong emphasis on using multiple intelligences, and because an atmosphere of mutual respect is ensured, ESL students and those with other special

learning needs often thrive in ITI classrooms. Students who find school learning to be easy are challenged to explore at deeper levels the topics that engage them. Standards for doing one's best and achieving success in life are captured in the ITI model's 19 *Lifeskills*, or personal traits such as integrity and initiative.

The Search Institute's Asset Building Approach (ABA), a core component of all NCI youth programming, is also integrated in Ripley House Charter School. The Search Institute's Asset Building Approach is based on extensive research that identified and linked 40 developmental assets to the positive development of children and youth into healthy, caring and responsible adults. This approach can be broken down into the following eight categories of assets shown to enhance positive development: support, empowerment, boundaries and expectations, constructive use of time, commitment to learning, positive values, social competencies, and positive identity. It is this approach that underpins all of NCI's current youth & children's programming, particularly the categories encompassing constructive use of time and social competencies. The integration of Asset Building Approach with Multiple Intelligences, *lifeskills*, brain compatible components using an Integrated Thematic Instruction is the enriching environment of the Ripley House Charter School. These components all speak to the common mission of the importance that students possess conceptual understanding of content, basic skills and the foresight to know when to use them, the ability to apply what is learned to "real world" situations, the capability to work collaboratively with others and a vision of themselves as contributing members of society. These educational components together create a Community Learning Center model; the Ripley House Charter School. Every student will excel and develop a love of learning. The Ripley House Charter School will provide opportunities to improve students' school performance as they master basic life skills. As students practice making intelligent choices, their self-esteem will be strengthened and their future as productive citizens will be assured

The energy and enthusiasm of every student, teacher, parent and community member will be felt when you are in Ripley House Charter School. The students are excited to share what they are doing and why. It will be apparent that the students have internalized and are living the Lifeskills concepts. Excitement and fun are in each classroom, as learning takes place. The dedication and high morale of the teaching staff is observable. The mission and vision of producing responsible, adaptable, competent and self-assured life-long learners is achieved.

X. GOALS FOR THE SCHOOL (1 – 3. pages) (Scored by Review Committee)

A. Student Goals: Improvement and Attainment

All academic goals and objectives will be tied to TEA Standards and guidelines including the Texas Essential Knowledge and Skills (TEKS) and Texas Assessment of Academic Skills (TAAS) targets.

1. Goals and Objectives:

a. What are the school's academic goals for student learning for the first 5 years?

During the first year of operation, the NCI Charter School student will gain exposure to learning practices that will strengthen her/his intellectual and social development which are both critical elements to their academic success. The proposed curriculum will be in tandem with TEA guidelines, introducing students to critical thinking and reasoning in a multi-age

environment. The NCI learning objective will be first and foremost to advance students who are below or at the beginning of the learning continuum to a point of strengthening those skills and concepts which prove to be difficult for that particular student. Students will be able to build on their academic weaknesses by working across disciplines to achieve knowledge and skills. Students defined as being at or above the learning continuum will not only assist in the process of graduating their peers who are struggling academically, but they will be exposed to challenging curriculum that will afford them the accomplishment of continuous academic advancement.

The educational goals for Year 2 will be a continuation of goals established in Year 1. Students in the K-1 multi-age class will advance to the 1-2 classroom, and a new group of students will enter the K-1 class. The 1-2 students will be exposed to in-depth preparation for TAAS testing to be implemented in the 2-3 level class in Year 3. Students will begin to identify specific objectives within a given domain or content area in an effort to prepare them for the passing standard associated with TAAS reading, writing, and mathematics tests. Students entering grade level 2 in the Fall Semester will be given a pretest modeled after the TAAS test in order to assess her/his strengths and weaknesses in reading, writing, and mathematics. A post-test will be given to teach Level 2 student at the beginning of the Spring Semester in order to assess progress. Tutorials will be provided to those students who continue to show a deficiency in a designated subject area. Those students enrolled in the tutorial program will be given a final reassessment to measure academic growth prior to the end of the school year.

Year 3 will be a continuation of Years 1 and 2, but will also include a rigorous study plan designed to assist the Level 3 student in passing the TAAS Test. In the Fall Semester of Year 3, Level 3 students will be given another pretest to determine whether or not progress has been sustained. Level 3 students will be given the TAAS Test in the Spring. Students in Levels K-2 will continue the study patterns described above in Years 1 and 2. The NCI Charter School in Year 3 will serve approximately 162 students with two multi-age classrooms each in Levels K-1, 1-2, and 2-3.

In Year 4, students in 2-3 will advance to Level 3-4, and in Year 5, those students in Level 3-4 will advance to Level 4-5. It is estimated that the NCI Charter School will have an enrollment of 216 students. In Years 4 and 5, administrators and teachers will examine Texas Learner Index (TLI) improvements for each individual student, and assess the progress made from third grade to fourth grade to fifth grade TAAS testing.

b. Describe any non-academic goals for student performance

Students enrolled in the NCI Charter School will pledge the following:

- 1) To attend school regularly
- 2) To participate in extracurricular activities
- 3) To participate in intergenerational activities
- 4) Demonstration of pro-social behavior functioning in school by reducing their number of behavior referrals for incidents in the classroom setting
- 5) Encourage their parents to become active participants in their quest for knowledge

2. List 3 to 5 clear and measurable school performance objectives for each goal listed above.

The following objectives will be accomplished in order to successfully meet/exceed the level of student performance required under the state accountability system:

- a) No fewer than 95% of all students will attend school each day.
- b) Ninety percent of all students will participate in extracurricular activities.
- c) Twenty-five percent of all students will participate in intergenerational activities.
- d) Ninety percent of all students will have 0-3 behavior referrals resulting in a "Great Change." Seven percent of all students will have 4-7 behavior referrals resulting in a "Great Change." Three percent of all students will have over 7 behavior referrals resulting in a "Great Change."
- e) Ninety percent of all parents of enrolled students will participate in school support activities.

Year One and Beyond

- f) Ninety percent of all students will meet quantified objectives on their Individual Education Plan.

Year Two

- g) One hundred percent of all 1-2 students will begin in-depth preparation for the TAAS test.
- h) One hundred percent of student entering grade level 2 in the fall semester will be given a pre-test modeled after the TAAS in order to assess their strengths and weaknesses.
- i) One hundred percent of students in grade level 2 will be administered a post-test in order to assess progress.

Years Three

- j) One hundred percent of students will be given a rigorous student plan designed to assist grade level 3 students in passing the TAAS.
- k) One hundred percent of level 3 students will take the TAAS test.

Year Four and Beyond

- l) Ninety five percent of students in levels 4-5 will note progress on the Texas Learner Index and pass the reading, writing and mathematics components of the TAAS test.

The following activities will be conducted to successfully meet the above objectives:

- a) Utilize assessment information to provide an individualized learning program in an environment that addresses each students learning style and needs
- b) Increase TLI at each TAAS testing level
- c) Parent involvement will influence success in non-academic goals such as attendance and reduction in behavior referrals

3. Clearly state how progress will be measured relative to each of these objectives.

- a) Prescriptions related to deficiencies in areas tested during initial assessment will be generated, and students will be able to progress through designated prescriptions in a self-paced format; pre/post tests will identify progress
- b) Students will show an increase in number of items answered correctly (TLI) for the TAAS in Levels 4 and 5.
- c) Data will be collected from self-reports from parents and school personnel related to time spent reading with their children, conversing with their children regarding school progress, participating in the child's educational program (i.e. communicating with teachers and school staff, attending school parent meetings)

- d) Data will be collected by comparison of pre/post test results using a family assessment scale, which will be administered to youth and parents upon admission, and during the month preceding the end of the school year.
- e) Data will be collected on a continual basis utilizing attendance records

4. Clearly state the timeline or method by which the progress will be reported.

Progress reports will be generated at 6-week intervals.

B. School Goals (Scored by Review Committee)

1. What are the goals of the school as an entity? (growth, facilities development, etc.)

The goal of the *NCI Charter School* is to attain a maximum enrollment of 216 students by the fourth year of its Charter. Performance objectives relating to this goal are as follows:

2. List 3 to 5 clear measurable performance objectives for each goal listed above.

- a.) In year 1, the school will enroll 108 students in Grades K through 3 with a minimum of 30 students per grade.
- b.) In year 2, the school will enroll 162 students in Grades K through 5 with a minimum of 30 students per grade. We will retain 75% of our students from year 1 in year 2.
- c.) In year 3, the school will enroll 198 students in Grades K through 5 with a minimum of 30 students per grade. We will retain 75% of our students from year 2 in year 3.

C. Community Outreach and Marketing Plan (Scored by Review Committee)

1. Demonstrate how you will publicize the school to attract a sufficient pool of eligible applicants.

The NCI Charter School will be publicized using the network of marketing resources developed over the 90+ years of NCI history. These resources include city and local newspapers; print media, including billboards and magazines; signage on the building; participation of key staff on several area speakers' bureaus; and development of links on the NCI website and other educational sites to the Charter School website, Advisory Board and Community Meetings, and marquis on major routes.

2. What type of outreach will be made to potential students and their families? (recruiting specific students or groups of students is prohibited)

Outreach to potential students and their parents will be made through the array of social services and family enrichment programs offered by NCI at its community centers, its Early Childhood Development Centers, licensed daycare system (GCCCC), and Head Start program. Additional outreach efforts will be directed at the case management staff of Children's Protective Services and the Children's Assessment Center.

XI. GENERAL DESCRIPTION OF SCHOOL

STATEMENT OF NEED

A. Why is there a need of this type of school? What evidence exists that there is a sufficient demand for the educational program you are proposing?

The following information is taken from the 1998 Demographic Profile of the area:

CATEGORY	EAST END	CITY OF HOUSTON
Race/Ethnicity	• White 4.6%	• White 46.9%
	• Black 3.0%	• Black 19.6%
	• Hispanic 90.5%	• Hispanic 27.4%
	• Asian 1.4%	• Asian 5.8%
	• Other 0.5%	• Other 13.5%
Age	• 0-17 34.5%	• 0-17 28.9%
	• 18-24 10.8%	• 18-24 9.8%
	• 25-44 32.5%	• 25-44 34.0%
	• 45-64 14.3%	• 45-64 19.8%
	• 65 and Over 8.2%	• 65 and Over 7.5%
Household Income	• Under \$10,000 23.1%	• Under \$10,000 10.1%
	• \$10,000-\$19,999 24.3%	• \$10,000-\$19,999 11.7%
	• \$20,000-\$34,999 26.0%	• \$20,000-\$34,999 23.8%
	• \$35,000-49,999 13.1%	• \$35,000-49,999 16.1%
	• \$50,000-\$74,999 9.5%	• \$50,000-\$74,999 18.0%
	• \$75,000-\$99,999 2.6%	• \$75,000-\$99,999 8.9%
	• Over \$100,000 1.4%	• Over \$100,000 11.3%

CATEGORY	EAST END	CITY OF HOUSTON
1999 Economically Disadvantaged Student Population K-12	• Number of Students Enrolled 24,172	• Number of Students Enrolled 186,007
	• Number of Students ED 20,779	• Number of Students ED 129,032
	• Percentage of ED Students 86.0%	• Percentage of ED Students 69.4%
Licensed Child Care Capacity 6/2000	• Child Care slots (0-12 yrs.) 1,771	• Child Care slots (0-12 yrs.) 146,265
	• Children 0-12 19,853	• Children 0-12 708,582
	• Public School Children K-5 13,591	• Public School Children K-5
	• Births 1996-1998 6,262	• Births 1996-1998
	• Children per Slot 11.2	• Children per Slot 4.8

The charts above clearly demonstrate that the majority of the families living in Houston's East End are economically disadvantaged. The children coming from these homes are the at-risk population that we intend to work with at the charter school. Having a quality program specifically designed to meet the needs of the neighborhood children will significantly impact their opportunity for a successful school experience.

B. Explain why the charter school model is the appropriate vehicle to address this need.

The charter school model allows for the type of innovative instruction reduced class sizes that are key to school success with at-risk students. The ability of teachers to spend more one-on-one time with students greatly impacts a child's educational success. Studies show that strong relationships equate with strong learning experiences. In addition, the charter school model will allow NCI to further strengthen relationships for these children by requiring increased parental involvement. At-risk students experience higher rates of school success when parental involvement is consistent and in depth.

The use of Integrated and Thematic Instruction, with real-world application and direct skill instruction is a critical mix for these children. The flexibility afforded educators in planning and delivering curriculum found in the charter school model is paramount to creating a healthy, safe and stimulating learning environment where at-risk kids feel encouraged and successful as they begin their life-long learning.

XII. EDUCATIONAL PLAN (Scored by Review Committee)

A. Describe the educational plan to be offered.

Using the Texas Essential Knowledge and Skills (TEKS) as a basis, teachers will write the curriculum in the spring for the following year. (For the first year the school administrator, with assistance from the NCI Director of Children & Youth Education and Enrichment Services and from the NCI Training Department, will write the 1st year curriculum). The curriculum writing begins with identification of a yearlong theme that teachers interweave with TEKS to develop lesson plans. NCI plans to partner with Neuhaus Educational Center to provide tools to be used with the micro-community framework. In addition to Neuhaus resources, NCI plans to raise funds in order to implement the Accelerated Reader Program, which encourages children to read and comprehend. The Neuhaus Education Center will provide a variety of professional development opportunities that will be matched to each teacher's need. The Neuhaus Language Enrichment is a course for teachers in the regular classroom, grades 1-5. This 60 hour course enables teachers to provide a balanced approach to language arts instruction, giving direct instruction in decoding and spelling skills within the literature-based reading program. Adapted from Alphabetic Phonics, the curriculum is designed for regular classroom. The curriculum incorporates the Texas Essential Knowledge and Skills. Neuhaus has similar programs available for first grade teachers and for math instruction. NCI's goal is to have all the Ripley House Charter School teachers trained through Neuhaus Education Center.

This educational plan has been implemented and studied elsewhere in the United States. A 1997 developer survey of 29 "micro-society" schools found that most reported significant increases in test scores as well as increased attendance and reduced disciplinary infractions. Individual schools have significant results: Sage Elementary (El Paso, TX) increased the number of students passing the state math standards by 52%, writing by 37%, and reading by 11%; West Middle (Sioux City, IA) increased average daily attendance

from 74% to 98% and reduced disciplinary infractions from 6,234 to 1,802; Sherman Elementary (San Diego, CA) raised its district ranking from 126th out of 156 schools to 37th.

The CLASS program, a statewide program in Indiana based on the Integrated Thematic Instruction (ITI) model and implemented by ITI trained educators, has been the subject of several studies. One study analyzed the performance of over 100 CLASS elementary schools on ISTEP (Indiana Statewide Testing for Educational Progress). The study reported that CLASS schools earn higher ISTEP scores than any other elementary schools in the state, and that scores at the CLASS schools had increased over time. A second study of 32 students who had attended the pilot CLASS school from kindergarten through fifth grade found that the ISTEP scores of this group of students was about one standard deviation above the mean in reading, language arts, and math. Another study gathered perception data on the impact of CLASS on student performance. The study reported that a majority of teachers believed CLASS was having a positive impact on student motivation and perform above particularly on higher-order thinking skills. All studies reported positive effects on student attendance or attitudes, school climate, and teacher morale and professionalism.

A 1998 doctoral dissertation compared TAAS reading scores of students in an ITI elementary school with students in a control school. Over a two-year period, ITI students scores showed a 16% growth compared to a 3% growth at the control school. A third grade Texas elementary school TAAS reading scores rose from 39 to 79 over a three year period, and the third grade math scores rose from 19 to 71. Fourth and fifth grade scores showed similar increases.

B. What teaching methods will be used? How will the pedagogy enhance student learning?

The micro-community model has four cornerstones 1) brain compatible elements 2) use of all seven intelligences 3) integrated thematic instruction and 4) Life-skills. The Ripley House Charter School will focus on where these students will be in 20 years and what kinds of skills will they need to be successful. As the world becomes smaller, many of the current students will spend some time working in other cultures. What knowledge base will help them meet this challenge?

The children will be in mixed age groupings with the same teacher for two years. During the spring of each year, teachers will develop a yearlong theme for the school and a theme for each of their classrooms. They also will write the curriculum that will be used the following year based on the Texas Essential Knowledge and Skills and incorporate the identified yearlong theme. The use of a theme such as a cruise around the world allows children to have the "being there" experience as the school travels to different continents as the year progresses. Classroom approaches will teach to each of the seven intelligences described by Gardner: logical-mathematical, musical, bodily-kinesthetic, linguistic, interpersonal, intrapersonal, and spatial. Lesson plans will reflect teaching strategies that include all the intelligences. Examples from the cruise theme are poetry writing about a specific culture (intrapersonal and linguistic); learning a cultural dance (bodily-kinesthetic); and working as a team to solve the problem of how much food should taken be on the ship to cross the Atlantic Ocean (interpersonal, logical-mathematical, and spatial).

As part of the micro-community run business, Post Office, EPA, Newspaper, etc., each classroom participates in the economic system of the school. For example, in one

classroom the students are deciding how they will run the Post Office, the job they selected last Spring. They begin to develop systems for picking up, delivering, and tracking mail. Part of this process is developing a method of communication with the other micro-community members. Another component is predicting when mail use is heavy. This involves tracking use of the system on certain days and analyzing these numbers to see if there are commonalties. For example, if the students use a bar graph to track mail use each Friday, then they can see that mail use on the first Friday of each month was twice what was on other days. So, the students can predict when mail use will be heavy. Math is integrated into a meaningful task.

Teachers have written procedures for each business and for the school as a whole. These procedures are posted and consistent year to year and classroom to classroom. This creates a pattern of reliability that will become unspoken as they become habitual. A Procedure Manual is displayed and easily accessible in each classroom.

The school exemplifies the current best thinking and research on brain development. The environment includes all the brain compatible components that have been shown to positively effect brain development. These components are absence of threat, mastery, immediate feedback, collaboration, choices, enriched environment, adequate time, and meaningful content.

Life-skills form the basis for developing responsible citizens. These 19 life-skills are: respect, friendship, patience, integrity, problem solving, cooperation, organization, sense of humor, common sense, caring, creativity, effort, initiative, pride, curiosity, flexibility, courage, responsibility, and perseverance. At any given moment in this micro-community, students can conceptualize what life-skills that they are utilizing at that time. Life-skills become personal. Life-skills are the expectations of every student and teacher. Life-skills are incorporated into everything and the students know why. They have meaning to each student's life whether in school, at home or elsewhere. Life-skills are read about, acted out, received, sung and humanely displayed at all times.

Student achievement is evaluated by TAAS scores and by administration of the Iowa Test of Basic Skills or similar instrument.

C. What professional development opportunities will be available?

Initially, professional development will be provided by the school administrator to train the staff on the micro-community model. A site visit to Garehime Elementary School in Nevada for one staff member and parent representative will also take place during the first year of operation. Garehime Elementary School is a public elementary school in Clark County, Nevada. This school implements all aspects of the micro-community that NCI wishes to implement at Ripley House. First hand observation of this school will allow the NCI sponsored visitors to more fully understand the micro-community model. In July 2000, six NCI staff visited Garehime. The information gathered from that site visit confirmed NCI's commitment to implementing this micro-community model. As the school grows a professional development committee composed of a few teachers and the administrator will also be established. As described in Section XII A, the Neuhaus Education Center will provide a variety of professional development opportunities that will be matched to each teacher's need. This committee will be charged with identifying professional development needs and opportunities. NCI already has in place an Early Childhood Professional Development Unit. It is expected that these training specialists will also assist with

professional development. The Ripley House Charter School will also make full use of the professional development opportunities at the Region IV Education Service Center.

D. ADMISSIONS POLICY

1. NCI Charter School Application Process

STEP 1	<ul style="list-style-type: none">• Parents will be given ample opportunity to learn about the program to be offered at the NCI Charter School• Parents and children attend Education Open House Week activities (December 2000, February 2001) Individual tours and opportunities to meet one-on-one with administrators will take place December through March.• Parents Attend Formal Information Session at Ripley House (February 2001)
STEP 2	<ul style="list-style-type: none">• Parents get application from Ripley House or call 713-273-3255, or applications are available online, at www.neighborhoodcenter.org• Parents collect required records from their child's current school (see application for details).• Parents complete application form.• Parents submit form to NCI. Form must be submitted by April 1, 2001. Late applications will be accepted on a space-available basis
STEP 3	<ul style="list-style-type: none">• NCI notifies parents if and when their child is scheduled for any tests or interviews.• NCI notifies parents, by mail, that their child has or has not been accepted to the program (April 30, 2001).
STEP 4	<ul style="list-style-type: none">• Parents notify NCI that they accept the invitation for their child to attend by returning acceptance documents by May 7, 2001.• Parents complete registration materials provided by NCI.• Parents follow enrollment procedures as indicated by NCI.

Applications will be accepted from December 2000 – April 1, 2001. Late applications will be placed on a waiting list and enrolled as space is made available.

It is the policy of the Neighborhood Centers Inc. not to discriminate on the basis of age, color, handicap or disability, ancestry, national origin, marital status, race, religion, sex, veteran status, or political affiliation in its educational or employment programs and activities. Additionally, students will not be discriminated against for academic or athletic reasons.

Students with a documented history of a criminal offense, juvenile court adjudication or discipline problems will be reviewed on a case-by-case basis for admission.

2. Describe the timeline to be used for admitting students, including a plan for the admission lottery for students.

No specific talents, skills or abilities will be the determining factor for student admission. All students who apply will do so on equal footing. Student registration will be handled on a first-come, first-served basis and be subject only to space availability. A waiting list will be prepared for all applicants for whom there is no space. As space becomes available, slots will be offered to those children who are on the waiting list in the order they applied. Consequently, a lottery designed for students who do not meet the entrance criteria is not needed.

3. Explain how these policies further the mission of the school in a non-discriminatory fashion.

NCI has served poor families since 1907. Often children that come from these families are at-risk for failure in school. NCI feels it is important to be available to every child that would benefit from the specialized instruction planned for the NCI charter school. Therefore, NCI will approach student registration with an open-door policy in place.

Historically, anyone seeking to participate in NCI program offerings were able to do so freely, except in programs with eligibility requirements as defined by the contract. Having an open-door policy for admissions to the charter school fits well with the Agency's mission to *enhance the development and full potential of individuals, families and neighborhoods through effective human service delivery systems, responsive programs and appropriate*

E. Describe in detail how your school will accommodate students with Special Education needs. Address the following:

- 1. Child Find NOTE: A charterholder must adopt and implement policies and practices that affirmatively seek out, identify, locate, and evaluate children with disabilities enrolled in the charter school or contacting the charter school regarding enrollment.**
- 2. Confidentiality**
- 3. Procedural Safeguards**
- 4. Notice of Admission Review and Dismissal (ARD) Committee Meetings**
- 5. Assessment of Children to determine eligibility**
- 6. Development and Implementation of the Individual Educational Plan (IEP)**
- 7. Least Restrictive Environment (LRE) Placement**
- 8. Transition Planning**
- 9. Certified Personnel for the provision of services to children with special needs.**
- 10. Services to Expelled Students**

The Micro-community model is grounded in consensus and inclusion. Also, the use of the seven intelligences gives all children a place to be successful in school. This model will create a positive environment for special education students. In addition, the Ripley House Charter School will make full use of the Region IV Education Service Center's resources and training as related to Special Education. Referral of students for possible special education services shall be a part of the Ripley House Charter School's screening system conducted as a pre-requisite for enrollment. The referral may be initiated by school personnel, the child's parents or legal guardians, or another person involved in the education or care of the student. A written assessment will be completed not later than the 60th calendar day following the date of referral. The Ripley House Charter School will

provide written prior notice to the parents whenever the school (1) proposes to initiate or change, or (2) refuses to initiate or change the identification, evaluation or educational placement of the child. This notice will be given to the parents at least five school days before the assessment.

Informed consent must be obtained in writing before conducting an initial evaluation. The comprehensive individual assessment, including a written report will be completed in accordance with State and Federal Regulations. The ARD Committee will make its decisions regarding students referred for the first time within 30 calendar days from the date of completion of written assessment report. The parents will be notified of the ARD meeting at least five school days before the meeting. ARD Committee meetings will be translated and all information relevant to the activity for which consent is sought will be in the parent's native language. The Ripley House Charter School will establish and maintain procedures to ensure that all children with disabilities and their parents are guaranteed procedural safeguards with respect to the provision of free appropriate public education by the school. All communication with parents or guardians will contain information on procedural safeguards. At the beginning of each ARD meeting, school staff will explain orally the procedural safeguards to the parents or guardians in the parent's or guardian's native language. At the same time written information concerning procedural safeguards will be given to the parents or guardians.

Special education students will be re-evaluated if conditions warrant a reevaluation or if the child's teacher requests a re-evaluation, but at least every three years. The Ripley House Charter School will obtain informed parental consent prior to conducting any re-evaluation of a child with a disability. (Source documentation for this answer is Walsh, J. Gallegos, E. and Anderson D. 1998. Special Education Time Line Chart. The Texas School Administrators' Legal Digest: Austin)

Individual Educational Plan (IEP) will be developed during the ARD meeting. In attendance at the ARD meeting will be parent, administrator, regular education teacher, special education teacher and other resource staff as needed. ARD's will be conducted at least yearly. During ARD meetings the results of assessments are discussed as well as the child's progress. From that discussion an IEP is written. The IEP's are implemented by the teachers and staff. Part of the consideration in devising an IEP is ensuring that each special education student is placed in the Least Restrictive Environment. As much as possible, special education students should participate in regular education classes and activities.

The Ripley House Charter School will provide special education services to the students. A teacher with a Generic Special Education Teaching Certificate will deliver these services. Other services such as speech therapy, occupational therapy, and physical therapy will be delivered by certified personnel. All special education files and records will be kept in locked file cabinets. There will be a system developed to control access to these files. Are records are considered confidential. All staff will be trained on maintaining confidentiality as it concerns all students.

Special Education data will be reported through PEIMS. The Standard Application System (SAS) for Special Education Programs application will returned to TEA in July 2001. The Report of Extended Year Service Contact Hours will be submitted to TEA by September 2001 to report extended year service contact hours, if any. If the Ripley House Charter

School has placed students with disabilities in nonpublic day school to receive special education services, the Nonpublic Day School Report will be submitted to TEA by August 15 of each year.

As students move from the Ripley House Charter School to other schools, special education staff will contact the student's future school to arrange for staff from the new school to be present during an ARD meeting conducted in the Spring of the student's last year at the Ripley House Charter School. At that ARD a transition plan will be written.

F. Describe how your school will meet the needs of children who qualify for other federal programs such as: Title I Part A; Title I part C; Title I Part D, subpart1; Title I part D, subpart 2; Title II part B; Title IV; Title VI; Migrant Education and Section 504.

The Ripley House Charter School approach will be one that concentrates on standards driven results. Emphasis on brain compatible components and the development of IEPs for each student will create opportunities for each child to learn and achieve. Expectations will be high. All students will be expected to achieve at high levels and the Ripley House Charter School will align curriculum, teaching and assessments with those standards. In addition, well-trained staff and low teacher child ratios will allow teachers to teach to challenging standards. Another critical component will be parent involvement. Parents will be strongly encouraged to participate in governance, decision-making, program design and delivery and evaluation of the program. By providing many meaningful opportunities for parents to be involved, the Ripley House Charter School will build a high level of parent participation in the school, a factor that is an often a recognized component of student success.

Title I, Part A. Because of the demographics of the area surrounding Ripley House, it is expected that the Ripley House Charter School will be eligible for Title I, Part A funds. These funds will be used to upgrade the entire educational program by increasing the amount and quality of learning time and by helping provide a high-quality curriculum for all children to help the students meet the state's content and student performance standards. In order to become qualified as a school wide program, the Ripley House Charter School will spend school year 2001-2002 planning the most effective use of Title I, Part A funds. As part of this process, the Ripley House Charter School will solicit technical assistance from the State's System of School Support Teams or other technical assistance providers.

Title I part C; Migrant Education Program NCI has a 90-year history of providing social services to the most in need. Through those years many of the children and families served by Ripley House and NCI's other community centers were migrants. On site at Ripley House are medical services, social services, a variety of classes that enhance life long learning, and a caring staff. The Ripley House location will allow all the Charter School families to access easily the services that they need. This coordinated delivery of social services will be of particular benefit to these children. As will be true with all the Ripley House Charter School students, students from migrant families will be taught the skills needed to reach the highest standards of academic performance set by the state of Texas.

Title I Part D, subpart1 and Title I part D, subpart 2; The inclusive nature of the Ripley House Charter School program, the use of IEP's for every child, the low teacher-student ratios will help assure students who qualify for Title I, Part D appropriate services. Also,

since the school is embedded in a community center there will be many social and support services available on site for students and their families.

Title II part B- The Ripley House Charter School will investigate utilizing these funds for professional development for teachers and administrators to help improve teaching strategies in core academic subjects with a primary focus on mathematics, science and reading.

Title IV; The Ripley House Charter School will investigate utilizing these funds for developing and enhancing educational programs of violence and drug prevention, early intervention, and rehabilitation referral.

Title VI; the Ripley House Charter School will investigate utilizing these funds in particular for acquisition and use of educational materials including library materials and computer software.

Section 504—The Ripley House Charter School will provide a free appropriate education (regular or special education and related aids and services) to its students who qualify under Section 504. Instruction will be individually designed to meet the student's needs as adequate as the needs of non-disabled students. Since each Ripley House Charter School student will have an individual education plan, the incorporation of students who qualify under Section 504 will be facilitated. Before the student is placed and begins to receive special services, the parents will be notified and the child will be evaluated using validated tests and trained personnel. A committee composed of the child's teacher(s), parents or guardians, and administrative personnel will make placement decisions. The child will be placed in the least restrictive environment and periodic reevaluations will be conducted.

G. Describe how your school will meet the needs of children who qualify for other state programs such as: Bilingual/English as a Second Language (ESL); State Compensatory Education, Dyslexia, and Gifted and Talented.

It is anticipated that many of the at-risk students who enroll at the Ripley House Charter School will be eligible to qualify for Bilingual/English as a Second Language (ESL). Language proficiency will be assessed during the enrollment process. The overall goal for non-English speaking students will be to honor their competency in their native tongue and facilitate their addition of the English language to their knowledge base. The Ripley House Charter School will have as a goal to hire bi-lingual and bi-cultural teachers. In addition to dual language competencies, bi-lingual and bi-cultural teachers serve as empathetic role models for the children and are able to communicate more effectively with parents. In particular the Neuhaus courses on *Developing Accuracy* and *Fluency and Foundations for Language* are workshops that the Ripley House Charter School Teachers will attend. These workshops are designed for ESL teachers. Another Neuhaus course *Reading Readiness Skills*, a workshop for Kindergarten teachers, includes Spanish equivalents for the activities. This course is used by the school district in Brownsville, Texas to help primarily Spanish speaking children develop phonological awareness, letter recognition and sequencing skills. Our target will be to achieve 60% transition into English the first year and 75% the second year measured by pre and posttest. This test will be identified from a nationally recognized source, for example Stanford Bi-lingual Education program.

State Compensatory Education-State Compensatory Education as defined in Section 42.152 (c) is a program designed to improve and enhance the regular education program

for students in at-risk situations. Student performance data resulting from state assessment instruments and any other achievement tests administered by school personnel. The advisory board and campus staff will design a campus improvement plan. The improvement plan will include comprehensive needs assessment, measurable performance objectives, identified strategies for student improvement, identified resources and staff, specified timelines for monitoring each strategy and formative evaluation criteria. Since the Ripley House Charter School will be following the 75% rule the development, implementation, and evaluation of the improvement plan will be an ongoing process informed by Brain Compatible Components, Integrated Thematic Instruction, and the Seven Intelligences all of which come together to effective impact learning.

The advisory board will develop procedures for services for Gifted and Talented students during Spring 2001. These procedures will be guided by several principles: 1) Assessment for the Gifted and Talented program will be accomplished with more than one indicator. Examples might be Authentic Assessment in which knowledge and skills are measured using the real world environment, rather than standardized tests; Portfolio Assessment that used a systematic collection of a student's work samples, records of observation, test results, etc., over a period of time, and standardized test scores. 2) The Gifted and Talented program will concentrate on higher level thinking skills such as synthesis and evaluation as well as developing critical thinking skills. 3) Professional development requirements for teachers and administrators will be met as part of the overall professional development plan developed by the professional development team.

Dyslexia—If problems in academic achievement are noted through academic progress reports, parents conference or inadequate performance on the state student assessment program, the Ripley House Charter School will evaluate the student's academic progress to determine what actions are needed to ensure improved academic performance. Possibly a referral for testing through special education or for dyslexia evaluation will be appropriate. The Ripley House Charter School will provide appropriate support actions such as, but not limited to obtaining vision or hearing correction, tutoring or appropriate program modifications. As required by law the advisory board of the school will provide for the treatment of any student determined to have dyslexia or a related disorder. In addition, since Neuhaus Education Center began as a dyslexia support, all their training will be very appropriate for teachers of children with dyslexia.

H. Describe how your school will identify and provide educational support for students who are identified as being "at risk of dropping out of school" as defined in TEC 29.081(d).

NCI provides an array of services to economically disadvantaged individuals and families. We will utilize this experience to implement school wide strategies for meeting the needs of at-risk children and their families. In the Second Ward, the Ripley House Charter School service area, over 80% of residents are Hispanic. Consequently, NCI expects many students who enroll in the charter school will have limited English proficiency. In addition, almost 75% of area families earn less than \$35,000 a year, with 47% earning less than \$20,000 annually. This would indicate most students would come from economically disadvantaged homes. NCI has determined that considering these dramatic numbers, every child who attends Ripley House Charter School will have the benefit of an individual education plan. This will address the issue of identifying and providing educational support for students who are identified as being "at risk of dropping out of school" as defined in TEC 29.081 (d).

I. Other Student Activities (athletics, publications, clubs, and organizations)

1. Describe the programs planned for the charter school.

NCI's Youth Department will organize student activities. Current activities include: T-Ball, Basketball, Baseball, Soccer, and Dance.

Future activities will include:

Athletics: T-Ball, Basketball, Baseball, Soccer.

Publications: student newspaper and newsletter to parents generated by students

Clubs: Book Club, Drama/Thespian Club/Art/Photography

Organizations: Student Council, Girl Scouts, Boy Scouts

2. Describe whether any agreements have been entered into or plans developed with other public or private agencies.

No agreements are currently in place. However, NCI has strong relationships with Houston's Fine Arts Organizations that provide outreach children's services. The Ripley House Charter School plans to implement on-going and regular activities with these organizations.

J. Student Assessment

1. Describe your plan to assess individual student performance in the core academic areas. Include the process to determine the baseline of achievement levels of students, the results to be achieved and the methods of measurement to be used.

Each student will be given an Individualized Education Plan with a personalized prescription accompanying that plan. The student's Individualized Education Plan will be shared with her/his parents. After a diagnostic assessment is conducted, students will be given progress assessments at six-week intervals to give students an opportunity to experience growth where there was evidence of previous academic weakness. It is expected that after each student receives his/her individual education prescription that s/he will strengthen those weak skills and concepts, and further excel in their area of academic comfort.

Ripley House Charter School will use the Iowa Test of Basic Skills, Stanford 9, or similar test for a baseline.

2. Describe the methods to identify the educational strengths and needs of individual students and the extent to which educational goals and performance standards are being met.

Students will be given a diagnostic assessment to determine their educational strengths and needs. Upon completion of the diagnostic assessment, each student will be given an Individualized Education Plan with an educational prescription designed to fit his/her needs.

3. For secondary schools, describe the method for determining that an individual student has satisfied the requirements for graduation.

Not applicable

4. Describe how student evaluation results will be used by the school to improve instructional programs.

One of the principles of Brain Compatible Components is immediate feedback. Student evaluation results will be shared with students and parents and used by teachers to create and/or modify teaching strategies.

Weekly lesson plans will reflect these adaptations as indicated by evaluations.

APPENDIX

- A -

Internal Revenue Service

Department of the Treasury

District
Director

1100 Commerce St. Dallas Texas 75242

Neighborhood Centers Inc
PO Box 88067
Houston, Texas 77280

Person to Contact
ECMF Tax Examiner
Telephone Number
(214) 767-1155
Refer Reply to
RM:CSB:306:ED
Date

OCT 04 1983

EIN: 23-7062976

Gentlemen:

Our Records show that Neighborhood Centers Inc
is exempt from Federal Income Tax under section
501(c)(3) of the Internal Revenue Code. This exemption was granted
April 1970 and remains in full force and effect.

We have classified your organization as one that is not a private
foundation within the meaning of section 509(a) of the Internal Revenue
Code because you are an organization described in section 170(b)(1)(A)
(vi).

If we may be of further assistance, please contact the person whose name
and telephone number are shown above.

Sincerely yours,



Annette Johnson
ECMF Tax Examiner

APPENDIX

- B -

Ripley House

ARTICLES OF INCORPORATION

Filed in the Office of the
Secretary of State of Texas
1969
Paul B. Wood
Director, Corporation Division

OF

NEIGHBORHOOD CENTERS - DAY CARE FOUNDATION

We, the undersigned natural persons of the age of twenty-one years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

The name of the corporation is NEIGHBORHOOD CENTERS-DAY CARE FOUNDATION.

ARTICLE TWO

The corporation is a non-profit corporation, and no part of its income shall ever inure to the benefit of any of its officers or directors.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

This corporation is formed under the Texas Nonprofit Corporation Act solely for charitable and benevolent purposes and especially

- (a) to pledge its properties and assets in perpetuity to the relief of persons in financial need and to their assistance in obtaining the care they must have to prevent their becoming a burden on society;
- (b) to purchase and own such real estate and other property as may be necessary for the purpose of the corporation;
- (c) to accept and receive gifts, grants and bequests for the use and benefit of the corporation;
- (d) to hold, invest and re-invest and expend such funds and property so received for such purposes;

- (e) to do all other acts reasonably necessary, proper and advisable in carrying out the specific powers and authorities above enumerated; and
- (f) to accomplish such other charitable purposes as may be designated by a majority of its board of directors.

ARTICLE FIVE

This corporation shall have no members.

ARTICLE SIX

All of the property of the corporation and accumulations thereof shall be held and administered to effectuate its purposes. In case of the liquidation, whether voluntary, or involuntary or by operation of law, the assets or properties of the corporation shall be distributed in such manner as the Board of Directors of the corporation shall direct; provided, however, that any such distribution shall be such as is calculated to be exclusively to carry out the purposes for which the corporation is formed, or for one or more other exempt purposes within the meaning of the applicable provisions of the Internal Revenue Code of 1954, as amended, or any similar federal statute then in effect, and the rules and regulations pursuant thereto.

ARTICLE SEVEN

The street address of the initial registered office of the corporation is No. 9 Chelsea Boulevard, Houston, Texas, and the name of its initial registered agent at such address is MALCOLM HOST.

ARTICLE EIGHT

The number of trustees constituting the initial Board of Directors is ten (10) and the names and addresses of the persons who are to serve as the Initial Directors are:

Name

Address

Mr. James L. Bayless	901 1st. City National Bank Bldg. Houston, Texas
Mr. Richard J. Edwards	1853 Lexington, Houston, Texas
Mrs. W. St. John Garwood, Jr.	3707 Del Monte Drive, Houston, Texas
Mrs. Lullella W. Harrison	3210 South MacGregor Way, Houston, Texas
Mr. Raymond L. Hill	708 C & I Bldg., Houston, Texas
Mr. J. T. Mackey	1710 Esperson Bldg., Houston, Texas
Mr. Judson W. Robinson, Jr.	2905 Elgin, Houston, Texas
Mrs. Mary L. Rothschild	1803 Ridgewood, Houston, Texas
Mr. Dudley C. Sharp, Jr.	3760 Clay Road, Houston, Texas
Mr. McClelland Wallace	3701 Allen Parkway, Houston, Texas

ARTICLE NINE

The name and street address of each incorporator is:

Name

Address

Mrs. Lullella W. Harrison	3210 South MacGregor Way, Houston Texas
Mrs. Mary L. Rothschild	1803 Ridgewood, Houston, Texas
Mr. McClelland Wallace	3701 Allen Parkway, Houston, Texas

In Witness Whereof, we have hereunto set our hands, this 15
day of April, 1969.

Lullella W. Harrison

Mary L. Rothschild

McClelland Wallace

OCT 12 1982

CLERK U.S.
Corporations Section

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION

Pursuant to the provisions of Article 4.03 of the Texas Non-Profit Corporation Act, the undersigned Corporation adopts the following Articles of Amendment to its Articles of Incorporation, which change the name of the corporation.

ARTICLE ONE

The name of the corporation is NEIGHBORHOOD CENTERS - DAY CARE ASSOCIATION.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the Corporation on September 27, 1982. Article One of the Articles of Incorporation which now reads:

"The name of the Corporation shall be NEIGHBORHOOD CENTERS - DAY CARE ASSOCIATION."

is hereby amended so as to read as follows:

"ARTICLE ONE

The name of the Corporation shall be NEIGHBORHOOD CENTERS, INC."

ARTICLE THREE

The amendment was adopted in the following manner:
The amendment was adopted at a meeting of the Board of Directors held on September 27, 1982, and received the vote of a majority of the directors in office, there being no members having voting rights in respect thereof.

DATED: October 7, 1982.

NEIGHBORHOOD CENTERS - DAY CARE
ASSOCIATION

BY: Jack Steel
Jack Steel
Its President

Mrs. T. B. Drisdale, Sr.
MRS. T. B. DRISDALE, SR.
Its Secretary

THE STATE OF TEXAS

§

COUNTY OF HARRIS

§

Before me, a notary public, on this day personally appeared Jack Steel, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of October, 1982.

Mary Strubaker
NOTARY PUBLIC IN AND FOR MARY
THE STATE OF TEXAS. STONERIDGE
My commission expires: 9/11/84

THE STATE OF TEXAS |

COUNTY OF HARRIS |

I, Yera C. Keaton a Notary Public, do hereby certify that on this 15 day of April, 1969, personally appeared before me MRS. LULLELIA HARRISON, MRS. MARY L. ROTHSCHILD, and MC CLELLAND WALLACE, who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

Yera C. Keaton
Notary Public in and for
Harris County, Texas

APPENDIX

- C -

**NEIGHBORHOOD CENTERS INC.
BY-LAWS**

ARTICLE I. NAME

The name of this corporation is:

NEIGHBORHOOD CENTERS INC.

ARTICLE II. REGISTERED OFFICE AND AGENT

The street address of the registered office of the corporation is
4500 Bissonnet #200, P. O. Box 271389, Houston, Texas 77277-1389.

The name of its registered agent at such address is: Angela Blanchard.

ARTICLE III. PURPOSES

The purposes of this corporation are:

- 1) Foster the growth and development of individuals and encourage citizens to develop their strengths and abilities so as to meet their responsibilities to their families, to each other, to their neighborhoods, and to the community at large;
- 2) Establish and operate social service programs; evaluate the need for additional services and seek to have this need met; and
- 3) Establish centers within neighborhoods where residents may learn to use health, educational, recreational and welfare programs available to them, and may participate in designing, operating and evaluating new programs for the development of the community.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Membership. The Board of Directors, exclusive of Life Members and Special Directors, shall consist of not less than twenty-one (21) nor more thirty (30) members who shall serve until their successors are elected and take office; and shall be elected by Board Members whose terms have not expired. All Regular Directors shall be elected for terms of three (3) years, and Special Directors, designated below, shall serve for a term of one (1) year, except the immediate past NCI Board Chair, who shall serve a two year term. The following shall

serve as Special Directors:

1. Chair of the Cleveland Ripley Board
2. Chair of the La Porte Board
3. A representative of the Ripley Foundation
4. Chair of the Ripley House/Kirkland-Ripley Board
5. Chair of the Harbach Ripley Board
6. Immediate Past NCI Board Chair

Any regular Director who, within twelve (12) months, misses more than 50% of the Board of Directors meetings without a justifiable excuse will be automatically dropped from the Board of Directors.

Both Regular and Special Directors shall have the same voting rights.

Section 2. **Life Members.** The Board may elect individuals to be life members who have been Board members for not less than nine (9) years and have provided outstanding service to the organization. Life members shall have full voting rights.

Section 3. **Quorum.** One-third (1/3) of the elected Directors, including an officer of the corporation, shall constitute a quorum

Section 4. **Meetings.** Regular meetings of the Board of Directors shall be held on a day designated by the Board of Directors, according to the following schedule: January, February, April, June, August, and October. Special meetings of the Board of Directors may be called by the Chair upon one day's notice stating the purpose or purposes thereof. Likewise, such special meetings may be called by any seven (7) members of the Board. The purpose or purposes of such meeting must be indicated in the notices.

The meeting of the Board of Directors held during the month of February each year shall be the Annual Meeting of the Board of Directors for the purpose of:

- (a) the election of new members of the Board of Directors;
- (b) the election of new officers (if any);
- (c) receiving a report of the previous year's activities and

results;
(d) recognition of volunteers; and
(e) for other such business as may be brought before the Board.

Section 5. **Vacancies.** When a vacancy occurs on the Board of Directors, subject to the provisions of Section 1, the Board shall have the option of either filling the position or eliminating it.

Section 6. **Indemnification.** The agency will indemnify any director or officer, or former director or officer, of the Agency to the fullest extent permitted by Article 1396-2.22A of the Revised Civil Statutes of the State of Texas.

Section 7. **Re-election.** No person who has served two (2) three year terms as a regular Director shall be eligible for re-election as a regular Director until that person has remained off the Board for at least one year. This restriction shall not apply to any Officer of the corporation as long as they hold any office.

ARTICLE V. OFFICERS

Section 1. **Positions.** The Directors shall elect biennially from their number a Chair, two (2) Vice Chairs, a Secretary, Assistant Secretary and a Treasurer. Any two (2) or more offices may be held by the same person, except that of the Chair and the Secretary, or the Chair and the Assistant Secretary, shall not be the same person. All officers shall be elected for a term of two (2) years, and no officer shall serve in the same office for more than two (2) consecutive terms of two (2) years each.

Section 2. **Chair.** The Chair shall preside over all meetings of the Board of Directors and shall make such appointments on committees as are called for in these By-laws or set up by resolution of the Board of Directors as hereinafter provided.

Section 3. **Vice Chairs.** In the absence of the Chair, one of the Vice Chairs shall be appointed by the Chair to preside over meetings and perform such other of the Chair's duties as are deemed necessary by the Chair.

Section 4. **Secretary.** The Secretary shall write or cause to be written the minutes of the meetings and shall perform such other secretarial duties as may be required by the Board of Directors.

Section 5. **Assistant Secretary.** The Assistant Secretary shall act in the absence or the incapacity of the Secretary.

Section 6. **Treasurer.** The Treasurer is responsible for the general administration of funds and all financial accounting of the corporation.

ARTICLE VI.

COMMITTEES

Section 1. **Executive Committee.** The Executive Committee shall consist of the Chair, Immediate Past Chair, the two Vice-Chairs, Secretary, Assistant Secretary, Treasurer, and no more than four (4) other members of the Board of Directors. It is recommended that either the Chair or Vice Chair of the Finance & Administration, Agency Development, Program Services and Emerging Needs Committees serve as members of the Executive Committee.

The Executive Committee acts upon pressing and emergent business between Board meetings and reports any action taken at the next Board meeting. This Committee shall meet in March, May, July, September, November, and December, when the board does not meet.

A quorum shall consist of six (6) members for the transaction of any business and a vote of the majority of members at a meeting at which a quorum is present shall constitute the act of the committee.

Section 2. **Nominating Committee.** The Nominating Committee shall:

- (1) present to the Board of Directors a slate of officers biennially and/or Directors annually at the Annual Meeting;
- (2) ensure a diverse board with respect to age, gender,

- race/ethnicity, affiliation, expertise, skill, and commitment;
- (3) assess current board membership to determine areas of under-representation;
 - (4) understand the goals of the corporation and the Board in order to determine the leadership needed for the near term future;
 - (5) work with the President to recruit new Directors by developing a pool of potential candidates, evaluating the candidates, selecting and contacting recruits, and soliciting their membership;
 - (6) oversee orientation of new Directors; and
 - (7) present additional names from time to time to the Board of Directors to fill vacancies on the Board and among the officers of the corporation, as such vacancies may occur.

Section 3. **Finance & Administration Committee.** The Finance & Administration Committee shall:

- (1) oversee the exercise of good stewardship in use of all agency resources;
- (2) review and present annual agency budget for approval by the Board;
- (3) review and approve a plan for an annual independent audit of the corporation;
- (4) review and approve policy to guide the use and investment of agency financial resources;
- (5) review and approve audited financial statements and Report to Management;
- (6) oversee contractual compliance;
- (7) assist in development of personnel policies relating to conditions of employment and work; and
- (8) assist in the development of policies concerning facility management and administration.

The Treasurer shall be a member of the Finance & Administration Committee. It is recommended that the Treasurer serve as Chair of the Finance & Administration Committee.

Section 4. **Agency Development Committee.** It shall be the responsibility of this Committee to:

- (1) seek resources to meet the current and future needs of the corporation;
- (2) review all new and proposed funding opportunities and related proposals;
- (3) review and approve plans for any agency fundraising event;
- (4) provide leadership and organization for major agency events;
- (5) organize Board Annual Meeting; and
- (6) assist the Nominating Committee with Board Development including orientation of new Directors and identification and recruitment of candidates.

Section 5. **Program Services Committee.** It shall be the responsibility of this Committee to:

- (1) review and recommend services and programs;
- (2) be well informed as to the human services needs of the community, by program and geographic area;
- (3) be informed about the external environment in which the agency operates, including staying informed about legislation which may affect the agency's activities;
- (4) understand the goals of the agency's major funding entities;
- (5) be knowledgeable about goals of the agency's various programs and oversee program achievement relative to those goals;
- (6) guide needs assessment activities; and
- (7) assist in defining outcome measures.

Section 6. **Emerging Needs Committee.** It shall be the responsibility of this Committee to:

- (1) define and assign the responsibilities of all parties involved in the management of the Emerging Needs Fund;

- (2) establish a clear understanding for all involved parties of the investment goals and objectives of the Fund's assets;
- (3) offer guidance and limitations to all Investment Managers regarding the investment of Fund assets;
- (4) establish a basis for monitoring and evaluating investment results;
- (5) manage Fund assets according to prudent standards established in common trust law; and
- (6) establish the relevant horizon for which the Fund assets will be managed.

Section 7. **Committee Membership.** The Board Chair, Vice-Chairs, and President shall review a plan for committee membership and solicit members. These members shall be appointed annually by the Board Chair. Members may be Directors and qualified non-Directors as needed to fulfill the responsibilities of the committee. Each committee shall have a Chair and a Vice-Chair, appointed by the Board Chair.

Section 8. **Meetings.** It is recommended that the Finance & Administration, Agency Development, and Program Services Committees meet monthly as needed to conduct the business of the corporation.

Section 9. **Other Committees.** Additional committees may be authorized by the Board of Directors. The Board Chair shall appoint the membership to such committees.

ARTICLE VII. STAFF

Section 1. **Staff.** The staff of the corporation shall consist of a President employed by the Board and such additional Vice Presidents and personnel employed by the President as are required to carry out the purposes and objectives of the corporation in accordance with the policies established by the Board of Directors.

Section 2. **President.** The Board of Directors shall select a President who shall assume the responsibilities and perform the duties

assigned in these By-laws and delegated from time to time by the Board of Directors. The President shall be the Chief Executive Officer of the corporation and shall be responsible for the management of its affairs. The Executive Committee evaluates the work of the President and authorizes remuneration.

ARTICLE VIII. **AMENDMENTS**

These By-laws may be amended at any regular meeting of the Board of Directors at which a quorum of Directors is present, by a two-thirds (2/3) majority vote of the Directors present at such a meeting. Notice of the general character of any proposed amendment must be mailed to the membership of the Board at least ten (10) days prior to such meeting.

APPENDIX

- D -

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): MICHAEL ~~ROSE~~ VINCENT RONCA

2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time _____

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: 12/27/53, Elizabeth N.J.

5. Business Address: 17318 CHAGALL LN, SPRING TX 77379

Business Telephone: 713 446-4055

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES ADDRESS CITY AND STATE ZIP CODE

'94 TO Present 17318 CHAGALL LN SPRING TX 77379
'84 TO '94 8011 SUMMER GROVE CIRCLE SPRING TX 77377

7. Education: Dates, Names, Locations and Degrees

College VILLANOVA UNIVERSITY, VILLANOVA PA, BS 1975

Graduate Studies MBA - DREXEL UNIVERSITY, PHILA PA 1979

Others _____

8. List Membership in Professional Societies and Associations: Independent Producers Association of America

9. Present or Proposed Position with the Proposed Charter School: BOARD Member for Neighborhood Centers

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
2/00 TO Present	Self-employed		
9/98 TO 2/00	Chief Operating Officer		Range Resources Corporation
12/96 TO 9/98	President & Chief Executive		Domain Energy Corp
1/92 TO 12/96	PRESIDENT		Tenneco Ventures Corp

11. Present employer may be contacted: *p2250X Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? No
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): _____

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? No If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO

If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO

If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 14 day of August 18 2000, at _____

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Michael V Ronca
(Signature of Affiant)

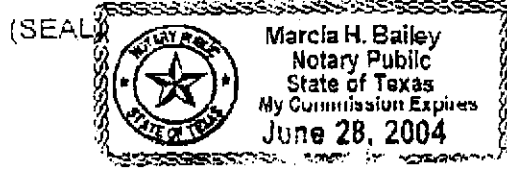
State of TEXAS
County of HARRIS

Personally appeared before me the above named MICHAEL RONCA personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 14 day of AUGUST 18 2000

Marcia H Bailey
(Notary Public)

My commission expires June 28, 2004



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Thomas Norman Sanders
2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____
c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: [REDACTED] Macon, GA.

5. Business Address: 2902 Woods Estates Drive Kingwood, TX 77339
Business Telephone: 281-358-3236

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>1978 - Present</u>	<u>2902 Woods Estates Dr.</u>	<u>Kingwood, TX</u>	<u>77339</u>

7. Education: Dates, Names, Locations and Degrees

College BS Industrial Engineering 1967 COLORADO STATE UNIVERSITY

Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: _____

9. Present or Proposed Position with the Proposed Charter School : NONE - Presently
a member of the Board of Directors for Neighborhood Centers, Inc.

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1997 - Present	Origin Technology	6606 LBJ Fwy - Dallas TX	Bus Development Manager
1967 - 1997	Shell Oil Company	One Shell Plaza - Houston TX	CEO - Commercial Products

11. Present employer may be contacted: *p2250 Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): NONE

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO If so, please furnish details: _____

Dated and signed this 3rd day of August 2000
at Kingwood Texas

I hereby certify under penalty of perjury, that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Thomas N Sanders
(Signature of Affiant)

State of TEXAS
County of HARRIS

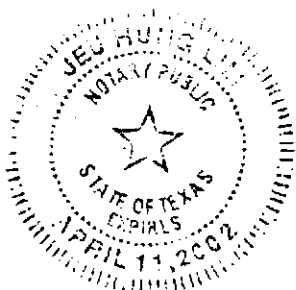
Personally appeared before me the above named THOMAS N SANDERS personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 3 day of August 2000

[Signature]

(Notary Public)

My commission expires April 11 2002



(SEAL)

**TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)**

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Elizabeth Madelle Brudner
2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) Cogbill
 c. Other names used at any time none

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: [REDACTED] Pine Bluff, Arkansas

5. Business Address: Office of Community Justice; 1001 Preston St. 9th, Houston TX 77002
 Business Telephone: 713-755-4014

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>Aug. 1968 to today</u>	<u>13822 Myrtle</u>	<u>Houston TX</u>	<u>77079</u>

7. Education: Dates, Names, Locations and Degrees

College BA - Radio + TV from University of Houston - 1985

Graduate Studies NA

Others _____

8. List Membership in Professional Societies and Associations: Leadership Houston

9. Present or Proposed Position with the Proposed Charter School : BOARD member of SPONSORING entity

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
Prior to 1987	Home maker		
1987-1995	Metropolitan Transit Authority	1201 Louisiana Houston Tx 77002	Community Relations Representative
1995 to present	Harris County Judge Eckels	1001 Preston Ste 911 Houston Tx 77002	Director of Community Affairs

11. Present employer may be contacted: *p2250X Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): NA

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No If so, please furnish details: _____

Dated and signed this 10th day of August
2000, at 4:20 PM

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

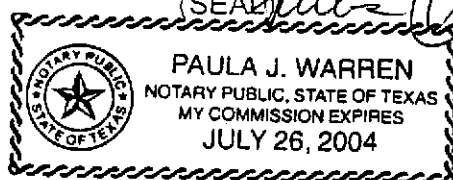
Elizabeth Modelle Brudner
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named Elizabeth Modelle Brudner personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 10th day of August, 19 2000

Paula J. Warren
(Notary Public)
My commission expires 7/26/04



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
 (Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Sylvia Christina Capetillo

2. Have you ever had your name changed? yes If yes, give reason for the change: MARRIAGE

b. Maiden Name (if female) Hernandez

c. Other names used at any time NONE

3. Social Security Number [REDACTED]

4. Date and Place of Birth: [REDACTED] TEXAS CITY, TX USA

5. Business Address: RETIRED
 Business Telephone: _____

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>July 98 to Present</u>	<u>1111 JACOBS CT.</u>	<u>Conroe TX</u>	<u>77384</u>
<u>MAY '63 to July 98</u>	<u>3511 SWITER WAY</u>	<u>PASADENA TX</u>	<u>77503</u>

7. Education: Dates, Names, Locations and Degrees

College University of Texas @ Austin 1956-60 B.S Chem

Graduate Studies VARIOUS COURSES nondegree

Others _____

8. List Membership in Professional Societies and Associations: Retired from all

9. Present or Proposed Position with the Proposed Charter School: Board of Directors
with NCT, presently Secretary & Chairperson
of Program Services

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>Dec '60 - Apr '95</u>	<u>The University of TX</u>	<u>M.D. Anderson Cancer Center</u> <u>1515 Holcombe Blvd</u> <u>Houston TX 77030</u>	<u>Sc. Res. Assist.</u>

11. Present employer may be contacted: *p2250X Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): NONE

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NONE If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NONE
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 8th day of August,
19 2000, at 4500 Bissonnet Ste 200

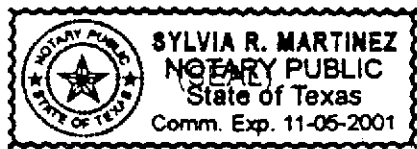
I hereby certify under penalty of perjury that I am acting in my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

[Signature]
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named Sylvia Christina Capetillo personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 8th day of August, 19 2000



[Signature]
(Notary Public)
My commission expires 11-05-2001

**TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)**

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)


IF ANSWER IS "NO" OR "NONE", SO STATE.


1. Full Name (Initials Not Acceptable): William Edmonds Chiles

2. Have you ever had your name changed? No If yes, give reason for the change: NA

b. Maiden Name (if female) NA

c. Other names used at any time None

3. Social Security Number*: 

4. Date and Place of Birth:  - Wice, Texas

5. Business Address: 11200 P... St, Suite 490 Houston 77082

Business Telephone: (713) 539-3777

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
99-2000	5718 Tangle Circle Lane	Houston, Texas	77057
96-99	5096 Fieldwood Av.	" "	77056
88-96	2724 Centenary	Houston, Texas	77024

7. Education: Dates, Names, Locations and Degrees

College University of Texas at Austin '71 - BBA - Petroleum Land Management

Graduate Studies MBA - 1972 - Southern Methodist University Dallas, Tx.

Others _____

8. List Membership in Professional Societies and Associations: International Association of Drilling Contractors, National Ocean Industries Association, Young Presidents Organization, World Presidents Organization
9. Present or Proposed Position with the Proposed Charter School: Board Member of NCF

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
73-77	Western Oceanic, Inc.	7000 West Loop South, Houston	Operations Manager
77-92	Chiles Offshore Corp.	2200 " " "	President
92-93	Chiles Drilling Co.	Houston, TX	VP-Operations
97-00	Chiles Offshore LLC	" "	President

11. Present employer may be contacted: *p2250 Yes No (Circle One)
- Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? No
If any claims were made on the bond, give details: NA
- b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? No
If yes, give details: NA

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): None

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? No If yes, give details: NA

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
If yes, give details: NA

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
If yes, give details: NA

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No If so, please furnish details: NA

Dated and signed this 5th day of August, 2000, at Houston, Texas

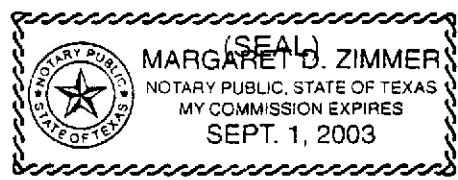
I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.
[Signature]
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named William E. Chiles personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 5th day of August, 2000

Margaret D. Zimmer
(Notary Public)
My commission expires Sept. 1, 2003



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Jonathan Starkey Day

2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: Houston, Texas

5. Business Address: 700 Louisiana, Suite 1900, Houston, Texas

Business Telephone: (713) 225-7011

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>1990-2000</u>	<u>2126 Sunset Blvd.</u>	<u>Houston, Texas</u>	<u>77005</u>

7. Education: Dates, Names, Locations and Degrees

College Princeton University, Princeton, New Jersey, A.B.

Graduate Studies University of Texas Law School L.L.B. '65

Others _____

8. List Membership in Professional Societies and Associations: Houston Bar Association,
State Bar of Texas, American Bar Association

9. Present or Proposed Position with the Proposed Charter School: Member of the Board of
Directors past 20 years.

10. List complete employment record (up to and including present jobs, positions,
directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1980-82	Butler, Binion, Rice, Cook & Knapp	N/A	Partner
1982-Present	Mayor, Day, Caldwell & Keeton	700 Louisiana, Suite 1900 Houston, Texas 77002	Partner

11. Present employer may be contacted: *p2250X Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? No
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had
a bond cancelled or revoked? No
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or
governmental licensing agency or regulatory authority which you presently hold or
have held in the past. (State date license was issued, issuer of license, date
terminated, reasons for termination): Licensed as a lawyer by the State Bar of Texas,
issued 1965--State Bar No. [REDACTED]. License currently in effect.

14. During the last ten (10) years, have you ever been refused a professional,
occupational or vocational license by any public or governmental licensing agency or
regulatory authority, or has such license held by you ever been suspended or
revoked? No If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

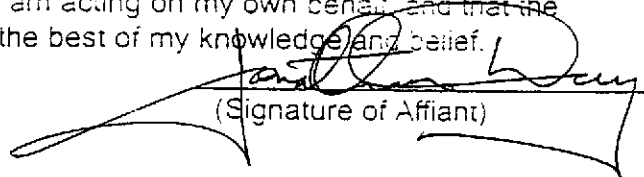
17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No If so, please furnish details: _____

Dated and signed this 4th day of August, ~~2000~~ 2000, at 700 Louisiana, Suite 1900, Houston, TX 77002

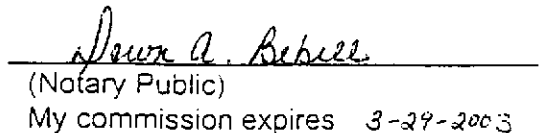
I hereby certify under penalty of perjury that I am acting on my own behalf and that the foregoing statements are true and correct to the best of my knowledge and belief.

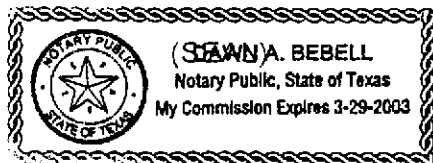

(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Jonathan Day personally known to me, who, being duly sworn, deposes and says that he she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his her knowledge and belief.

Subscribed and sworn to before me this 4th day of August, ~~19~~ 2000


(Notary Public)
My commission expires 3-29-2003



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): NOEL JONAS GRAUBART

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time NONE

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: [REDACTED] NEW YORK, NEW YORK

5. Business Address: 1300 POST OAK BLVD., SUITE 310 HOUSTON, TEXAS 77056

Business Telephone: (713) 961-0905

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>03/97</u>	<u>5100 SAN FELIPE #214 E</u>	<u>HOUSTON, TEXAS</u>	<u>77056</u>
<u>1970-03/97</u>	<u>22 WILLIAMSBURG LANE</u>	<u>HOUSTON, TEXAS</u>	<u>77024</u>

7. Education: Dates, Names, Locations and Degrees

College 1953 SYRACUSE UNIVERSITY SYRACUSE, NY BS

Graduate Studies 1957 NEW YORK UNIVERSITY NEW YORK, NY MBA

Others _____

8. List Membership in Professional Societies and Associations: GREATER HOUSTON BUILDERS ASSOCIATION

9. Present or Proposed Position with the Proposed Charter School : BOARD MEMBER OF NEIGHBORHOOD CENTERS, INC.

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

<u>DATES</u>	<u>EMPLOYER</u>	<u>ADDRESS</u>	<u>TITLE</u>
1966	GRAUBART & COMPANY	1300 POST OAK BLVD.	OWNER
1990	SOUTHWEST RETIREMENT LTD.	7901 SW FRWY	PAST PRESIDENT

11. Present employer may be contacted: *p2250X Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): TEXAS REAL ESTATE BROKER, NEW YORK INSURANCE BROKER

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

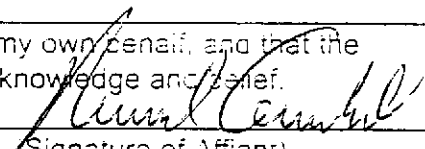
17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 8th day of AUGUST, ~~19~~ 2000, at HOUSTON, TEXAS

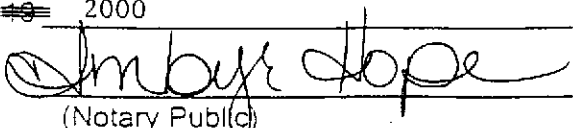
I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.


(Signature of Affiant)

State of TEXAS
County of HARRIS

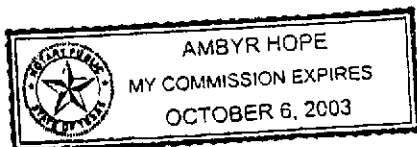
Personally appeared before me the above named NOEL JONAS GRAUBART personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 8th day of AUGUST, ~~19~~ 2000


(Notary Public)

My commission expires 10/06/03

(SEAL)



**TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)**

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): William Don Holt

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time _____

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: [REDACTED]

5. Business Address: 4301 Nista Pasadena, TX 77504

Business Telephone: 713-378-3118

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
Mar '86 - Present	10107 Sycamore	Houston, TX	77089

7. Education: Dates, Names, Locations and Degrees

College B.S. - EAST TEXAS STATE - 1953

Graduate Studies M.A. - ARIZONA STATE UNIV 1975

Others _____

8. List Membership in Professional Societies and Associations: ROTARY INTERNATIONAL

9. Present or Proposed Position with the Proposed Charter School: Member
Board of Directors

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1980-1995	DANSHORE MEDICAL CENTER	4500 SPENCER HWY	DIRECTOR
		ORADENA, TX 77504	
1995-Present	DYNACQ INTERNATIONAL INC	4301 VISPA	SENIOR VICE PRESIDENT
		ORADENA, TX	77504

11. Present employer may be contacted: *p2250 Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): None

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No. If so, please furnish details: _____

Dated and signed this 11 day of August
19 2000, at 3:35

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Don Holt
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Don Holt
personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 11 day of August
19 2000

Alicia Cyren
(Notary Public)
My commission expires 6/30/2002

(SEAL)

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): STEPHEN MARION KAUFFMAN
2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: [REDACTED] HOUSTON, TX

5. Business Address: 3 RIVERWAY #1350 HOUSTON, TX 77056

Business Telephone: 713-625-8700

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>1996-PRESENT</u>	<u>5100 SAN FELIPE #2615</u>	<u>HOUSTON, TX</u>	<u>77056</u>
<u>1966-1996</u>	<u>754 KUHLMAR RD</u>	<u>" "</u>	<u>72024</u>

7. Education: Dates, Names, Locations and Degrees

College HARVARD COLLEGE B.A. 1962

Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: HOUSTON, TEXAS AND NATIONAL ASSOCIATIONS OF LIFE UNDERWRITERS; ASSOCIATION OF ADVANCED LIFE UNDERWRITERS

9. Present or Proposed Position with the Proposed Charter School: BOARD OF DIRECTORS AND VICE PRESIDENT OF NEIGHBORHOOD CENTERS, INC.

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1978-PRESENT	COMISKEY KAUFMAN, INC.	3 RIVERWAY, FLD HOUSTON, TX 77026	CHAIRMAN

11. Present employer may be contacted: *p2250 Yes No (Circle One)

Former employers may be contacted: Yes No N/A (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): GROUP I LIFE INS - TEXAS 1961

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO

If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO

If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO If so, please furnish details: _____

Dated and signed this 7th day of AUGUST 2000, at HOUSTON, TEXAS

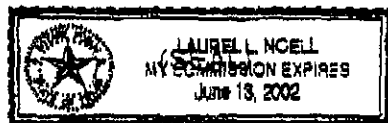
I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Stephen M. Kaufman
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named STEPHEN M. KAUFMAN personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 7th day of AUGUST 2000



Laurel L. McCell
(Notary Public)
My commission expires 6/13/02

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Christina Morales Krasnick
2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female): Morales
c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: 4-13-68 Houston, Texas

5. Business Address: 2901 Canal Houston, TX 77003
Business Telephone: (113) 223-1167

6. List your residences for the last ten (10) years starting with your current address giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
1994 - Present	1010 Hackney	Houston, TX	77023
1992 - 1994	2901 Canal	Houston, TX	77003
1990 - 1992	5042 Jefferson	Houston, TX	77023

7. Education: Dates, Names, Locations and Degrees

College Commonwealth Institute of Funeral Service
Degree Diploma in Funeral Directing
Graduate Studies & Embalming
1992

Others _____

8. List Membership in Professional Societies and Associations: none

9. Present or Proposed Position with the Proposed Charter School: Ripley House
Advisory Board President

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1987 - Present	Felix H. Morales Funeral Home	2901 Canal	President

11. Present employer may be contacted: *p2250 Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a. Have you ever been in a position which required a fidelity bond? no
If any claims were made on the bond, give details: _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? no
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): Funeral Director and Embalmer License #10463 issued May 1993

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? no If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? no

If yes, give details: _____

16. Have you ever been adjudged bankrupt? no

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? no

If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? no

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? yes If so, please furnish details: Probate

Dated and signed this 10th day of August 2000, at Harris County, Houston, Texas

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

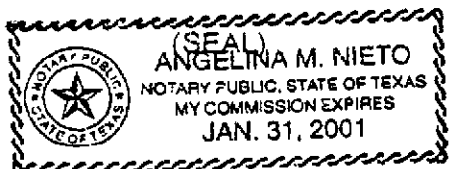
Christina M. Krasnick
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Christina M. Krasnick personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 10th day of August, 2000

Angelina M. Nieto
(Notary Public)
My commission expires 1/31/2001



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Frances Glover Segura
2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) Glover
c. Other names used at any time _____

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: Feb. 04. 1932 Austin, Texas

5. Business Address: _____
Business Telephone: /

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>04-1967-Present</u>	<u>4922 Idaho</u>	<u>Houston, TX</u>	<u>77021</u>

7. Education: Dates, Names, Locations and Degrees

College Texas Southern University-Houston, Texas
B.A. M.A. 1975-1978 Psychology
Graduate Studies 1978 Master Arts - Psychology

Others _____

8. List Membership in Professional Societies and Associations: _____

Zeta Phi Beta Sorority

9. Present or Proposed Position with the Proposed Charter School: NO

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>1982-1997</u>	<u>Texas Workforce Comm.</u>		<u>Employment Counselor- Job developer-Facilitator-</u>
<u>1978-79</u>	<u>Houston Ind. School Dist.</u>		<u>Security Counselor</u>
<u>1966-1978</u>	<u>St. Joseph Hospital - Mental Health Worker</u>		<u>Government Contract - 1 year only</u>

11. Present employer may be contacted: *p2250X Yes No (Circle One) NA

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO

If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO

If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): _____

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

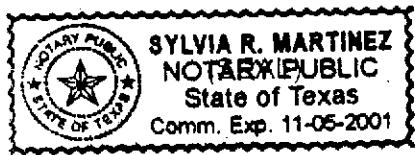
Dated and signed this 15th day of August, 2000, at 10201 Boultonville Suite 100

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.
Frances Glover Segura
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named FRANCES GLOVER SEGURA personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 15th day of August, 2000



[Signature]
(Notary Public)
My commission expires 11-05-2001

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): DON ALAN TURKLESON
2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____
c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: [REDACTED] BEAUMONT, TEXAS

5. Business Address: 1200 SOUTH ST. HOUSTON, TX.
Business Telephone: 713 200 1000

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>3/91 -</u>	<u>31 GOLDEN SUNSET CIRCLE</u>	<u>THE WOODLANDS, TX</u>	<u>77381</u>
<u>3/86 - 3/91</u>	<u>8 LINNET CHASE PLACE</u>	<u>THE WOODLANDS, TX</u>	<u>77381</u>

7. Education: Dates, Names, Locations and Degrees

College LOUISIANA STATE UNIVERSITY, BATON ROUGE, LA B.S. - ACCOUNTING 1972-75

Graduate Studies —

Others _____

8. List Membership in Professional Societies and Associations: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

9. Present or Proposed Position with the Proposed Charter School : NONE

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1997 -	CHEMIEDE ENERGY, INC.	1200 SMITH ST. HOUSTON, TX	CHIEF FINANCIAL OFFICER
1983 - 1996	PESTOCORP INCORPORATED	16710 GREENSPRING PARK DR, HOUSTON, TX	VP. FINANCE
1975 - 1986	ARFAUR ANDERSON + CO	711 LOUISIANA, HOUSTON TX	AUDIT MANAGER

11. Present employer may be contacted: *p2250X Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: NA

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: NA

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency, or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): CPA CERTIFICATE - STATE OF TEXAS BOARD OF
PUBLIC ACCOUNTANCY - 1977

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: NA

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO

If yes, give details: NA

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO

If yes, give details: NA

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: NA

Dated and signed this 7TH day of AUGUST
18 2000, at HOUSTON, TEXAS

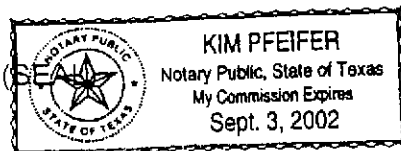
I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Don A. Turkleson
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named DON ALAN TURKLESON personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 7th day of August, 18 2000



Kim Pfeifer
(Notary Public)
My commission expires 9-3-02

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
 (Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): NANCY KATHRYN WOOLDRIDGE
2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time _____

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: [REDACTED] RICHMOND, TX

5. Business Address: 12 GREENWAY PLAZA STE 1100, HOUSTON, TX 77046
 Business Telephone: 713.521.2800

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
1984-PRESENT	2475 UNDERWOOD #181	HOUSTON TX	77030

7. Education: Dates, Names, Locations and Degrees

College HOUSTON BAPTIST UNIVERSITY: B.S IN ACCOUNTING & MGT,
1977
 Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL ASSOCIATION OF LEGAL SEARCH CONSULTANTS

9. Present or Proposed Position with the Proposed Charter School: N/A

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>SEE ADDENDUM ATTACHED</u>			

11. Present employer may be contacted: *p2250 Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? No
If any claims were made on the bond, give details: N/A

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: N/A

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination):
TEXAS; TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY, CPA CERTIFICATE # 23063, ISSUED MAY 15, 1980

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: N/A

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO If so, please furnish details: _____

Dated and signed this 7 day of AUGUST
2000 at 12 GREENWAY PLAZA HOUSTON TX

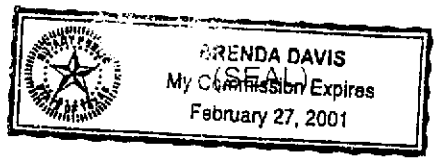
I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct, to the best of my knowledge and belief.

(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Nancy Kathryn Woolbridge personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 7th day of August, 2000



Brenda Davis
(Notary Public)
My commission expires 2-27-01

TEXAS EDUCATION AGENCY
Addendum to questionnaire

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

Dates	Employer	Address	Title
1999-present	WLSC, Inc. (self employed)	12 Greenway Plaza, Suite 1100, Houston, Texas 77046	President (Legal recruiter)
1989-1999	Dilworth & Wooldridge, Inc.	5555 Morningside, Suite 206, Houston, TX 77005	Vice President and Treasurer (Legal recruiter)
1987-1989	Whitaker, Fellows & Associates	1200 Enclave Parkway, Suite 200, Houston, TX 77077	Legal Recruiter
1985-1987	Cummings & Co.	650 Lyric Center, Houston, TX 77002	CPA
1979-1985	BDO Seidman	1200 Smith St. #3060, Houston, TX 77002	CPA – Audit Manager
1977-1979	Arthur Andersen & Co.	711 Louisiana, Suite 1300, Houston, TX 77002	CPA – Audit Staff

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): JOANNA WORTHAM

2. Have you ever had your name changed? YES If yes, give reason for the change: MARRIAGE

b. Maiden Name (if female) BROWN

c. Other names used at any time _____

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: READING, BERKSHIRE, ENGLAND [REDACTED]

5. Business Address: NONE

Business Telephone: NONE

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>JAN 1998 - PRESENT</u>	<u>2210 WESTGATE</u>	<u>HOUSTON TX</u>	<u>77019</u>
<u>DEC '94 - JAN '98</u>	<u>39 THE STREET</u>	<u>CROWMARSH GIFFORD, ENGLAND</u>	
<u>JUNE '90 - DEC '94</u>	<u>7 BADMINTON HOUSE, CHURCH STREET</u>	<u>AMERSHAM, ENGLAND</u>	

7. Education: Dates, Names, Locations and Degrees

College BUCKINGHAMSHIRE COLLEGE, HIGH WYCOMBE, ENGLAND

BA HONS. CERAMICS + GLASS

Graduate Studies NONE

Others NONE

8. List Membership in Professional Societies and Associations: _____

NONE

9. Present or Proposed Position with the Proposed Charter School: _____

NONE

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1983-1993	SPRAYDEK LTD	WALLINGFORD UK	MARKETING DIRECTOR
1989-1993	WCB DESIGN TEAM LTD	WENDOVER UK	(PART-TIME) FINANCIAL DIRECTOR
1993-1998	"	"	" (FULL-TIME) "

11. Present employer may be contacted: *p2250X Yes No (Circle One) NO EMPLOYER

Former employers may be contacted: (Yes) No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO

If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO

If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): NONE

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? No If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO

If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO

If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 8th day of August,
2000, at HOUSTON TEXAS

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

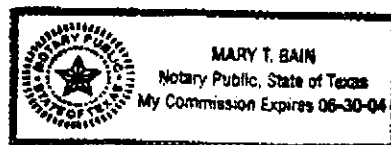
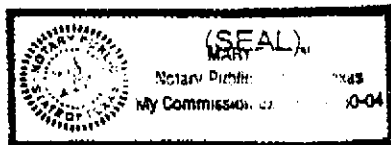
Joanna Wortham
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Joanna Wortham personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 8th day of August, 19 2000

Mary T. Bain
(Notary Public)
My commission expires _____



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): ARTHUR R. AULES
2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____
c. Other names used at any time _____

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: 11/5/41 DALLAS, TEXAS

5. Business Address: 3616 FAIRMONT PKWY PASADENA 77504
Business Telephone: (714) 487-2188

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>189-PRESENT</u>	<u>1511 OUTLOOK-</u>	<u>HOUSTON, TX</u>	<u>77034</u>

7. Education: Dates Names, Locations and Degrees

College U.T. / ARLINGTON A.S.
SOUTHWESTERN UNIV. BA. ED.
Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: _____

9. Present or Proposed Position with the Proposed Charter School: N/A

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>1974 - Present</u>	<u>ANILESCO, INC.</u>	<u>3216 FAIRMONT PASADENA</u>	<u>PRESIDENT</u>

11. Present employer may be contacted: *p2250 Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a. Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? N/C
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): _____

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO If so, please furnish details: _____

Dated and signed this 4 day of Aug, 2000, at CHASE BANK

I hereby certify under penalty of perjury that I am acting on my own behalf and that the foregoing statements are true and correct to the best of my knowledge and belief.

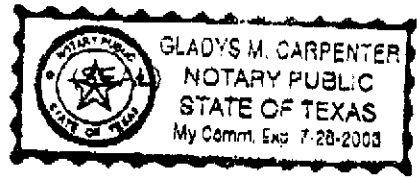
Arthur R. Ayles
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named Arthur R. Ayles personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 4th day of August, 2000

Gladys M. Carpenter
(Notary Public)
My commission expires 7/28/03



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School.

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): JOAN PRESCOTT BAKER

2. Have you ever had your name changed? no If yes, give reason for the change: _____

b. Maiden Name (if female) Joan Braxton Prescott

c. Other names used at any time Joanna Baker

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: 12/20/32 Cleveland, Ohio

5. Business Address: none

Business Telephone: none

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>12/97 -</u>	<u>5524 Woodway Drive</u>	<u>Houston, Texas</u>	<u>77056</u>
<u>12/64 - 12/97</u>	<u>8 Pine Forest Circle</u>	<u>Houston, TX</u>	<u>77056</u>

7. Education: Dates, Names, Locations and Degrees

College 1951-1953 Vassar College, Poughkeepsie, New York - none

Graduate Studies none

Others _____

8. List Membership in Professional Societies and Associations: none

9. Present or Proposed Position with the Proposed Charter School: none

10. List complete employment record (up to and including present jobs, positions, directorates or officerhips) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1988-1995	The Purple Pelican, Inc.	5750 Woodway Dr. Houston, TX	President
1985-'86	Rice University	6100 Main Houston, TX 77005	Institute for Public Policy Program Co-ordinator
1982-'83	Houston Invitation Service	2503 River Oaks Blvd Houston, TX 77019	

11. Present employer may be contacted: *p2250X Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? no

If any claims were made on the bond, give details: none

b Have you ever been denied an individual or position scheduled fidelity bond, or had a bond cancelled or revoked? no

If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): none

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? no If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? no
If yes, give details: _____

16. Have you ever been adjudged bankrupt? no

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? no
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? no

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? no. If so, please furnish details: _____

Dated and signed this 11th day of August, 2000 at _____

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Juan P. Escott Baker
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Juan P. Escott Baker personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 11 day of August, 2000



Tina Gandy
(Notary Public)
My commission expires 2/28/2004

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Robert Alan Ambrose
2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) _____
c. Other names used at any time _____

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: [REDACTED] Ponca City, Oklahoma

5. Business Address: 2323 S. Shepherd Dr. #1014 Houston, TX. 77019
Business Telephone: (713) 522-0815

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>1979 to present</u>	<u>2105 Dunstan</u>	<u>Houston, Texas</u>	<u>77005</u>

7. Education: Dates, Names, Locations and Degrees

College 1961 Tulane University - New Orleans, La., Bachelor of Arch.
Graduate Studies 1964 Harvard University - Boston, Mass., Masters of Arch.

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No. If so, please furnish details: _____

Dated and signed this 9th day of AUGUST
18 2000, at _____

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

[Signature]
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named ROBERT ALAN AMBROSE
personally known to me, who, being duly sworn, deposes and says that he/she
executed the above instrument and that the statements and answers contained therein
are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 9th day of
AUGUST, 18 2000



[Signature]
(Notary Public)
My commission expires 9/8/2001

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Robert Monroe Collie, Jr
2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) N/A
c. Other names used at any time Bob Collie

3. Social Security Number: [REDACTED]
4. Date and Place of Birth: [REDACTED]; Houston, Texas
5. Business Address: 7001 South Loop West Houston, Texas 77002
Business Telephone: 713-225-7010

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
1989-current	5939 Pine Forest	Houston Texas	77057

7. Education: Dates, Names, Locations and Degrees
College University of Texas at Austin - BA 1968; JD 1972
Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: Texas Bar Association, Houston Bar Association

9. Present or Proposed Position with the Proposed Charter School: Trustee, NCI

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1982-Current	Mayor Day Caldwell + Keeton, LLP	700 Louisiana Houston TX 77002	Partner/Attorney
1980-1982	Butler & Binion LLP	—	"

11. Present employer may be contacted: *p2250 Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? No
If any claims were made on the bond, give details: N/A

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? No
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): Bar license

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? No If yes, give details: N/A

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No If so, please furnish details: _____

Dated and signed this 4th day of August
18 2000, at Houston, Texas

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

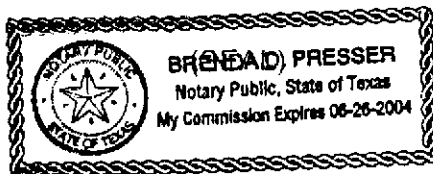
Robert M. Collie, Jr.
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Robert M. Collie, Jr.
personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 7th day of
August, 18 2000

Brenda D. Presser
(Notary Public)
My commission expires 6-26-04



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): CAROLINE FRANCES SHORTEN CONN
2. Have you ever had your name changed? Y If yes, give reason for the change: MARRIAGE

b. Maiden Name (if female) CONN

c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: IPSWICH, UNITED KINGDOM [REDACTED]

5. Business Address: N/A
Business Telephone: _____

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>FEB 99 - Now</u>	<u>13318 TROPICANA DR.</u>	<u>HOUSTON TX</u>	<u>77061</u>
<u>DEC 97 - FEB 99</u>	<u>GREATVIEW CT.</u>	<u>SOLON OHIO</u>	<u>44135</u>
<u>APR 96 - DEC 97</u>	<u>CARLEA SA NO 133-136</u>	<u>BOSOTA</u>	<u>COLOMBIA</u>
<u>AUG 92 - APR 96</u>	<u>42 RANDOLPH AVENUE</u>	<u>LONDON, U.K.</u>	<u>W9 1BE</u>
<u>PR. 02 - AUG 92</u>	<u>43A GREYCOAT Gdns</u>	<u>LONDON U.K.</u>	<u>SW1P 2QB</u>

7. Education: Dates, Names, Locations and Degrees

College BRISTOL UNIVERSITY, U.K. TH HONS ECONOMICS + POLITICS
(SEP 85 - JUNE 88)
Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: _____

9. Present or Proposed Position with the Proposed Charter School : _____

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
SEP 88 - DEC 98	B.P.	BRITANNIC HOUSE, FINCHBURY CIRCUS LONDON EC2 UK.	VARIOUS
CURRENTLY ON CAREER BREAK			

11. Present employer may be contacted: *p2250X Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One) N/A.

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): NO

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO.
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO.

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 8th day of August, 2000, at 11.00 a.m.

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.
[Signature]
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named CAROLINE personally known to me, who, being duly sworn, deposes and says that ~~he~~she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 8th day of August, 2000

Tashfeen Brohi.
(Notary Public)
My commission expires June 1, 2004

(SEAL)



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: _____
Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): DRISDALE, HALLIE RAE

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) BAKER

c. Other names used at any time nickname--BETTYE

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: FT. WORTH, TX. [REDACTED]

5. Business Address: RETIRED

Business Telephone: _____

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
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<u>SINCE 1953</u>			
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<u>4623 MERWIN</u>	<u>HOUSTON, TX.</u>	<u>77027-6717</u>	
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7. Education: Dates, Names, Locations and Degrees

College _____

Graduate Studies _____

Others HIGH SCHOOL

8. List Membership in Professional Societies and Associations: WOMEN OF ROTARY,
TEXAS ASSOCIATION OF HOSPITAL AUXILIARIES. TEXAS ELECTRONIC ASSN.
METHODIST HOSPITAL AUXILIARY

9. Present or Proposed Position with the Proposed Charter School : _____

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1953/1972	SOS RADIO & TELEVISION--CO-OWNER		

11. Present employer may be contacted: *p2250X Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

BUSINESS SOLD 1972

12. a Have you ever been in a position which required a fidelity bond? YES

If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO

If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): _____

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 11 day of August, ~~19~~ 2000, at _____

I hereby certify under penalty of perjury that I am acting in my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

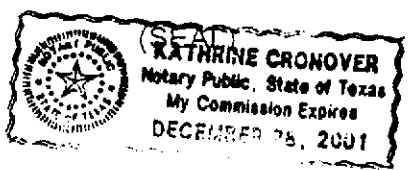
Hallie R. Drisdale
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Hallie R. Drisdale personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 11 day of August, 19 2000

Kathrine Cronover
(Notary Public)
My commission expires _____



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Kathleen E. Eshbrenner

2. Have you ever had your name changed? If yes, give reason for the change: _____

b. Maiden Name (if female) Collins

c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: Hammond, Ind [REDACTED]

5. Business Address: 1001 Louisiana

Business Telephone: 281-290-9965

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>

7. Education: Dates, Names, Locations and Degrees

College University of Notre Dame

BS. Civil Engineering

Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: _____

9. Present or Proposed Position with the Proposed Charter School : _____

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
6-30-89	EL Paso Energy		SVP
12-30-77	EL Paso		MD
1-00-00	EL Paso		CM

11. Present employer may be contacted: *p2250 Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: NO

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): None

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 10 day of Aug, 2000, at _____

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

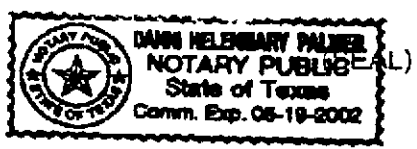
Kathleen Eisbrenner
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Kathleen Eisbrenner personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 10th day of AUGUST, 2000

Danni Helenmary Palmer
(Notary Public)
My commission expires 05/19/02



**TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)**

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): JAMES BRICKY HILLS
2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____
c. Other names used at any time _____

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: 10-01-44 Orlenas, LA

5. Business Address: 900 South Lody W #100, Houston 77054
Business Telephone: (713) 741-3682

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
<u>5/15/64</u>	<u>5047 SUE MARIE</u>	<u>Houston Tx</u>	<u>77091</u>
<u>5/94</u>	<u>8181 Elmwood</u>	<u>Houston Tx</u>	<u>77054</u>

7. Education: Dates, Names, Locations and Degrees

College T.S.U. 71, Houston, TX B.S. PHARMACY

Graduate Studies LA Christian University, Sunset, LA '84'
M.R.E

Others NONE

6. List Membership in Professional Societies and Associations: Alpha, TPA, NPHA, + ACA

9. Present or Proposed Position with the Proposed Charter School: NONE

10. List complete employment record (up to and including present jobs, positions, directorates or officerahips) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
8/01-881-702211	Nov. 1981 Annual Pharmacist	1100 Main	Wichita, Kansas
6/96-123456	LAZARUS	900 S. 10th	Wichita, Kansas
	Chair Pharmacist	1100 Main	Wichita, Kansas

11. Present employer may be contacted: *p22509 Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? N/D
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? N/D
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): Licensed by State of Texas to practice Pharmacy (TX # 19509)

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? N/D If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? _____
If yes, give details: NO

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? YES. If so, please furnish details: I was sued for removal of a medical device "I was the suit".

Dated and signed this 14 day of August
2000 at Houston Texas

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

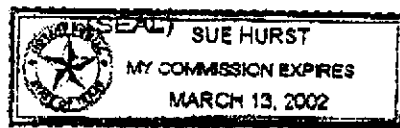
James Brock Hills
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named James Brock Hills personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 14th day of August 2000.

Sue Hurst
(Notary Public)
My commission expires March 13, 2002



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)


Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Stanley Charles Horton
2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____
c. Other names used at any time _____

3. Social Security Number*: 
4. Date and Place of Birth: _____; Orlando, Florida
5. Business Address: 1400 Smith Street, Houston, TX 77002
Business Telephone: 713-853-6177

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>2000</u>	<u>9302 Cypresswood Dr.</u>	<u>Spring, TX</u>	<u>77069</u>
<u>1993-2000</u>	<u>70 Champions Bend.</u>	<u>Houston, TX</u>	<u>77069</u>
<u>1991-1993</u>	<u>14119 Seward Street</u>	<u>Omaha, NE</u>	<u>68154</u>

7. Education: Dates, Names, Locations and Degrees

College University of Central Florida 1970-1973 BSBA

Graduate Studies Rollins College 1975-1977 M.S.M.

Others _____

8. List Membership in Professional Societies and Associations: _____
INTERSTATE NATURAL GAS ASSOCIATION
COAS INDUSTRY STANDARDS BOARD

9. Present or Proposed Position with the Proposed Charter School : NONE

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>1973 to</u>			
<u>Present</u>	<u>ENROW Corp</u>	<u>1400 Smith St.</u> <u>HOUSTON, TX</u> <u>77002</u>	<u>CHAIRMAN & CEO</u> <u>ENROW GAS Pipeline Group</u>

11. Present employer may be contacted: *p2250X Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): NONE

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO If so, please furnish details: _____

Dated and signed this 4th day of August,
19 2000, at Houston, Texas

I hereby certify under penalty of perjury that I am _____
foregoing statements are true and correct to the best of my own belief, and that the knowledge and belief.

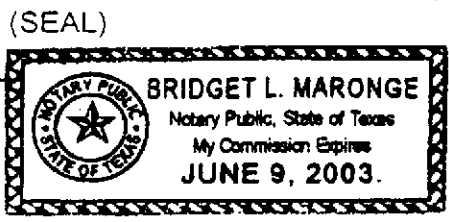
Stanley C. Horton
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named STANLEY C. HORTON
personally known to me, who, being duly sworn, deposes and says that he/she
executed the above instrument and that the statements and answers contained therein
are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 9th day of
AUGUST, 19 2000

Bridget Maronge
(Notary Public)
My commission expires _____



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Karyl McCurdy Lawson
2. Have you ever had your name changed? yes If yes, give reason for the change: marriage

b. Maiden Name (if female) McCurdy

c. Other names used at any time Lawson

3. Social Security Number*: [REDACTED]
4. Date and Place of Birth: [REDACTED] Harvey, Illinois
5. Business Address: 1021 Main St, Houston, Tx 77002
Business Telephone: 713-230-7453
6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
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<u>10905 Little Lisa</u>	<u>Houston, Tx</u>	<u>77024</u>
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<u>10906 Roaring Brook</u>	<u>Houston, Tx</u>	<u>77024</u>
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7. Education: Dates, Names, Locations and Degrees

College Bradley Univ, Peoria, Ill. BA

Graduate Studies Univ. of Chicago Law-School JD

Others _____

8. List Membership in Professional Societies and Associations: _____

9. Present or Proposed Position with the Proposed Charter School : NA

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
	CMS Energy	1025 1021 Main St, Houston, Tx	77002
	KN Energy	500 Dallas, Houston, Tx	77002

11. Present employer may be contacted: *p2250 Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? No
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? _____
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): Bar licenses - Illinois 1978
Texas 1989

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? No If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? _____ If so, please furnish details: _____
Class Action member

Dated and signed this _____ day of _____,
19 2000, at _____

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

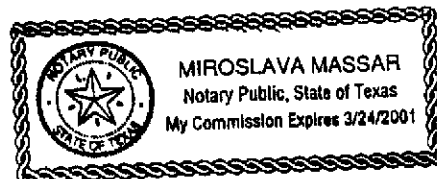
Karyl Lawson
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Karyl Lawson
personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 4th day of August, 19 2000
Miroslava Massar
(Notary Public)
My commission expires 3/24/2001

(SEAL)



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Ronald C Lewis
2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) _____
c. Other names used at any time _____

3. Social Security Number*: [REDACTED]
4. Date and Place of Birth: [REDACTED] Hemstead Tx
5. Business Address: One Shell Plaza Houston Tx
Business Telephone: 713 229 1125

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>4819</u>	<u>Locust Belleair</u>	<u>Tx</u>	<u>77401</u>
	<u>Wesitt</u>	<u>Houston</u>	<u>Tx</u>

7. Education: Dates, Names, Locations and Degrees

College Princeton University AB 1980

Graduate Studies Harvard Law School JD 1983

Others _____

8. List Membership in Professional Societies and Associations: Bar Texas Bar, various
others - see Attached resume

9. Present or Proposed Position with the Proposed Charter School: None

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>See attached resume</u>			

11. Present employer may be contacted: *p2250 Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? No
If any claims were made on the bond, give details: No

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? No
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): Texas Law License 1983

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? _____ If yes, give details: No

RONALD C. LEWIS

4819 Locust Street
Bellaire, Texas 77401

Office: (713) 229-1125
Home: (713) 666-5653

EDUCATION: **HARVARD LAW SCHOOL, Cambridge, MA**
J.D. 1983 Cum Laude

PRINCETON UNIVERSITY, Princeton, NJ
The Woodrow Wilson School of Public
and International Affairs
A.B. 1980

EXPERIENCE: **BAKER BOTTS L.L.P., Houston, TX**
Litigation Attorney
Associate 1983 - 1990
Partner 1991 - Present

I handle business, personal injury, oil and gas and construction litigation involving claims of breach of contract, fraud, products liability, and negligence in federal and state courts on behalf of financial institutions, retail businesses, manufacturing concerns and energy companies.

COURT ADMISSIONS: All Texas State Courts
U.S. District Court for the Southern District of Texas
U.S. District Court for the Northern District of Texas
U.S. Court of Appeals for the Fifth Circuit

ASSOCIATIONS: State Bar of Texas
Houston Young Lawyers Association
Houston Bar Association

DIRECTOR: Neighborhood Centers, Inc.
Houston Bar Foundation
Texas Appleseed

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Sharon Michael OWENS

2. Have you ever had your name changed? If yes, give reason for the change: got married two years ago, I use my maiden name as a middle name as a transition into my business environment

b. Maiden Name (if female) Michael
c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: Nov. 6, 1947 - Hot Springs, Ark.

5. Business Address: P.O. Box 1700, Houston, TX 77002 (Hillside area)
Business Telephone: 713 207-7166

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
<u>Aug 96 - Present</u>	<u>4407 Seaside Dr.</u>	<u>Mo. Oz, Tx</u>	<u>77458</u>
<u>1982 - '96</u>	<u>9527 Payward Ln</u>	<u>Houston, TX</u>	<u>77056</u>

7. Education: Dates, Names, Locations and Degrees

College Tennessee State Univ. Nashville, Tenn.
B.S. - Home Economics Education - 1971
Graduate Studies _____

Others St. Philip's College - 1966 - 1969 - Assoc. of Arts Degree
SAN ANTONIO, TX

8. List Membership in Professional Societies and Associations: Houston Electrical League;
Reading America, Leadership Houston, NAACP, The Escombe Institute,
Greater Houston Women's Foundation, American Leadership Forum, NCI

9. Present or Proposed Position with the Proposed Charter School: NONE

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1977 - present	Reliant Energy	HWP/Batch	P.O. Box 1700 Hou, TX - Vice President Community Relations

11. Present employer may be contacted: *p2250 Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): Tennessee Teacher Certificate 1971-81
Expired.

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO
If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 11th day of August
19 2000, at Reliant Energy HLP Center

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

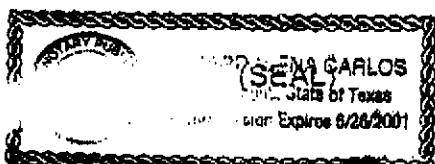
Sharon Michael Owers
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Sharon Michael personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 11th day of August
19 2000

M. Magdalena Carlos
(Notary Public)
My commission expires 6/26/2001



**TEXAS EDUCATION AGENCY
 OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
 BIOGRAPHICAL AFFIDAVIT
 (Print or Type)**

Full Name of Sponsoring Entity and Name of Proposed Charter School: _____
 Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Susan Ellen Hall Parastar
2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) Hall
 c. Other names used at any time N/A

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: 9-15-56 New Orleans, LA

5. Business Address: 301 E. Fairmont Pkwy., LaPorte, TX 77571
 Business Telephone: 281-604-4731

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
--------------	----------------	-----------------------	-----------------

<u>8/99-present</u>	<u>1411 Hollow Branch Lane</u>	<u>Seabrook, TX</u>	<u>77586</u>
<u>5/81-8/99</u>	<u>758 Princeton Lane</u>	<u>Deer Park, TX</u>	<u>77536</u>

7. Education: Dates, Names, Locations and Degrees

College University of Houston Clear Lake 1984-86 B.S. Behavioral Science
University of Southwestern Louisiana 1973-75
 Graduate Studies N/A

Others Licensed Chemical Dependency Counselor 10/93 - Present

8. List Membership in Professional Societies and Associations: _____

Habitat for Humanity
Neighborhood Centers Advisory Board

9. Present or Proposed Position with the Proposed Charter School: _____

Board member of applicant organization

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>11/88 - present</u>	<u>Harris County Community Youth Services</u>	<u>6425 Chimney Rock, Houston, TX 77089</u>	<u>youth services specialist</u>
<u>11/86 - 11/87</u>	<u>Harris County Childrains Protective Services</u>	<u>2525 Murfreesboro, Houston, TX</u>	<u>Investigator</u>
<u>1980 - 82</u>	<u>Social Security Administration</u>	<u>Southmore, Pasadena, TX</u>	<u>Claims development clerk</u>

11. Present employer may be contacted: *p2250X Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO

If any claims were made on the bond, give details: N/A

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO

If yes, give details: N/A

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination):

Licensed Chemical dependency counselor, State of Texas
10/11/93 - current

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: N/A

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO
If yes, give details: N/A

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO If so, please furnish details: N/A

Dated and signed this 11th day of August
2000, at La Porte, TX

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Susan Paroster
(Signature of Affiant)

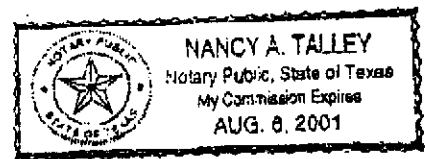
State of Texas
County of Harris

Personally appeared before me the above named Susan Paroster personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 11 day of August
2000

Nancy A. Talley
(Notary Public)
My commission expires 8-6-01

(SEAL)



15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
 If yes, give details: _____
16. Have you ever been adjudged bankrupt? No
17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
 If yes, give details: _____
18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No
19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No. If so, please furnish details: _____

Date and signed this 7 day of August, 2000, at Harris Tx

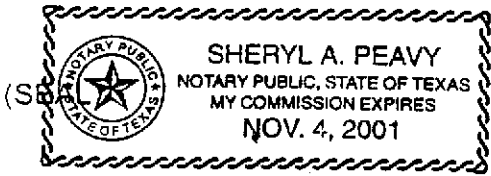
I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

[Signature]
 (Signature of Affiant)

State of TEXAS
 County of HARRIS

Personally appeared before me the above named Ronald C. Lewis personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 7th day of August, 2000



[Signature]
 (Notary Public)
 My commission expires _____

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
 (Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: _____
 Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Susan Garrett Baker

2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) Susan Blackshore Garrett

c. Other names used at any time Susan Garrett Winston
1960 - 1973 1st marriage

3. Social Security Number: _____

4. Date and Place of Birth: Dec 11, 1938 Houston, Texas

5. Business Address: _____

Business Telephone: _____

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
1994 - Present	5001 Hilltop Ln	Houston, TX	77024
1993 - 1994	5045 Cathedral Ave	Wash. DC	20016
1981 - 1993	2915 Foxhall Rd	Wash. DC	20007

7. Education: Dates, Names, Locations and Degrees

College University of Texas 1957 - 1960

Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: NA

9. Present or Proposed Position with the Proposed Charter School: None

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
	I have been a home maker and volunteer		
	Co-founder -- President National Alliance to End Homelessness 1983 - Present D.C.		
	officer Parent Music Resource Center, 1985-1995 D.C.		
	Enterprise Foundation Bd. Trustee 1990 - Present Columbia Maryland		

11. Present employer may be contacted: p2250X Yes No (Circle One) NA

Former employers may be contacted: Yes No (Circle One) NA

12. a. Have you ever been in a position which required a fidelity bond? No
If any claims were made on the bond, give details: _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? No
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): None - NA

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NA No If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No

If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No

If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? Yes If so, please furnish details: land

Suit in Contra Costa County re gas pipeline
going across my property.

Dated and signed this 18th day of August
2000 at San Francisco Calif

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Miriam M. Baker
(Signature of Affiant)

State of CALIFORNIA
County of SAN FRANCISCO

Personally appeared before me the above named SUSAN G. BAKER
personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

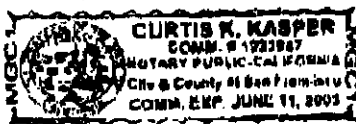
Subscribed and sworn to before me this 18TH day of AUGUST

2000

Curtis K. Kasper
(Notary Public)

My commission expires 6/11/03

(SEAL)



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
 (Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: _____
 Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Susan Garrett Baker

2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) Susan Blackshear Garrett

c. Other names used at any time Susan Garrett Winston
1960 - 1973 1st marriage

3. Social Security Number: _____

4. Date and Place of Birth: _____ Houston, Texas

5. Business Address: _____

Business Telephone: _____

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
1994 - Present	500 Littlejohn Ln	Houston, TX	77024
1993 - 1994	5045 Cathedral Ave	Wash. Dc	20016
1981 - 1993	2915 Foxhall Rd	Wash. Dc	20007

7. Education: Dates, Names, Locations and Degrees

College University of Texas 1957 - 1960

Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: NA

9. Present or Proposed Position with the Proposed Charter School: None

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
	<i>I have been a homemaker and volunteer</i>		
	<i>Co Founder</i>	<i>-- President, National Alliance to End Homelessness</i>	<i>1983 - Present D.C.</i>
<i>officer</i>	<i>Parents Music Resource Center</i>	<i>1985-1995</i>	<i>D.C.</i>
	<i>Enterprise Foundation Bd</i>	<i>1990 - Present</i>	<i>Columbia Maryland</i>

11. Present employer may be contacted: *p2750X Yes No (Circle One) NA

Former employers may be contacted: Yes No (Circle One) NA

12. a. Have you ever been in a position which required a fidelity bond? No
If any claims were made on the bond, give details: _____

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? No
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): None - NA

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? No If yes, give details: _____
NA

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No

If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or held contemner to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No

If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? Yes If so, please furnish details: condemnation

Suit in Contra Costa County re gas pipeline
going across my property

Dated and signed this 18th day of August
2000 at San Francisco Calif

I hereby certify under penalty of perjury that I am acting on my own behalf and that the foregoing statements are true and correct to the best of my knowledge and belief

Susan G. Baker
(Signature of Affiant)

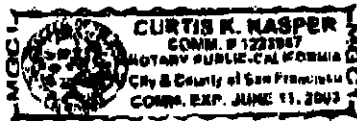
State of CALIFORNIA
County of SAN FRANCISCO

Personally appeared before me the above named SUSAN G. BAKER personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 18th day of AUGUST
2000

Curtis K. Nasper
(Notary Public)
My commission expires 6/11/03

(SEAL)



APPENDIX

- E -

Neighborhood Centers Inc.

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 1999 and 1998

Blazek & Vetterling LLP
CERTIFIED PUBLIC ACCOUNTANTS

Blazek & Vetterling LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors of
Neighborhood Centers Inc.:

We have audited the accompanying statements of financial position of Neighborhood Centers Inc. as of December 31, 1999 and 1998, and the related statements of changes in net assets, of functional expenses, and of cash flows for the years then ended. These financial statements are the responsibility of the management of Neighborhood Centers Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Neighborhood Centers Inc. as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 5, 2000, on our consideration of Neighborhood Centers Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Blazek & Vetterling

April 5, 2000

Neighborhood Centers Inc.

Statements of Financial Position as of December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and cash equivalents (Note 2)	\$ 4,714,867	\$ 1,593,498
Accounts and contracts receivable (Note 3)	7,274,183	7,864,689
Pledges receivable: (Note 4)		
United Way allocation	3,874,857	3,672,647
Other pledges receivable	5,487,078	8,322,842
Contributed use of facilities (Note 5)	3,896,190	4,675,428
Prepaid expenses	246,679	112,031
Investments (Note 6)	9,818,082	2,686,131
Property, plant, and equipment, net (Note 7)	<u>4,448,856</u>	<u>3,341,071</u>
Total assets	<u>\$ 39,760,792</u>	<u>\$ 32,268,337</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 5,218,878	\$ 4,875,814
Accrued expenses	897,239	694,872
Contract advance and deferred revenue	<u>2,270,010</u>	<u>941,451</u>
Total liabilities	<u>8,386,127</u>	<u>6,512,147</u>
Net assets:		
Unrestricted	8,862,936	8,452,234
Temporarily restricted (Note 8)	20,426,729	17,303,956
Permanently restricted	<u>2,035,000</u>	<u> </u>
Total net assets	<u>31,374,665</u>	<u>25,756,190</u>
Total liabilities and net assets	<u>\$ 39,760,792</u>	<u>\$ 32,268,337</u>

See accompanying notes to financial statements.

Neighborhood Centers Inc.

Statements of Changes in Net Assets for the years ended December 31, 1999 and 1998

	1999				1998		
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE:							
Government grants (Note 9)	\$ 87,767,562			\$ 87,767,562	\$ 54,699,289		\$ 54,699,289
Contributions:							
United Way		\$ 3,964,295		3,964,295		\$ 3,858,802	3,858,802
Other contributions	159,923	7,358,998	\$ 2,085,000	9,603,921	260,815	12,048,873	12,309,688
Program fees	755,207			755,207	992,165		992,165
Rental income	775,284			775,284	687,383		687,383
Investment income (Note 6)	624,937			624,937	192,757		192,757
Other	37,028			37,028	3,865		3,865
Total revenue	90,119,941	11,323,293	2,085,000	103,528,234	56,836,274	15,907,675	72,743,949
Net assets released from program restrictions	8,200,520	(8,200,520)			9,039,979	(9,039,979)	
Total	98,320,461	3,122,773	2,085,000	103,528,234	65,876,253	6,867,696	72,743,949
EXPENSES:							
Program services:							
Child care services	84,460,413			84,460,413	52,536,907		52,536,907
Elderly services	5,182,051			5,182,051	7,141,747		7,141,747
Family services	1,756,854			1,756,854	1,639,470		1,639,470
Youth services	1,706,915			1,706,915	1,597,948		1,597,948
Health services	405,876			405,876	259,314		259,314
Total program expenses	93,512,109			93,512,109	63,175,386		63,175,386
Management and general	4,022,127			4,022,127	2,519,496		2,519,496
Fundraising	375,523			375,523	455,270		455,270
Total expenses	97,909,759			97,909,759	66,150,152		66,150,152
CHANGE IN NET ASSETS	410,702	3,122,773	2,085,000	5,618,475	(273,899)	6,867,696	6,593,797
Net assets, beginning of year	8,452,234	17,303,956		25,756,190	8,726,133	10,436,260	19,162,393
Net assets, end of year	\$ 8,862,936	\$ 20,426,729	\$ 2,085,000	\$ 31,374,665	\$ 8,452,234	\$ 17,303,956	\$ 25,756,190

See accompanying notes to financial statements.

Neighborhood Centers Inc.

Statement of Functional Expenses for the year ended December 31, 1999

<u>EXPENSES</u>	<u>CHILD CARE SERVICES</u>	<u>ELDERLY SERVICES</u>	<u>FAMILY SERVICES</u>	<u>YOUTH SERVICES</u>	<u>HEALTH SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Salaries and wages	\$ 9,868,533	\$ 803,177	\$ 415,668	\$ 846,503	\$ 132,890	\$ 1,804,740	\$ 163,511	\$ 14,035,022
Health and retirement benefits	842,245	81,652	34,238	51,385	16,887	130,662	15,743	1,172,812
Payroll taxes	932,500	89,582	41,528	82,573	12,495	147,080	2,679	1,308,437
Total salaries and related expenses	11,643,278	974,411	491,434	980,461	162,272	2,082,482	181,933	16,516,271
Assistance to individuals	66,549,402	2,009,485	1,100	15,437				68,575,424
Occupancy	1,949,882	108,450	984,453	134,605	8,932	470,480	8,630	3,665,432
Fees and contract services	778,583	773,432	59,344	437,736	94,416	308,659	128,577	2,580,747
Supplies	1,017,151	1,140,618	42,969	62,308	18,904	99,737	13,934	2,395,621
Purchase of equipment	1,663,053	18,177	61,614	6,936	11,301	44,534	220	1,805,835
Telephone	323,382	16,654	39,974	21,614	22,520	59,032	4,430	487,606
Travel	123,906	110,212	22,664	18,250	50,544	48,391	13,859	387,826
Provision for uncollectible receivables						323,000		323,000
Printing and publications	106,968	8,144	3,587	8,048	18,984	59,438	15,000	220,169
Postage	160,150	8,515	1,953	2,004	406	31,380	462	204,870
Conferences and meetings	79,217	792	1,052	2,004	16,412	47,897	7,057	154,431
Awards and grants	294		9,835	6,365		42,676	335	59,505
Accident insurance	16,875	189		234		21,089		38,387
Equipment rental and maintenance	4,133	226	88		85	3,280		7,812
Miscellaneous	2,202	152	1,104	302	1,100	149,429	1,086	155,375
Total expenses before depreciation	84,418,476	5,169,457	1,721,171	1,696,304	405,876	3,791,504	375,523	97,578,311
Depreciation	41,937	12,594	35,683	10,611		230,623		331,448
Total expenses	\$ 84,460,413	\$ 5,182,051	\$ 1,756,854	\$ 1,706,915	\$ 405,876	\$ 4,022,127	\$ 375,523	\$ 97,909,759

See accompanying notes to financial statements.

Neighborhood Centers Inc.

Statement of Functional Expenses for the year ended December 31, 1998

EXPENSES	CHILD CARE SERVICES	ELDERLY SERVICES	FAMILY SERVICES	YOUTH SERVICES	HEALTH SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Salaries and wages	\$ 4,442,744	\$ 681,375	\$ 355,644	\$ 722,818	\$ 98,239	\$ 1,351,537	\$ 180,870	\$ 7,833,227
Health and retirement benefits	419,656	63,550	29,816	33,688	11,327	95,384	12,802	666,223
Payroll taxes	420,348	77,881	35,721	71,851	9,251	116,097	16,354	747,503
Total salaries and related expenses	5,282,748	822,806	421,181	828,357	118,817	1,563,018	210,026	9,246,953
Assistance to individuals	45,427,734	4,293,619	9,717	5,834		92	170	49,737,166
Occupancy	561,546	108,170	1,019,838	142,688	9,736	181,628	3,694	2,027,300
Fees and contract services	190,622	704,852	41,190	477,553	72,314	216,002	156,653	1,859,186
Supplies	534,341	1,039,794	42,182	66,680	4,862	110,834	52,535	1,851,228
Purchase of equipment	102,674	9,768	4,866	12,074	1,197	21,666	362	152,607
Telephone	160,154	27,640	41,378	17,300	44,180	23,921	5,726	320,299
Travel	65,865	109,763	26,736	24,304	5,330	55,473	15,114	302,585
Printing and publications	13,897	991	302	2,071	23	15,718	5,145	38,147
Postage	113,369	6,782	1,942	7,218	480	21,138	561	151,490
Conferences and meetings	23,991	389	865	4,920	2,308	19,149	3,822	55,444
Awards and grants	6,230	750		3,000		2,254	1,170	13,404
Equipment rental and maintenance	3,320	242	131		67	952		4,712
Membership dues	2,009	15	1,570	359		4,583		8,536
Miscellaneous	9,552	1,369	272	74		95,254	292	106,813
Total expenses before depreciation	52,498,052	7,126,950	1,612,170	1,592,432	259,314	2,331,682	455,270	65,875,870
Depreciation	38,855	14,797	27,300	5,516		187,814		274,282
Total expenses	\$ 52,536,907	\$ 7,141,747	\$ 1,639,470	\$ 1,597,948	\$ 259,314	\$ 2,519,496	\$ 455,270	\$ 66,150,152

See accompanying notes to financial statements.

Neighborhood Centers Inc.

Statements of Cash Flows for the years ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 5,618,475	\$ 6,593,797
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted for capital campaign goals	(4,900,685)	(7,271,674)
Contributions restricted to endowment	(2,085,000)	
Net appreciation on investments	(210,395)	
Depreciation	331,448	274,282
Change in operating assets and liabilities:		
Accounts and contracts receivable	590,506	(2,326,584)
Pledges receivable:		
United Way allocation	(202,210)	(464,783)
Other pledges	317,672	394,225
Contributed use of facilities	779,238	779,238
Prepaid expenses	(134,648)	291,895
Accounts payable	343,064	1,970,323
Accrued expenses	202,367	260,275
Contract advances and deferred revenue	<u>1,328,549</u>	
Net cash provided by operating activities	<u>1,978,381</u>	<u>500,994</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	15,481,691	19,421,288
Purchase of investments	(18,358,753)	(18,926,948)
Purchase of property	<u>(1,439,233)</u>	<u>(213,435)</u>
Net cash provided (used) by investing activities	<u>(4,316,295)</u>	<u>280,905</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds of contributions restricted for capital campaign goals	4,584,283	196,895
Proceeds of contributions restricted to endowment	<u>875,000</u>	
Net cash provided by financing activities	<u>5,459,283</u>	<u>196,895</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,121,369	978,794
Cash and cash equivalents, beginning of year	<u>1,593,498</u>	<u>614,704</u>
Cash and cash equivalents, end of year	<u>\$ 4,714,867</u>	<u>\$ 1,593,498</u>

See accompanying notes to financial statements.

Neighborhood Centers Inc.

Notes to Financial Statements for the years ended December 31, 1999 and 1998

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Neighborhood Centers Inc. (NCI) is a private not-for-profit human services organization. NCI operates in over 30 different locations throughout Houston and Harris County providing services to the community through child care management and early childhood development programs and elderly, family, youth and health programs. Funding for NCI's programs is provided primarily by federal, state, and local governmental agencies, the United Way of the Texas Gulf Coast, contributions, program fees, rental income and investment income. NCI was founded in 1907 and was incorporated in the state of Texas in 1968.

Tax status – NCI is exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Net asset classification – Net assets, contributions and investment income are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of NCI and changes therein are classified and reported as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include net assets subject to donor-imposed stipulations that are met either by actions of NCI and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.
- *Permanently restricted net assets* include net assets subject to donor-imposed stipulations that neither can be fulfilled or otherwise removed by actions of NCI nor expire with passage of time. Permanently restricted net assets were invested to support future emerging needs.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported revenues and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Cash and cash equivalents include deposits in checking and savings accounts and highly liquid instruments with original maturities of three months or less that are not restricted for long-term purposes. Deposits and instruments that are restricted for long-term purposes are grouped with investments.

Pledges receivable – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are discounted to estimate the present value of future cash flows. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. Conditional promises to give are not recognized as contributions until the conditions are substantially met.

Investments are recorded at fair value. Investment income includes interest, dividends, and realized and unrealized gains and losses. Investment income is reported in the statement of changes in net assets as an increase in unrestricted net assets unless the use of the income is limited by donor-imposed restrictions.

Property and equipment is recorded at cost if purchased, and at fair value at the date of gift if donated. NCI capitalizes property additions and improvements that have a tangible future economic life and a cost of more than \$1,000. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets.

Contributions – Unconditional contributions are recorded as revenue when a commitment is received from the donor. Contributions received with donor stipulations that limit their use are recorded as restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of changes in net assets as net assets released from restrictions. Conditional contributions are recognized in the same manner when the conditions are substantially met. NCI recognizes gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, NCI reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed materials, use of facilities and services – Contributed materials and use of facilities are recognized as contributions at fair value when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and fund raising for which no amount has been recorded in the financial statements because the donated services did not meet the criteria for recognition under generally accepted accounting principles.

Fees for service – Revenue from government grants, program fees and rental income are recognized when the related services are provided. Advances received from third parties for services not yet performed are included in the statement of financial position as contract advances.

NOTE 2 – CASH AND CASH EQUIVALENTS

NCI maintains cash for daily operations at several banking institutions. At times, deposits exceed the federally insured limit of \$100,000 per depositor. NCI has entered into a collateral agreement with one of its depository institutions to collateralize deposits in excess of the federally insured limit with U. S. Government debt securities with a par value of \$1,700,000. Cash and cash equivalents included money market funds of \$2,753,473 at December 31, 1999 and \$78,738 at December 31, 1998.

NOTE 3 – ACCOUNTS AND CONTRACTS RECEIVABLE

Accounts and contracts receivable included \$4,038,789 and \$4,101,625 of contract receivables with governmental entities earned but unbilled at December 31, 1999 and 1998, respectively.

NOTE 4 – PLEDGES RECEIVABLE

At December 31, 1999, pledges receivable consisted of the following:

Receivable in less than one year:	
United Way	\$ 3,874,857
Other pledges receivable	2,999,913
Receivable in one to five years	<u>2,731,108</u>
Total pledges receivable	9,605,878
Less discounts to net present value	<u>(243,943)</u>
Net pledges receivable	<u>\$ 9,361,935</u>

NOTE 5 – CONTRIBUTED USE OF FACILITIES

Contributed use of facilities represents the fair value of The Daniel and Edith Ripley Foundation's unconditional promise to donate the use of 115,190 square feet of facilities and buildings through the year 2004. The estimated value of the use of these facilities of \$779,238 per year was recognized as occupancy expense in 1999 and 1998. The balance of the related pledge receivable of \$3,896,190 at December 31, 1999 represents the estimated value of the use of the facilities for the five remaining years of the commitment. Utilities and general maintenance costs related to the contributed facilities are paid by NCI and charged to the programs utilizing the facilities. A portion of these facilities and buildings are subleased to other not-for-profit organizations. Rental income on these subleases totaled approximately \$237,000 in 1999 and \$302,000 in 1998.

During 1998, NCI began a capital fundraising campaign with the goals of securing funding to renovate Ripley House, where NCI operates one of its family service centers, and to establish a permanent endowment to provide sustained, unrestricted funding for NCI programs. In connection with the capital campaign Ripley Foundation, which owns Ripley House, has committed \$4 million toward the renovation of Ripley House. The Ripley Foundation and NCI will enter into a long-term lease that gives exclusive use of the property to NCI, under terms similar to those described in the paragraph above.

NOTE 6 – INVESTMENTS

Investments consisted of the following:

	<u>1999</u>	<u>1998</u>
Commercial paper	\$ 6,847,029	
Federal mortgage obligations	2,925,631	\$ 2,489,030
Cash and money market funds	33,402	189,201
Equity securities	<u>12,020</u>	<u>7,900</u>
Total investments	<u>\$ 9,818,082</u>	<u>\$ 2,686,131</u>

Investment income consisted of the following:

Interest and dividends	\$ 414,542	\$ 192,757
Net gain on investments	<u>210,395</u>	<u> </u>
Total investment income	<u>\$ 624,937</u>	<u>\$ 192,757</u>

NOTE 7 – PROPERTY, PLANT, AND EQUIPMENT

The major components of property, plant, and equipment and their estimated useful lives were:

		<u>1999</u>	<u>1998</u>
Land		\$ 626,558	\$ 626,558
Buildings and improvements	10 to 50 years	3,207,180	3,662,865
Construction in progress		1,245,365	
Furniture, fixtures, and office equipment	5 to 20 years	316,064	926,371
Automotive equipment	3 to 5 years	259,645	436,565
Recreational, educational and other equipment	3 to 10 years	208,188	426,884
Leasehold improvements	5 to 15 years	<u>162,028</u>	<u>529,291</u>
Property, plant, and equipment, at cost		6,025,028	6,608,534
Less accumulated depreciation		<u>(1,576,172)</u>	<u>(3,267,463)</u>
Property, plant, and equipment, net		<u>\$ 4,448,856</u>	<u>\$ 3,341,071</u>

The cost of property used in operations but not recorded on the statement of financial position because title is held by grantors was approximately \$2,400,000.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes or periods:

	<u>1999</u>	<u>1998</u>
For future years:		
Use of donated facilities	\$ 3,896,190	\$ 4,675,428
United Way allocation	3,874,857	3,672,647
Greater Houston Community Foundation collaborative	1,069,590	1,411,282
Capital Campaign 2000	11,376,391	7,271,677
Energy assistance program	155,812	272,922
Other	<u>53,889</u>	<u> </u>
Total	<u>\$ 20,426,729</u>	<u>\$ 17,303,956</u>

NOTE 9 – GOVERNMENT CONTRACTS

NCI is the recipient of numerous government contracts with various federal, state and local agencies. Should these contracts not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Significant government fees and grants recognized during 1999 and 1998 include the following:

	<u>1999</u>	<u>1998</u>
U.S. Department of Health & Human Services Childcare Services	\$ 84,998,589	\$ 50,344,598
U.S. Department of Housing and Urban Development, Community Development Block Grant	252,531	951,788
U.S. Department of Labor – Job Training partnership Act	314,985	749,600
Various other government grants	<u>2,201,457</u>	<u>2,653,303</u>
Total government contracts and grants	<u>\$ 87,767,562</u>	<u>\$ 54,699,289</u>

NOTE 10 – EMPLOYEE BENEFIT PLANS

Pension plan – NCI participates in a multi-employer, non-contributory defined benefit cash balance pension plan. The plan covers substantially all of NCI's employees and those of other participating agencies. A pension plan committee of the United Way of the Texas Gulf Coast administers the plan and the assets are held by a corporate trustee and managed by independent investment advisors. Under the plan, each participant accrues a benefit generally calculated as a percentage of the participant's salary. The percentage of salary is set independently by each participating employer. NCI set the percentage for its employees at 3% of gross salary. NCI contributed \$194,120 to the plan in 1999 and \$147,521 in 1998.

Welfare benefit plan – NCI participates with 45 other agencies in a §501(c)(9) welfare benefit plan trust that includes group health, life, long-term disability, flexible benefits and dental insurance programs, as well as a supplemental health insurance plan for certain qualified retired employees. The trust is funded by employee and agency contributions. A corporate trustee maintains all contributions in trust. The contribution allocation between NCI and its employees is approximately 55 percent and 45 percent, respectively. Welfare benefit plan contributions by NCI totaled \$873,138 in 1999 and \$400,585 in 1998. A favorable determination letter has been received from the Internal Revenue Service.

403(b) Savings plan – NCI offers a 403(b) employee savings plan whereby employees over age 21 may elect to contribute up to 10% of their salary. After one year's service, NCI makes a matching contribution equal to 100% of the first 4% of employee contributions. An independent corporate trustee maintains all contributions in trust and employees may select the general type of investment for their individual account. NCI contributed \$92,989 to the plan in 1999 and \$89,627 in 1998.

NOTE 11 - LEASE COMMITMENTS

Lease as lessor - NCI leases and subleases office space to tenants under noncancelable operating leases with various terms. The future minimum rental income at December 31, 1999, is as follows:

2000	\$ 616,871
2001	348,003
2002	209,742
2003	101,403
Thereafter	<u>99,691</u>
Total	<u>\$ 1,375,710</u>

Lease as lessee - NCI leases office space and certain equipment under noncancelable operating leases. The future minimum rental expense under the leases at December 31, 1999, is as follows:

2000	\$ 1,039,102
2001	1,111,486
2002	1,071,077
2003	1,046,448
2004	<u>31,217</u>
Total	<u>\$ 4,299,330</u>

Rent expense during 1999 was approximately \$1,068,154.

Neighborhood Centers Inc.

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 1999 and 1998

Blazek & Vetterling LLP
CERTIFIED PUBLIC ACCOUNTANTS

Blazek & Vetterling LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors of
Neighborhood Centers Inc.:

We have audited the accompanying statements of financial position of Neighborhood Centers Inc. as of December 31, 1999 and 1998, and the related statements of changes in net assets, of functional expenses, and of cash flows for the years then ended. These financial statements are the responsibility of the management of Neighborhood Centers Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Neighborhood Centers Inc. as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 5, 2000, on our consideration of Neighborhood Centers Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Blazek & Vetterling

April 5, 2000

Neighborhood Centers Inc.

Statements of Financial Position as of December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and cash equivalents (Note 2)	\$ 4,714,867	\$ 1,593,498
Accounts and contracts receivable (Note 3)	7,274,183	7,864,689
Pledges receivable: (Note 4)		
United Way allocation	3,874,857	3,672,647
Other pledges receivable	5,487,078	8,322,842
Contributed use of facilities (Note 5)	3,896,190	4,675,428
Prepaid expenses	246,679	112,031
Investments (Note 6)	9,818,082	2,686,131
Property, plant, and equipment, net (Note 7)	<u>4,448,856</u>	<u>3,341,071</u>
Total assets	<u>\$ 39,760,792</u>	<u>\$ 32,268,337</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 5,218,878	\$ 4,875,814
Accrued expenses	897,239	694,872
Contract advance and deferred revenue	<u>2,270,010</u>	<u>941,461</u>
Total liabilities	<u>8,386,127</u>	<u>6,512,147</u>
Net assets:		
Unrestricted	8,862,936	8,452,234
Temporarily restricted (Note 8)	20,426,729	17,303,956
Permanently restricted	<u>2,085,000</u>	<u> </u>
Total net assets	<u>31,374,665</u>	<u>25,756,190</u>
Total liabilities and net assets	<u>\$ 39,760,792</u>	<u>\$ 32,268,337</u>

See accompanying notes to financial statements.

Neighborhood Centers Inc.

Statements of Changes in Net Assets for the years ended December 31, 1999 and 1998

	1999				1998		
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUE:							
Government grants (Note 9)	\$ 87,767,562			\$ 87,767,562	\$ 54,699,289		\$ 54,699,289
Contributions:							
United Way		\$ 3,964,295		3,964,295		\$ 3,858,802	3,858,802
Other contributions	159,923	7,358,998	\$ 2,085,000	9,603,921	260,815	12,048,873	12,309,688
Program fees	755,207			755,207	992,165		992,165
Rental income	775,284			775,284	687,383		687,383
Investment income (Note 6)	624,937			624,937	192,757		192,757
Other	37,028			37,028	3,865		3,865
Total revenue	90,119,941	11,323,293	2,085,000	103,528,234	56,836,274	15,907,675	72,743,949
Net assets released from program restrictions	8,200,520	(8,200,520)			9,039,979	(9,039,979)	
Total	98,320,461	3,122,773	2,085,000	103,528,234	65,876,253	6,867,696	72,743,949
EXPENSES:							
Program services:							
Child care services	84,460,413			84,460,413	52,536,907		52,536,907
Elderly services	5,182,051			5,182,051	7,141,747		7,141,747
Family services	1,756,854			1,756,854	1,639,470		1,639,470
Youth services	1,706,915			1,706,915	1,597,948		1,597,948
Health services	405,876			405,876	259,314		259,314
Total program expenses	93,512,109			93,512,109	63,175,386		63,175,386
Management and general	4,022,127			4,022,127	2,519,496		2,519,496
Fundraising	375,523			375,523	455,270		455,270
Total expenses	97,909,759			97,909,759	66,150,152		66,150,152
CHANGE IN NET ASSETS	410,702	3,122,773	2,085,000	5,618,475	(273,899)	6,867,696	6,593,797
Net assets, beginning of year	8,452,234	17,303,956		25,756,190	8,726,133	10,436,260	19,162,393
Net assets, end of year	\$ 8,862,936	\$ 20,426,729	\$ 2,085,000	\$ 31,374,665	\$ 8,452,234	\$ 17,303,956	\$ 25,756,190

See accompanying notes to financial statements.

Neighborhood Centers Inc.

Statement of Functional Expenses for the year ended December 31, 1999

EXPENSES	CHILD CARE SERVICES	ELDERLY SERVICES	FAMILY SERVICES	YOUTH SERVICES	HEALTH SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Salaries and wages	\$ 9,868,533	\$ 803,177	\$ 415,668	\$ 846,503	\$ 132,890	\$ 1,804,740	\$ 163,511	\$ 14,035,022
Health and retirement benefits	842,245	81,652	34,238	51,385	16,887	130,662	15,743	1,172,812
Payroll taxes	<u>932,500</u>	<u>89,582</u>	<u>41,528</u>	<u>82,573</u>	<u>12,495</u>	<u>147,080</u>	<u>2,679</u>	<u>1,308,437</u>
Total salaries and related expenses	11,643,278	974,411	491,434	980,461	162,272	2,082,482	181,933	16,516,271
Assistance to individuals	66,549,402	2,009,485	1,100	15,437				68,575,424
Occupancy	1,949,882	108,450	984,453	134,605	8,932	470,480	8,630	3,665,432
Fees and contract services	778,583	773,432	59,344	437,736	94,416	308,659	128,577	2,580,747
Supplies	1,017,151	1,140,618	42,969	62,308	18,904	99,737	13,934	2,395,621
Purchase of equipment	1,663,053	18,177	61,614	6,936	11,301	44,534	220	1,805,835
Telephone	323,382	16,654	39,974	21,614	22,520	59,032	4,430	487,606
Travel	123,906	110,212	22,664	18,250	50,544	48,391	13,859	387,826
Provision for uncollectible receivables						323,000		323,000
Printing and publications	106,968	8,144	3,587	8,048	18,984	59,438	15,000	220,169
Postage	160,150	8,515	1,953	2,004	406	31,380	462	204,870
Conferences and meetings	79,217	792	1,052	2,004	16,412	47,897	7,057	154,431
Awards and grants	294		9,835	6,365		42,676	335	59,505
Accident insurance	16,875	189		234		21,089		38,387
Equipment rental and maintenance	4,133	226	88		85	3,280		7,812
Miscellaneous	<u>2,202</u>	<u>152</u>	<u>1,104</u>	<u>302</u>	<u>1,100</u>	<u>149,429</u>	<u>1,086</u>	<u>155,375</u>
Total expenses before depreciation	84,418,476	5,169,457	1,721,171	1,696,304	405,876	3,791,504	375,523	97,578,311
Depreciation	<u>41,937</u>	<u>12,594</u>	<u>35,683</u>	<u>10,611</u>		<u>230,623</u>		<u>331,448</u>
Total expenses	<u>\$ 84,460,413</u>	<u>\$ 5,182,051</u>	<u>\$ 1,756,854</u>	<u>\$ 1,706,915</u>	<u>\$ 405,876</u>	<u>\$ 4,022,127</u>	<u>\$ 375,523</u>	<u>\$ 97,909,759</u>

See accompanying notes to financial statements.

Neighborhood Centers Inc.

Statement of Functional Expenses for the year ended December 31, 1998

EXPENSES	CHILD CARE SERVICES	ELDERLY SERVICES	FAMILY SERVICES	YOUTH SERVICES	HEALTH SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Salaries and wages	\$ 4,442,744	\$ 681,375	\$ 355,644	\$ 722,818	\$ 98,239	\$ 1,351,537	\$ 180,870	\$ 7,833,227
Health and retirement benefits	419,656	63,550	29,816	33,688	11,327	95,384	12,802	666,223
Payroll taxes	420,348	77,881	35,721	71,851	9,251	116,097	16,354	747,503
Total salaries and related expenses	5,282,748	822,806	421,181	828,357	118,817	1,563,018	210,026	9,246,953
Assistance to individuals	45,427,734	4,293,619	9,717	5,834		92	170	49,737,166
Occupancy	561,546	108,170	1,019,838	142,688	9,736	181,628	3,694	2,027,300
Fees and contract services	190,622	704,852	41,190	477,553	72,314	216,002	156,653	1,859,186
Supplies	534,341	1,039,794	42,182	66,680	4,862	110,834	52,535	1,851,228
Purchase of equipment	102,674	9,768	4,866	12,074	1,197	21,666	362	152,607
Telephone	160,154	27,640	41,378	17,300	44,180	23,921	5,726	320,299
Travel	65,865	109,763	26,736	24,304	5,330	55,473	15,114	302,585
Printing and publications	13,897	991	302	2,071	23	15,718	5,145	38,147
Postage	113,369	6,782	1,942	7,218	480	21,138	561	151,490
Conferences and meetings	23,991	389	865	4,920	2,308	19,149	3,822	55,444
Awards and grants	6,230	750		3,000		2,254	1,170	13,404
Equipment rental and maintenance	3,320	242	131		67	952		4,712
Membership dues	2,009	15	1,570	359		4,583		8,536
Miscellaneous	9,552	1,369	272	74		95,254	292	106,813
Total expenses before depreciation	52,498,052	7,126,950	1,612,170	1,592,432	259,314	2,331,682	455,270	65,875,870
Depreciation	38,855	14,797	27,300	5,516		187,814		274,282
Total expenses	\$ 52,536,907	\$ 7,141,747	\$ 1,639,470	\$ 1,597,948	\$ 259,314	\$ 2,519,496	\$ 455,270	\$ 66,150,152

See accompanying notes to financial statements.

Neighborhood Centers Inc.

Statements of Cash Flows for the years ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 5,618,475	\$ 6,593,797
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted for capital campaign goals	(4,900,685)	(7,271,674)
Contributions restricted to endowment	(2,085,000)	
Net appreciation on investments	(210,395)	
Depreciation	331,448	274,282
Change in operating assets and liabilities:		
Accounts and contracts receivable	590,506	(2,326,584)
Pledges receivable:		
United Way allocation	(202,210)	(464,783)
Other pledges	317,672	394,225
Contributed use of facilities	779,238	779,238
Prepaid expenses	(134,648)	291,895
Accounts payable	343,064	1,970,323
Accrued expenses	202,367	260,275
Contract advances and deferred revenue	<u>1,328,549</u>	<u> </u>
Net cash provided by operating activities	<u>1,978,381</u>	<u>500,994</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	15,481,691	19,421,288
Purchase of investments	(18,358,753)	(18,925,948)
Purchase of property	<u>(1,439,233)</u>	<u>(213,435)</u>
Net cash provided (used) by investing activities	<u>(4,316,295)</u>	<u>280,905</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds of contributions restricted for capital campaign goals	4,584,283	196,895
Proceeds of contributions restricted to endowment	<u>875,000</u>	<u> </u>
Net cash provided by financing activities	<u>5,459,283</u>	<u>196,895</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,121,369	978,794
Cash and cash equivalents, beginning of year	<u>1,593,498</u>	<u>614,704</u>
Cash and cash equivalents, end of year	<u>\$ 4,714,867</u>	<u>\$ 1,593,498</u>

See accompanying notes to financial statements.

Neighborhood Centers Inc.

Notes to Financial Statements for the years ended December 31, 1999 and 1998

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Neighborhood Centers Inc. (NCI) is a private not-for-profit human services organization. NCI operates in over 30 different locations throughout Houston and Harris County providing services to the community through child care management and early childhood development programs and elderly, family, youth and health programs. Funding for NCI's programs is provided primarily by federal, state, and local governmental agencies, the United Way of the Texas Gulf Coast, contributions, program fees, rental income and investment income. NCI was founded in 1907 and was incorporated in the state of Texas in 1968.

Tax status – NCI is exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Net asset classification – Net assets, contributions and investment income are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of NCI and changes therein are classified and reported as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include net assets subject to donor-imposed stipulations that are met either by actions of NCI and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.
- *Permanently restricted net assets* include net assets subject to donor-imposed stipulations that neither can be fulfilled or otherwise removed by actions of NCI nor expire with passage of time. Permanently restricted net assets were invested to support future emerging needs.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported revenues and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Cash and cash equivalents include deposits in checking and savings accounts and highly liquid instruments with original maturities of three months or less that are not restricted for long-term purposes. Deposits and instruments that are restricted for long-term purposes are grouped with investments.

Pledges receivable – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are discounted to estimate the present value of future cash flows. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. Conditional promises to give are not recognized as contributions until the conditions are substantially met.

Investments are recorded at fair value. Investment income includes interest, dividends, and realized and unrealized gains and losses. Investment income is reported in the statement of changes in net assets as an increase in unrestricted net assets unless the use of the income is limited by donor-imposed restrictions.

Property and equipment is recorded at cost if purchased, and at fair value at the date of gift if donated. NCI capitalizes property additions and improvements that have a tangible future economic life and a cost of more than \$1,000. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets.

Contributions – Unconditional contributions are recorded as revenue when a commitment is received from the donor. Contributions received with donor stipulations that limit their use are recorded as restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of changes in net assets as net assets released from restrictions. Conditional contributions are recognized in the same manner when the conditions are substantially met. NCI recognizes gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, NCI reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed materials, use of facilities and services – Contributed materials and use of facilities are recognized as contributions at fair value when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and fund raising for which no amount has been recorded in the financial statements because the donated services did not meet the criteria for recognition under generally accepted accounting principles.

Fees for service – Revenue from government grants, program fees and rental income are recognized when the related services are provided. Advances received from third parties for services not yet performed are included in the statement of financial position as contract advances.

NOTE 2 – CASH AND CASH EQUIVALENTS

NCI maintains cash for daily operations at several banking institutions. At times, deposits exceed the federally insured limit of \$100,000 per depositor. NCI has entered into a collateral agreement with one of its depository institutions to collateralize deposits in excess of the federally insured limit with U. S. Government debt securities with a par value of \$1,700,000. Cash and cash equivalents included money market funds of \$2,753,473 at December 31, 1999 and \$78,738 at December 31, 1998.

NOTE 3 – ACCOUNTS AND CONTRACTS RECEIVABLE

Accounts and contracts receivable included \$4,038,789 and \$4,101,626 of contract receivables with governmental entities earned but unbilled at December 31, 1999 and 1998, respectively.

NOTE 4 – PLEDGES RECEIVABLE

At December 31, 1999, pledges receivable consisted of the following:

Receivable in less than one year:	
United Way	\$ 3,874,857
Other pledges receivable	2,999,913
Receivable in one to five years	<u>2,731,108</u>
Total pledges receivable	9,605,878
Less discounts to net present value	<u>(243,943)</u>
Net pledges receivable	<u>\$ 9,361,935</u>

NOTE 5 – CONTRIBUTED USE OF FACILITIES

Contributed use of facilities represents the fair value of The Daniel and Edith Ripley Foundation's unconditional promise to donate the use of 115,190 square feet of facilities and buildings through the year 2004. The estimated value of the use of these facilities of \$779,238 per year was recognized as occupancy expense in 1999 and 1998. The balance of the related pledge receivable of \$3,896,190 at December 31, 1999 represents the estimated value of the use of the facilities for the five remaining years of the commitment. Utilities and general maintenance costs related to the contributed facilities are paid by NCI and charged to the programs utilizing the facilities. A portion of these facilities and buildings are subleased to other not-for-profit organizations. Rental income on these subleases totaled approximately \$237,000 in 1999 and \$302,000 in 1998.

During 1998, NCI began a capital fundraising campaign with the goals of securing funding to renovate Ripley House, where NCI operates one of its family service centers, and to establish a permanent endowment to provide sustained, unrestricted funding for NCI programs. In connection with the capital campaign Ripley Foundation, which owns Ripley House, has committed \$4 million toward the renovation of Ripley House. The Ripley Foundation and NCI will enter into a long-term lease that gives exclusive use of the property to NCI, under terms similar to those described in the paragraph above.

NOTE 6 – INVESTMENTS

Investments consisted of the following:

	<u>1999</u>	<u>1998</u>
Commercial paper	\$ 6,847,029	
Federal mortgage obligations	2,925,631	\$ 2,489,030
Cash and money market funds	33,402	189,201
Equity securities	<u>12,020</u>	<u>7,900</u>
Total investments	<u>\$ 9,818,082</u>	<u>\$ 2,686,131</u>

Investment income consisted of the following:

Interest and dividends	\$ 414,542	\$ 192,757
Net gain on investments	<u>210,395</u>	
Total investment income	<u>\$ 624,937</u>	<u>\$ 192,757</u>

NOTE 7 – PROPERTY, PLANT, AND EQUIPMENT

The major components of property, plant, and equipment and their estimated useful lives were:

		<u>1999</u>	<u>1998</u>
Land		\$ 626,558	\$ 626,558
Buildings and improvements	10 to 50 years	3,207,180	3,662,865
Construction in progress		1,245,365	
Furniture, fixtures, and office equipment	5 to 20 years	316,064	926,371
Automotive equipment	3 to 5 years	259,645	436,565
Recreational, educational and other equipment	3 to 10 years	208,188	426,884
Leasehold improvements	5 to 15 years	<u>162,028</u>	<u>529,291</u>
Property, plant, and equipment, at cost		6,025,028	6,608,534
Less accumulated depreciation		<u>(1,576,172)</u>	<u>(3,267,463)</u>
Property, plant, and equipment, net		<u>\$ 4,448,856</u>	<u>\$ 3,341,071</u>

The cost of property used in operations but not recorded on the statement of financial position because title is held by grantors was approximately \$2,400,000.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes or periods:

	<u>1999</u>	<u>1998</u>
For future years:		
Use of donated facilities	\$ 3,896,190	\$ 4,675,428
United Way allocation	3,874,857	3,672,647
Greater Houston Community Foundation collaborative	1,069,590	1,411,282
Capital Campaign 2000	11,376,391	7,271,677
Energy assistance program	155,812	272,922
Other	<u>53,889</u>	<u> </u>
Total	<u>\$ 20,426,729</u>	<u>\$ 17,303,956</u>

NOTE 9 – GOVERNMENT CONTRACTS

NCI is the recipient of numerous government contracts with various federal, state and local agencies. Should these contracts not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Significant government fees and grants recognized during 1999 and 1998 include the following:

	<u>1999</u>	<u>1998</u>
U.S. Department of Health & Human Services Childcare Services	\$ 84,998,589	\$ 50,344,598
U.S. Department of Housing and Urban Development, Community Development Block Grant	252,531	951,788
U.S. Department of Labor – Job Training partnership Act	314,985	749,600
Various other government grants	<u>2,201,457</u>	<u>2,553,303</u>
Total government contracts and grants	<u>\$ 87,767,562</u>	<u>\$ 54,699,289</u>

NOTE 10 – EMPLOYEE BENEFIT PLANS

Pension plan – NCI participates in a multi-employer, non-contributory defined benefit cash balance pension plan. The plan covers substantially all of NCI's employees and those of other participating agencies. A pension plan committee of the United Way of the Texas Gulf Coast administers the plan and the assets are held by a corporate trustee and managed by independent investment advisors. Under the plan, each participant accrues a benefit generally calculated as a percentage of the participant's salary. The percentage of salary is set independently by each participating employer. NCI set the percentage for its employees at 3% of gross salary. NCI contributed \$194,120 to the plan in 1999 and \$147,521 in 1998.

Welfare benefit plan – NCI participates with 45 other agencies in a §501(c)(9) welfare benefit plan trust that includes group health, life, long-term disability, flexible benefits and dental insurance programs, as well as a supplemental health insurance plan for certain qualified retired employees. The trust is funded by employee and agency contributions. A corporate trustee maintains all contributions in trust. The contribution allocation between NCI and its employees is approximately 55 percent and 45 percent, respectively. Welfare benefit plan contributions by NCI totaled \$873,138 in 1999 and \$400,585 in 1998. A favorable determination letter has been received from the Internal Revenue Service.

403(b) Savings plan – NCI offers a 403(b) employee savings plan whereby employees over age 21 may elect to contribute up to 10% of their salary. After one year's service, NCI makes a matching contribution equal to 100% of the first 4% of employee contributions. An independent corporate trustee maintains all contributions in trust and employees may select the general type of investment for their individual account. NCI contributed \$92,989 to the plan in 1999 and \$89,627 in 1998.

NOTE 11 – LEASE COMMITMENTS

Lease as lessor - NCI leases and subleases office space to tenants under noncancelable operating leases with various terms. The future minimum rental income at December 31, 1999, is as follows:

2000	\$ 616,871
2001	348,003
2002	209,742
2003	101,403
Thereafter	<u>99,691</u>
Total	<u>\$ 1,375,710</u>

Lease as lessee - NCI leases office space and certain equipment under noncancelable operating leases. The future minimum rental expense under the leases at December 31, 1999, is as follows:

2000	\$ 1,039,102
2001	1,111,486
2002	1,071,077
2003	1,046,448
2004	<u>31,217</u>
Total	<u>\$ 4,299,330</u>

Rent expense during 1999 was approximately \$1,068,154.

APPENDIX

- F -

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APPENDIX

- G -

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APPENDIX

- H -

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APPENDIX

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Blazek & Vetterling LLP

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors of
Neighborhood Centers Inc.:

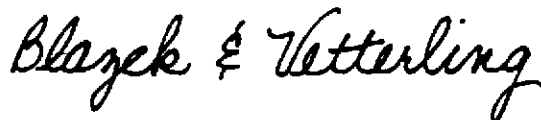
We have audited the accompanying statements of financial position of Neighborhood Centers Inc. as of December 31, 1999 and 1998, and the related statements of changes in net assets, of functional expenses, and of cash flows for the years then ended. These financial statements are the responsibility of the management of Neighborhood Centers Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Neighborhood Centers Inc. as of December 31, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 5, 2000, on our consideration of Neighborhood Centers Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying schedules of expenditures of federal and state awards for the year ended December 31, 1999, is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



April 5, 2000



HOUSTON/HARRIS COUNTY
Houston Department of Health and Human Services
Funded by the Texas Department on Aging

Memorandum

To: All Nutrition Providers

From: Charlene Hunter-James MPH, Director
Houston/Harris County Area Agency Aging *Charlene Hunter-James*

Date: December 1, 1999

Re: Fiscal Year 2000 Senior Nutrition Provider's Survey

The Agency is conducting a survey to gather information on a number of issues to better serve the seniors. We are asking that you take a few minutes to complete the survey addressing the following issues:

- > Ensure Plus
- > Thermal Bags
- > Shelf Stable Meals, and the
- > Client Satisfaction Survey

The requested information should be returned no later than 12/15/99. Should you have any questions or require additional information, please contact Gary D. Trahan or Beverly Brownlow, Program Managers at (713) 794-9001.

Attachments

CHJ:gdt/bb



**CHILD CARE COUNCIL
OF GREATER HOUSTON, INC.**

6220 Westpark, Suite 150
Houston, Texas 77057
(713) 266-6045
(713) 266-6586 FAX

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President

Quillie N. Parker
Vice-President

Juanita A. Flores
Secretary

Lullelia W. Harrison
Assistant Secretary

H. Bradley Whatley
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Barron F. Wallace

Valter Wickremasinghe

Richard B. Zamora

Lifetime Member

Raymond M. Hill

Administration

Juanita R. Harang

Chief Executive Officer

November 2, 1999

Ms. Angela Blanchard
Executive Director
Neighborhood Centers, Inc.
Harbach Ripley
4500 Bissonnet, Suite 200
Houston, TX 77277-1389
Fax #: 713-667-2402


Re: Community Development Block Grant Child Care Program Extension Period

Dear Ms. Blanchard:

This letter shall serve as your "Notice To Proceed" authorizing you to continue providing services to Clients on November 1, 1999. Specific recommendations for funding have been made to the City, however, approval is pending and slight adjustments may be made. Extension agreements are being prepared for execution based upon the recommendations now before the City.

Please see the enclosed information affecting the extension period. If you have any other questions, please feel free to contact Myrtle Skillern, Contract Specialist by calling the Child Care Council office at 713-266-6045.

Sincerely,


Juanita R. Harang
Chief Executive Officer

JRH/bcm



United Way Agency

Mission: Providing high quality programs, training and support services to young children and their families



October 8, 1999

Neighborhood Centers, Inc.
Angela Blanchard
P.O. Box 271389
Houston, TX 77277

Dear Ms. Blanchard:

We are excited about the upcoming school year and wish all of you the best for your programs. Enclosed is your copy of the finalized contract between your organization and the City of Houston for the After School Achievement Program.

Also included in this package is a computer disk(s) that contains the ASAP monthly reporting forms. Please give one to all your sites. In the near future, your sites will be receiving materials regarding financial reporting requirements.

If you need further assistance please call Kearin Miller at 713/437-6322.

Sincerely,

A handwritten signature in cursive script, appearing to read "Donald K. Hollingsworth".

Donald K. Hollingsworth
Senior Executive Assistant to the Mayor



Linking child care and social services

FAMILY-CENTERED CHILD CARE COLLABORATIVE

Memorandum

To: FC4 Governing Council

From: Christine Jarvis *CJ*
Project Director

Date: March 22, 1999

Re: Revised FC4 Budget

Family-Centered Child Care Collaborative

AVANCE

Bright Futures / Educare Learning Center, Inc.

Child Care Council of Greater Houston

Child Development Center
of the Houston-Galveston Psychoanalytic Institute

The Children's Museum of Houston

Chinese Community Center

Houston Advocates for Mental Health in Children

Houston READ Commission

Initiatives For Children, Inc.

Mental Health Association
of Greater Houston, Inc.

Neighborhood Centers Inc.

I am pleased to inform you that the FC4 revised budget for the funding period 1999-2001 has been approved by the GHCC. Enclosed please find:

- A copy of the letter from the GHCC indicating approval of the revised budget, including terms and conditions of the funding agreement specific to future year-end fund balances. Please note that, from this point forward, any unused grant funds will be applied toward the next year's grant amount.
- Your agency's 1999 letter of agreement, including any changes resulting from the budget revision (if your 1999 grant is not changed by the budget revision, and I have a signed copy on file, I have not enclosed another letter of agreement).
- A copy of the final revised budget.
- The 1999 Request for Reimbursement on disk (in Microsoft Excel).

If you find the terms of your letter acceptable, please sign and return to Initiatives For Children, Inc. at your earliest convenience.

Please give the enclosed budget information, including the request for reimbursement, to your agency's fiscal representative so that we might facilitate the reimbursement process for services provided through the FC4.



We color outside the lines

The next meeting of the Governing Council is scheduled for **Thursday, April 16, at 9:30 a.m.** You will receive a reminder notice for the meeting prior to that date.

As always, please call me if you have any questions: 713-365-0313 x138.



HAND GROUP, INC.

Hand and Associates
American Industries Trust Company
Flex Corp.

ELLEN HICKMON
SENIOR VICE PRESIDENT

• HAND BUILDING - SUITE 320
• 5700 NORTHWEST CENTRAL DRIVE
• HOUSTON, TEXAS 77062-2092
• 713-480-4850
• 1-800-856-3539
• 713-480-0381 Fax

October 24, 1997

Ms. Gretchen Oliver
Human Resources Director
Neighborhood Centers, Inc.
P.O. Box 271389
Bellaire, Texas 77277-1389

RE: Neighborhood Centers, Inc. Flexible Employee Benefit Plan; Medical Reimbursement Plan; Dependent Care Assistance Plan

Dear Ms. Oliver:

We are very pleased that you have selected Flex Corp to assist you in the establishment and administration of the Neighborhood Centers, Inc. Flexible Employee Benefit Plan. Flex Corp takes great pride in providing the highest quality professional consulting and administrative services for our clients' Flexible Employee Benefit Plans. We trust you will find that the careful consideration we offer in plan design, implementation, communication, and administration will ensure the success of your program. We would like to take this opportunity to highlight several important matters concerning the operation and administration of your Flexible Employee Benefit Plan:

1. Your Flexible Employee Benefit Plan, Medical Reimbursement Plan, and Dependent Care Assistance Plan must be in writing, formally adopted, and signed before the effective date of the Plan. Failure to timely and properly implement the Plan will jeopardize the ability to use pre-tax dollars to purchase "qualified benefits" offered under a Cafeteria Plan. A past Federal Court case makes it quite clear that the plan cannot be retroactively adopted without tax liability.

We have enclosed two full sets of the documents for signature, which have been previously reviewed and approved by Baker & Botts, L.L.P. Please execute both sets of documents, and return one set to Flex Corp.

Prior to distribution of the Summary Plan Description, we would appreciate you completing, signing, and returning the enclosed letter which indicates that you have read the Summary Plan Description and approve it as to form and content, which has been previously reviewed by Baker & Botts, L.L.P. Please remember that certain benefits offered as choices under your Cafeteria Plan, such as your health coverage, may be required to have their own Summary Plan

Description.

2. You have also adopted a Medical Care Reimbursement Plan, and it is our understanding that the Plan is subject to the "Qualified Medical Child Support Order" rules under ERISA. We have enclosed a copy of the written procedure and analysis you should adopt for use in the event you receive a Medical Child Support Order which names your Medical Care Reimbursement Plan.
3. Under the documents creating the Plans, Neighborhood Centers, Inc. is to appoint an "Employee Benefits Committee." This Committee is charged with the responsibility of operating and administering the plans, and can retain agents, such as Flex Corp, to assist in the plans' administrative operations.
4. Flexible Employee Benefit Plans are subject to certain reporting requirements established by federal law. (Flex Corp will prepare the necessary forms, but it will be your Committee's responsibility to have these forms reviewed for accuracy and completeness, and filed on a timely basis with the appropriate governmental agencies.) Further, benefits provided under the Flexible Employee Benefit Plan are subject to various non-discrimination tests which our firm will monitor, and we will report our findings to the Employee Benefits Committee.
5. You will be furnished with an administrative manual illustrating the procedures for administering the Plan, which will include the types of information we will need from you and your employees in order to properly and efficiently administer the Plan.
6. While Flex Corp will be providing detailed administrative and record keeping services for your program, Neighborhood Centers, Inc. is solely responsible for ensuring that premiums owed to the several insurance carriers providing coverage for certain benefits under the Plan are made on a timely basis.
7. The use of salary reduction dollars to pay for benefits under the Plan may affect other benefits, such as Social Security or employer-sponsored retirement and profit sharing plans. For this reason, we would suggest your other plans be reviewed for purposes of maintaining existing benefit levels where possible while using salary reduction in your Flexible Employee Benefit Plan.

Further, the effect of salary reduction agreements used to determine wages for Social Security withholding purposes by public employers may be in question. There is no clear definitive statement on this issue currently from either the Social Security Administration or Internal Revenue Service, and it would be advisable to have your counsel render an opinion with respect to the effect of the salary reduction agreement on your liability for payment of Social Security taxes.

8. Current law requires that self-insured employer-sponsored health plans, such as the Medical Care Reimbursement Plan, extend to certain individuals the option of electing to continue coverage under the Plan for a certain length of time where coverage would otherwise have ceased upon termination of employment. Please be certain your COBRA administrator is made aware of this requirement and extends the option to any terminating Medical Care

Reimbursement Plan participant. Flex Corp does not provide COBRA notification.

9. For those participants who elect to contribute to the Dependent Care Assistance Plan, you will be required to indicate the calendar year contributions on the employees' W-2 each year, labeled DCB.
10. Please be advised that salary reduction contributions remitted to Flex Corp for your medical and dependent care reimbursement plans are required by law to be held by Flex Corp in a fiduciary account. Flex Corp has established such an account with Southwest Bank of Texas, N.A. According to the FDIC, this fiduciary account is insured for assets held on your behalf, up to \$100,000. However, it appears from an opinion we have from the FDIC, that any other deposits you may have with Southwest Bank of Texas, N.A. would have to be aggregated with your cafeteria plan deposits for insurance limitation purposes. We feel this needs to be brought to your attention in the event your combined deposits would exceed the FDIC insured limits.

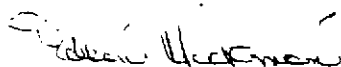
We would also like to take this opportunity to confirm with you the fee arrangement for Flex Corp providing administrative services with respect to your Plan, which is contained in our administrative service contract. Flex Corp monthly fees will be \$4.25 per participant per month. The fee will be billed on a monthly basis and included on the monthly statement you receive from us.

We look forward to a long and valued relationship with Neighborhood Centers, Inc.. We feel that the Flexible Employee Benefit Plan you are implementing will prove to be a great value to you as an employer, and a valuable fringe benefit package for your employees.

Please feel free to contact us at any time with regard to any questions you have concerning your Plan.

Very truly yours,

FLEX CORP



Ellen Hickmon

EDH/mnj

enclosures



Houston-Galveston Area Council

PO Box 22777 • 3555 Timmons • Houston, Texas 77227-2777 • 713/627-3200

July 18, 2000

Ann Hilbig
Direct Child Care Director
Neighborhood Centers, Inc.
6201 Bonhomme
Suite 100 South
Houston Texas 77036

Dear Ms. Hilbig:

On July 11, 2000, the Gulf Coast Workforce Development Board voted to recommend funding Neighborhood Centers, Inc. for FY2001 workforce services in an amount up to \$78,900,000. On July 18, 2000, the H-GAC Board of Directors authorized such a contract.

The maximum authorized contract amount approved by the Workforce Board and the H-GAC Board was an amount based on planning estimates, and estimated carryover from this current year. The total amount recommended per contractor is a high-end estimate of total obligational authority for the full contract year, and it is not the amount that is initially available for a contract. H-GAC requested the higher estimate so not to continually return during the contract year for authority to incorporate carryover funds.

We also believe that by giving your organization an estimate of the anticipated annual funding, you will have more information for financial planning and management throughout the year. You may prepare an internal annual budget based on that anticipated funding—or more wisely a figure of 85-90 percent of that anticipated funding. Initially, however, there will be less funds, as there were at the beginning of the current contract year.

Your organization's original contract amount is based on actual allocations for the child care. At this time, we do not know what carryover funds may be available, and any available carryover funds will be added into your contract 30 to 60 days after your current year close outs are submitted.

The amounts for the various funding streams that you should use to prepare your budgets now are as follows:

Direct Child Care	Total Funds Available
\$77,359,061	\$77,359,061



Ann Hilbig
July 13, 2000
Page 2 of 2

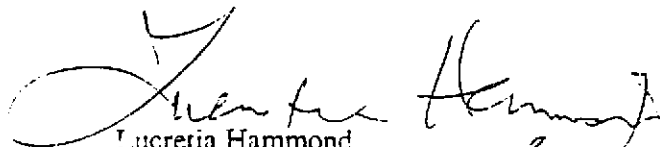
Neighborhood Centers, Inc. contract negotiation will be held on Wednesday, August 9, 2000 at 10:00 at H-GAC in the Human Services Conference Room. Please see the H-GAC receptionist on the 5th floor when you arrive, and she will notify us.

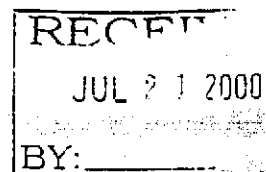
Enclosed in a disk with the budget pages. The child care budget is due on Wednesday, August 2. Please return the budget pages on the disk provided or email your budget to your contract liaison. During negotiations, we will discuss the scope of services, budget, locations, and other issues. H-GAC plans to have all contracts completed by August 25, 2000. The FY 2001 contracts will cover the period September 1, 2000 through August 31, 2001.

Congratulations on being selected by the Board to continue providing workforce services in the Gulf Coast region for fiscal year 2001! We look forward to working with you again this year.

As always, if you have questions or need assistance, please contact me at 713 -627-3200 or email
[REDACTED]

Sincerely,


Lucretia Hammond
Coordinator, Grants Management



May 26, 2000

Ms. Angela Blanchard
President and CEO
Neighborhood Centers Inc.
4500 Bissonnet, Suite 200
Houston, TX 77277-1389

Subject: Fiscal Year 2000 Renewal between Neighborhood Centers Inc. and
Healthy Family Initiatives

Dear Ms. ^{Angela}Blanchard:

We are pleased to return the enclosed, signed Early Head Start contract. If any additional action is required, please let us know.

Sincerely,

Marianne

Marianne L. Ehrlich
Executive Director

enclosure

Office of Superintendent of Schools
Board Meeting of July 22, 1999

July 6, 1999

Office of School Administration
Faye B. Bryant, Deputy Superintendent

**SUBJECT: AGREEMENT WITH NEIGHBORHOOD CENTERS, INC., (NCI) AND
HISD FOR HEAD START PREKINDERGARTEN COLLABORATIVE
PROGRAMS**

In keeping with the Board's initiatives as outlined in *A Declaration of Beliefs and Visions*, the district has moved ahead with plans to meet the educational needs of all elementary-school children and to create effective prekindergarten collaboratives with outside agencies.

During school year 1999-2000, HISD/NCI-Head Start Prekindergarten Collaboratives will be implemented at the following elementary schools: Anderson, Argyle, Bell, Benavidez, Braeburn, Crockett, Cunningham, Elrod, Halpin, Milne, Red, Shearn, Sutton, St. John's Academy, and Valley West. NCI-Head Start will offer Head Start comprehensive services to eligible children at these schools. Preschoolers with disabilities will be enrolled according to HISD guidelines. The configuration of the program options and hours of operation at each site will depend upon the mutually agreed-upon needs of the community, each individual campus, and the Head Start program. This determination will be made after the Head Start student certification process is completed at each site. As space becomes available, additional classrooms may be added as agreed upon by all parties involved.

One HISD teacher and one Head Start teacher assistant will serve a minimum of 18 and no more than 22 eligible four-year-old children. If the class is made up of eligible three-year-old children, the class cannot exceed 18 students. The HISD teachers will work 7.75 hours each day, with a 30-minute duty-free lunch and a 45-minute planning period. The HISD teacher will serve one class of eligible children during the morning session and another class of eligible children during the afternoon session. The HISD teachers will be funded through the state revenue based on Average Daily Attendance generated by the eligible students.

NCI-Head Start will furnish the classrooms in the collaborative with appropriate furniture, materials, supplies, and playground equipment. In addition, NCI-Head Start will also provide to eligible students comprehensive services, which include medical, dental, nutritional, and psychological services and classes for parents.

This collaborative will provide a developmentally appropriate program that is supported by the standards in *Developmentally Appropriate Practice in Early Childhood Programs Serving Children Birth Through Age 8, Expanded Edition* (National Association for the Education of Young Children, 1997). The High/Scope framework, the Texas Prekindergarten Essential Elements, the HISD Prekindergarten Curriculum Guide, and Head Start's Performance Standards will be correlated.

A copy of the proposed agreement is on file in Board Services.

COST:

The total cost of this collaborative will include the salary for certified prekindergarten teachers. In addition, funds will be needed to purchase consumable materials and supplies for classroom use.

FUNDING SOURCE:

The HISD teachers will be funded through state revenues based on Average Daily Attendance generated by the students. Consumable materials and supplies will be funded through the per-pupil allocation.

STAFFING IMPLICATIONS:

The recommended action will require one certified prekindergarten teacher per 36-44 students enrolled. Each teacher will serve 18-22 children during the morning session and 18-22 students in the afternoon session.

ORGANIZATIONAL IMPACT:

This collaborative will provide quality opportunities for our youngest clients to experience success and develop a life-long love for learning, thus increasing student achievement.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY OR ADMINISTRATIVE PROCEDURES.

RECOMMENDED: That the Board of Education authorize the Superintendent of Schools to approve the agreement for Head Start prekindergarten collaborative program with Neighborhood Centers, effective July 23, 1999.

INITIATIVES
for
CHILDREN.
INC.



March 3, 2000

Lucy Schork
Neighborhood Centers, Inc.
6201 Bonhomme, Suite 346
Houston, Texas 77036

Dear Ms. Schork,

Lucy

Enclosed are two copies of the contract for subcontracted training for the Quality Improvement Program (QUICC) of Gulf Coast Careers Child Care. Please sign and return one copy. The other is for your files. Thank you for submitting a proposal this year and we look forward to working with you.

If you have questions about the contract, please contact me at 713 365-0313 ext. 114. If you have scheduling, registration, or similar procedural questions, please contact Charmaine Perkins at ext. 129. For other types of questions you may contact Mindy May, Director of Programs, ext. 117.

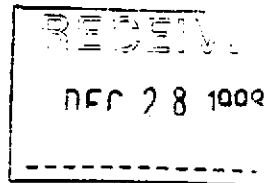
Sincerely,

Susan Kruk

Susan Kruk
Contract Director

MUTUAL OF AMERICA

MUTUAL OF AMERICA
LIFE INSURANCE COMPANY



320 PARK AVENUE
NEW YORK NY 10022-6839
212 224 1600
212 224 2500 FAX

THOMAS J. MORAN
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

December 23, 1998

Ms Angela Blanchard
Neighborhood Centers, Inc.
4500 Bissonnet Suite 200
P.O. Box 271389
Houston TX 77277-1389

Dear Ms. Blanchard,

**Re: Group Annuity Contract
IAC - 403b**

As indicated in my December 1997 letter, Mutual of America is now pleased to provide you with your replacement Group Annuity Contract. This Contract, which is issued in connection with your 403(b) Thrift Plan, reflects the provisions of the Tax Reform Act of 1986 and subsequent legislation. This replacement Contract together with the recently provided, restated 403(b) Thrift Plan document completes the TRA'86 amendment process.

We have enclosed explanatory material to assist you in understanding the most significant changes made to the Contract. Replacement certificates reflecting these changes will be sent to participants at a later date.

Please keep the enclosed Contract with your Thrift Plan document and other important plan records. Your local field representative is available to answer any questions you may have concerning the Contract.

Sincerely,

A handwritten signature in cursive script that reads "Thomas J. Moran".

tx-s-full-y 01-071



January 10, 1999

Mary Ann Carrion, Acting President
Denver Harbor Senior Nutrition Site
Denver Harbor Park
6420 Market
Houston, Texas 77020

Re: FY 2000 Award (11 months - October 25, 1999 - September 30, 2000)

Dear Ms. Carrion:

The Houston/Harris County Area Agency on Aging (AAA) has notified Neighborhood Centers Inc. (NCI) of its award for the contract year 2000.

According to our agreement, the contract is subject to the funding level obtained from the AAA. Based on the available funding the following recommendation is made for the eleven month contract period:

	Award Amount	Program Units	Unit Rate
Congregate Meal	\$11,091.60	14,040	\$.79
Transportation	-0-	3,744	

If you should have any questions, please call Kathy L. Johnson, Program Manager at (713)273-3269.

Cordially,

Angela Blanchard
Angela Blanchard
President & CEO

72



April 19, 2000

Mr. Wilbur Johnson
Houston Community College System
Administration Building
Bursar Department
22 Waugh Drive
Houston, Texas 77007

Dear Mr. Johnson:

This is to confirm your conversation on April 19, 2000 with Christine Ortiz-Gatlin in regard to payment to HCC for Summer 2000 classes. Neighborhood Centers Inc. (NCI) intends to pay 80% of the costs for tuition, and fees for 40 to 50 students who will be referred to HCC for enrollment. The students enrolled in this program will be personally responsible to HCC for the remaining 20% balance of their total costs. Invoices for all NCI Head Start employees and parents who register should be submitted to:

Neighborhood Centers Inc.
PO Box 271389
Houston, Texas 77277-1389
Attention: Terry Adams, Accounting Department

Individual names and social security numbers must be stated on the invoice.

As you stated in your telephone conversation with Ms. Ortiz-Gatlin, we expect to receive confirmation from you regarding the exact method you wish us to follow. Thank you for your cooperation and consideration.

Sincerely,

Angela Blanchard

Angela Blanchard
President and CEO
AB/cog

cc: Christine Ortiz-Gatlin
Training Specialist, Head Start Area III



January 10, 2000

Mr. Chi Do, President
Indochinese Culture Center
ICC Senior Program
3333 Fannin
Houston, Texas 77004

FILE

Re: FY 2000 Award (11 months - October 25, 1999 - September 30, 2000)

Dear Mr. Do:

The Houston/Harris County Area Agency on Aging (AAA) has notified Neighborhood Centers Inc. (NCI) of its award for the contract year 2000.

According to our agreement, the contract is subject to the funding level obtained from the AAA. Based on the available funding the following recommendation is made for the eleven month contract period:

	Award Amount	Program Units	Unit Rate
Congregate Meal	\$29,542.50	23,634	\$1.25

If you should have any questions, please call Kathy L. Johnson, Program Manager at (713)273-3269.

Cordially,


Angela Blanchard
President & CEO

ff



FILE

January 10, 2000

Larry Norton, Executive Director
Interfaith Ministries
3217 Montrose
Houston, Texas 77006

Re: FY 2000 Award (11 months - October 25, 1999 - September 30, 2000)

Dear Mr. Norton:

The Houston/Harris County Area Agency on Aging (AAA) has notified Neighborhood Centers Inc. (NCI) of its award for the contract year 2000.

According to our agreement, the contract is subject to the funding level obtained from the AAA. Based on the available funding the following recommendation is made for the eleven month contract period:

	Award Amount	Program Units	Unit	Rate
Home Delivered Meal	\$39,459.42	51,246	\$0.77	

If you should have any questions, please call Kathy L. Johnson, Program Manager at (713)273-3269.

Cordially,


Angela Blanchard
President & CEO



January 10, 2000

Mr. Horace Williams, President
Pilgrim Community Center, Inc.
3118 Blodgett
Houston, Texas 77004

Re: FY 2000 Award (11 months - October 25, 1999 - September 30, 2000)

Dear Mr. Williams:


The Houston/Harris County Area Agency on Aging (AAA) has notified Neighborhood Centers Inc. (NCI) of its award for the contract year 2000.

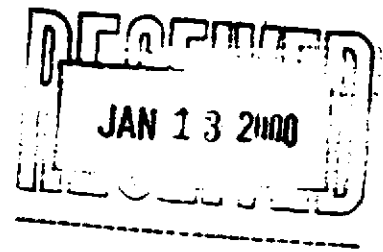
According to our agreement, the contract is subject to the funding level obtained from the AAA. Based on the available funding the following recommendation is made for the eleven month contract period:

	Award Amount	Program Units	Unit Rate
Congregate Meal	\$12,285.00	9,828	\$1.25
Transportation	-0-	7,254	

If you should have any questions, please call Kathy L. Johnson, Program Manager at (713)273-3269.

Cordially,


Angela Blanchard
President & CEO



January 10, 2000

Signed

Mrs. Ruth Palmer, Executive Director
Wesley Community Center
1410 Lee St.
Houston, Texas 77009

Re: FY 2000 Award (11 months - October 25, 1999 - September 30, 2000)

Dear Mrs. Palmer:

The Houston/Harris County Area Agency on Aging (AAA) has notified Neighborhood Centers Inc. (NCI) of its award for the contract year 2000.

According to our agreement, the contract is subject to the funding level obtained from the AAA. Based on the available funding the following recommendation is made for the eleven month contract period:

	Award Amount	Program Units	Unit Rate
Congregate Meal	\$18,720.00	14,976	\$1.25
Transportation	-0-	9,360	

If you should have any questions, please call Kathy L. Johnson, Program Manager at (713)273-3269.

Cordially,

Angela Blanchard
Angela Blanchard
President & CEO

JK

Dist 1/13/00 DT DT

Neuhaus Education Center
4433 Bissonnet
Bellaire, Texas 77401-3233
Fax: 713/664-4744
713/664-7676

TEACHING BASIC LANGUAGE SKILLS



NEUHAUS EDUCATION CENTER

August 10, 2000

To Whom It May Concern:

Neuhaus Education Center is a non-profit educational center whose mission is to provide professional development for teachers in effective literacy instruction for all students, especially students at risk for failure. The Center also serves as a resource for parents of children with school problems and provides adult literacy classes.

Neuhaus Education Center is pleased to support Neighborhood Centers in its application of a grant to establish a charter school at Ripley House in Houston, Texas. If the grant is awarded, the Center will provide staff development to all the teachers in *Language Enrichment*. This course provides a balanced approach to teaching reading, spelling, handwriting, and composition to students. This instruction is beneficial for all students, especially those students who are at risk for reading failure. The teachers will receive on-going support from Neuhaus staff members through phone consultations and on-site visits. The Center will work with Neighborhood Centers to collect and analyze data to validate the efficacy of the staff development.

Neuhaus Education Center appreciates the efforts of Neighborhood Centers to support the Governor's Reading Initiative and help all children achieve literacy. We look forward to working with this organization on this very important project.

Sincerely,

Kay Allen

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Chairman Emerita
Mrs. Peter S. Wareing
Chairman
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Mrs. Martin Debrovner
Mr. W. H. Drushel, Jr.
Mr. M. Harns Greenwood
Mrs. Don H. Haley
Mrs. John W. Johnson
Margaret H. Ley

Mrs. Stephen W. Maywald
Mrs. William James Miller
Christy Brown Murchison
Mr. William D. Noel
Mrs. Richard S. Smith
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Thomas G. West, M.A.

Administration

Lenox Reed, M.Ed.
Director

Kay A. Allen, M.Ed.
Associate Director



August 16, 2000

Texas Education Agency
Document Control Center
Room 6-108
1701 N. Congress Avenue
Austin, Texas 78701

To Whom It May Concern:

Ray & Hollington Architects provides coordination and consultation services for Neighborhood Center Inc. during the design and construction of the new Ripley House Complex. Our services include the review of construction plans and project costs as well as preparation of recommendations regarding changes form original project plans. If I can be of any further assistance please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink that reads "Kerry L. Goelzer". The signature is written in a cursive, flowing style.

Kerry L. Goelzer, AIA

TELEPHONE (713) 651-1976

DANIEL AND EDITH
RIPLEY FOUNDATION
1221 MCKINNEY, SUITE 3800
HOUSTON, TEXAS 77010

TELECOPIER (713) 751-9292

August 31, 1999

Mr. John Carson, Chairman
Brookstone Corporation
3715 Dacoma
Houston, TX 77092

RE: New Ripley House Project

Dear Mr. Carson:

The Daniel and Edith Ripley Foundation has previously given you its Notice To Proceed, effective August 30, 1999, under the Contract, Change Order and GNP Proposal, ("Contract Documents") referred to in our letter of August 27, 1999.

The purpose of this letter is to confirm that the Daniel and Edith Ripley Foundation and Neighborhood Centers Incorporated have funds in the bank or pledged, that are sufficient to discharge the owner's obligation to the Contractor as sums become due under the Contract Documents.

If you have any questions, please don't hesitate to call.

Yours very truly,



James (Jim) Greenwood III
Chief Executive Officer
Daniel and Edith Ripley Foundation

JG:tp

cc: ✓ Ms. Angela Blanchard, President
Neighborhood Centers, Inc.

Mr. James Buescher
Buescher, Inc.

Mr. Merrill Glasgow
Mr. Townes Pressler
Mr. Howard Tellepsen, Jr.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Harold D. Guthrie, Ed.D., General Superintendent

955 Campbell Road / Houston, Texas
Telephone 713 / 464-1511

Instructional Support Services

MAILING ADDRESS
P.O. Box 19432
Houston, Texas 77224-9432

December 15, 1998

Neighborhood Centers Inc.
Angela Blanchard
P. O. Box 271389
Houston, TX 77277-1389

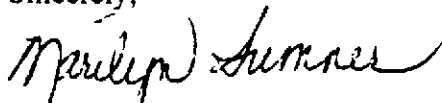
Dear Ms. Blanchard:

On December 14, 1998, the Spring Branch ISD Board of Trustees approved the 1999-2000 agreement with Neighborhood Centers Inc. I look forward to a working relationship with Neighborhood Centers Inc. in the coming year.

I have enclosed two originals of the 1999-2000 agreement. Please sign both originals, retain one for your files and return the second signed original to me.

Thanks for your help.

Sincerely,



Marilyn Sumner
Executive Director for Instructional Support Services

MS:cg

Encl.



TEXAS
Department of
Human Services

COMMISSIONER
Eric M. Bost

December 13, 1999

Angela Blanchard
Neighborhood Centers, Inc.
P.O.Box 271389
Houston, TX. 77277-1389

TX: 101-0013

Re: Approved Child and Adult Care Food Program Contractors (Child Care Centers)

Dear Contractor:

Enclosed are signed copies of your Child and Adult Care Food Program (CACFP) Application and Agreement for Fiscal Year 2000. Please keep them in your files for three years and 90 days from the end of Fiscal Year 2000 or longer described in your CACFP Handbook. Also enclosed is a supply of CACFP forms (see Attachment #1). Information concerning the use of these forms and other program requirements can be found in the CACFP Handbook.

Enclosed you will find a list of addresses to use when mailing information to the Texas Department of Human Services (TDHS) (Attachment #2). Please follow the instructions on the list to ensure that claims, checks, correspondence, and all other information you mail to TDHS will be received in the correct office.

Note: Based on the information on your completed Form 1569, your FY'2000 Single Audit is due no later than the last day of 9/30/2000. Failure to submit a single audit or to meet audit requirements can result in adverse action against your contract, up to and including termination.

Your organization currently owes for an advance payment from contract year N/A. You will not receive advance payments until the total amount of the advance is paid in full. Please contact your area program manager when you have re-paid your advance and want to be approved to re-start advance payments.

Page 2

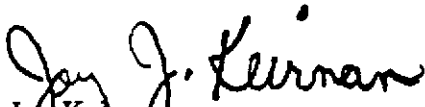
Approved Child Care Center

The United States Department of Agriculture requires that we inform you on an annual basis of your appeal rights. You have the right to appeal any action by TDHS that affects your participation in the CACFP or your CACFP claim for reimbursement. Your request for an appeal must be submitted within 15 days of any notification by TDHS of adverse action affecting your participation or claim and must be addressed to:

HEARINGS DEPARTMENT, W-613
TEXAS DEPARTMENT OF HUMAN SERVICES
P. O. BOX 149030
AUSTIN, TEXAS 78714-9030

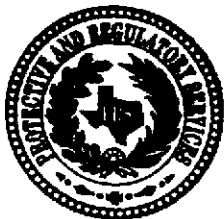
If you have any questions, please contact me at (713) 735-8930.

Sincerely,



Joy Keenan
Area Program Manager/Contract Manager

Enclosures



TEXAS DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES

file CYD
contract
Key

EXECUTIVE DIRECTOR

James R. Hine

September 1, 1999

Jo Carcedo
Neighborhood Centers, Inc.
4500 Bissonnet, Suite 200
Houston, TX 77550

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Dallas
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Harker Heights

RE: PRS Contract #3162032 - Renewal for Fiscal Year 2000

Dear Ms. Carcedo:

The Plan of Operation and Budget submitted for Fiscal Year 2000 (September 1, 1999 through August 31, 2000) for the Community Youth Development Program have been approved. You may notify your subcontractors that their programs/services and budgets have been approved.

Two copies of the fully-executed contract will be mailed to you as soon as it has been signed by PRS. Please ensure that subcontracts include a detailed program description, a copy of the approved budget and a detailed budget narrative for the program.

In the event you have any questions, please contact me at (512) 438-2137.

Sincerely,

Rosalin A. Willis
CYD Program Specialist

cc Diane Duarte, CYD Project Coordinator
Jose Ramiro, Fiscal Agent



United Way
of the Texas Gulf Coast

P. O. Box 924507
Houston, Texas 77292-4507
Phone: 713.685.2300
Fax: 713.958.2988

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Scott J. McLean

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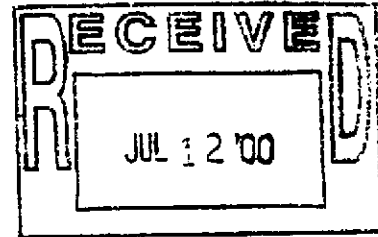
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PRESIDENT

Jacqueline S. Martin

July 5, 2000

Ms. Angela Blanchard
Neighborhood Centers Inc.
4500 Bissonnet
Bellaire, TX 77401



Reviewed date _____
Type _____
Index No. _____

Dear Ms. Blanchard:

Thank you for your application for the IBM Corporation 2000 Technology Donation Program. On behalf of the IBM Corporation, Gifts In Kind International and the United Way of the Texas Gulf Coast Gifts In Kind Program. I would like to congratulate your organization as a recipient of the IBM Corporation 2000 Technology Grant. Neighborhood Centers will be receiving 12 Young Explorer Systems complete with 14" monitors, Little Tikes desks, Teacher's Guides and one SmartSuite Millenium software package.

You will be invited to the IBM Corporation 2000 Technology Donation Program reception, given by United Way of the Texas Gulf Coast Gifts In Kind Program, honoring the organizations receiving grants this year. We will distributing the computers in the next 6 to 8 weeks and will notify you then with the exciting details.

Congratulations once again for being selected as a recipient of this highly valued donation from the IBM Corporation!

Sincerely,

Kevin Wollin
Manager, Gifts In Kind



April 6, 1999

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Candace C. Vetterling

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Alan O. Brown
Dr. William T. Butler
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Jacobs G. Saenz
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Bishop James Tamayo
Catherine M. Tamer
Eugene Vaughan, Jr.
Steve H. Wasserman
Diana Wilson
Nancy K. Woodridge
Dr. George Yang
Robert E. Zwick
Peter A. Zwert

President

Jacqueline S. Martin

Mr. Ronald C. Lewis
Board Chair
Neighborhood Centers, Inc.
910 Louisiana, Suite 3500
Houston, Texas 77002

Re: United Way of the Texas Gulf Coast
1999/2000 Fund Distribution Process: New and Expansion Programs

Dear Mr. Lewis,

We are delighted to inform you that the United Way of the Texas Gulf Coast (UWTGC) Board of Trustees has approved an expansion of funding for the Child Care Services program. Approval was based on a thorough program review by Fund Distribution volunteers.

The expanded (additional) funding for the Child Care Services program will be \$89,325 in 1999 to be paid over 8 1/2 months. Funding payments will be semi-monthly and will begin on April 15, 1999. We anticipate that the expanded funding level will be \$92,032 in the year 2000. However, please be aware that we are unable to make a firm commitment since year 2000 funding levels are subject to 1999 campaign results as well as sufficient collection of pledged dollars. We understand that due to this expansion of funding, the Child Care Services program will be able to serve an additional 150 clients.

During 1999-2000 affiliated agencies will be required to provide UWTGC with periodic program and agency status reports. The reporting date guidelines, instructions and sample reports are attached to this letter. If unforeseen circumstances prohibit an agency from submission of the reports as scheduled, the agency is required to provide UWTGC a reasonable explanation in writing at the earliest possible date, but no later than the date for the scheduled report. Failure to submit timely reports may result in suspension of UWTGC funding.

Funding is contingent upon an agency's compliance with UWTGC standards and policies. Your agency will not be permitted to shift UWTGC funds related to this program.

UNITED WAY OF THE TEXAS GULF COAST

2200 North Loop West • P.O. Box 924507 • Houston, Texas 77292-4507 • Phone: (713) 685-2300 • Fax: (713) 956-2868
In the Bay Area • Fort Bend County • Harris County • Walker County • In Partnership with Montgomery County

The UWTGC would like to thank you, your board and staff for your continued commitment to meet the needs of your clients. We hope this funding will enable you to continue providing the quality services that your clients have come to expect.

We ask that you acknowledge receipt of this letter and indicate your agreement by signing and returning a copy within 10 working days.

Sincerely,



Mark Lowes, Chair
Fund Distribution/Agency Relations Cabinet



Jacqueline S. Martin
President


cc: Ms. Angela Blanchard, President & CEO
Neighborhood Centers, Inc.

Enclosures

As an officer of Neighborhood Centers, Inc., I certify that I am duly authorized to bind the organization to the terms of this agreement, and do hereby agree to and accept the terms set forth above.

By:


Signature


Title

4/12/99
Date



March 11, 1998

Chairman Of The Board
Gerald B. Smith

Executive Committee
Susan Blachoff
Aneal Conroy
Art Contreras
Jack Doherty
George J. Doherty S.
Al Henry

Rabbi Samuel Karff
Ara P. Kaufman
Kenneth L. Lav
Jack E. Little
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Soncara Messan-Hes
Joseph R. Musolino
Dan No
Laurence J. Payne
John P. Porretto
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J. Michael Solar
Catherine C. Vesterling
Diane Wilson

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Bob Barber
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Allen D. Brown
Barry Burdick

Dr. William T. Butler
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Rogene Gee Calvert
Raul Casola
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Helen Cordes
Rufus Corner, Jr.
John J. Coven
Laine de la Isla

Rev. James Dixon
Archie W. Dunnam
Juanita Elizondo
Mama Ewing
Clara S. Farley
Elvin Franklin, Jr.

Susan Penn French
Rick Gardner
Dr. Malcolm Gills
Joseph A. Halter, Jr.
Steve Howard

Dr. Jane Van Hren
Stephen M. Kaufman
Dr. M. desVignes-Kennick
Mary Koffland
Wes H. Lee

Wilton Levitt
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Mark E. Lyles
Baines Manning
R. Stan Marek, Jr.
Marcelo A. Mann

Jim McIngvale
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Steve H. Wasserman
Charles L. Watson
Nancy K. Woodroge
Dr. George Yang
Robert E. Zisca
Peter A. Zwart

Mr. Tom Sanders
P. O. Box 271389
Houston, Texas 77277-1389

Dear Mr. Sanders:

It is our pleasure to inform you that the United Way of the Texas Gulf Coast (UWTGC) Executive Committee has approved the transfer of UWTGC funds for the **Support Services for Seniors** program that was formally administered by the YWCA, to your agency. This program will be funded at a Pro rata amount to be determined on the allocation of \$303,633 for 1998. Pending campaign results and review of periodic reports, this program will be funded for \$312,742 during 1999, and \$322,124 for the year 2000. Transition activities are to begin as noted in the Request for Proposal that your agency submitted. The YWCA has been asked to work with you in the transition process. See letter enclosed as attachment #1.

As noted in the Request for Proposal, the successful transition of program services previously provided by the YWCA will be contingent upon mutual agreement by UWTGC and your agency of identified issues. Some of the issues include, but are not limited to the following:

- Compliance with the Funding Agreement signed by **Neighborhood Centers, Inc.**. See attachment #2.
- Continuation of program services to clients in zip codes identified in the Request for Proposal addendum.
- Discussion on service delivery system that ensures existing clients continue to receive services.
- Use of acceptable financial and operational reporting systems that indicate services provided by this funding.
- Continued review and monitoring by a small group of UWTGC volunteers and staff from the UWTGC Fund Distribution and Agency Relations Department.
- A mutually agreed upon reporting system to be devised to ensure the integrity of the program and the delivery of services to the target population, including, but not limited to, reports on beneficiary data and any financial resources used to augment the delivery of program services.
- In addition to being more than fiscal agent, be responsible for fiscal oversight, program quality, training and technical assistance for YWCA's Health Initiatives and Support Services for Seniors programs.

Please acknowledge receipt of this letter indicating your willingness to discuss issues of mutual concern. Upon completion of our discussion, we will proceed to prepare a formal agreement that will facilitate placement of the portion of the **Support Services for Seniors** program with **Neighborhood Centers, Inc.**. It is our intent to see that all necessary paperwork is completed at the earliest possible date. Dr. Enrique Medrano, Mr. Al Acosta and Ms. Linda O'Black from United Way will work with your staff on the transition agreement.

2200 North Loop West • P.O. Box 924507 • Houston, Texas 77292-4507 • Phone: (713) 685-2300 • Fax: (713) 956-2868

In the Bay Area • Fort Bend County • Harris County • Waller County • In Partnership with Montgomery County

MISSION: To increase the organized capacity of people to care for themselves and others.

President
Judith B. Craven, M.D., M.P.H.

Neighborhood Centers, Inc. letter
Page 2 of 2
March 11, 1998

United Way of the Texas Gulf Coast values the services of the **Neighborhood Centers, Inc.** and our partnership. Thank you for your continued efforts to make our community a better place to live.

Sincerely,

Gerald B. Smith

Gerald B. Smith
Chairman, Board of Trustees
United Way of the Texas Gulf Coast

Enclosures: Attachment #1-Copy of letter to YWCA
Attachment #2 - Copy of signed RFP Fund Agreement

Copy to: **Ms. Angela Blanchard**

As an officer of the **Neighborhood Centers, Inc.**, I acknowledge receipt of this letter and agree to discuss transition issues of mutual concern, which will be jointly developed. I understand the purpose of these discussions is to facilitate the placement of the UWTGC funded portion of the **Support Services for Seniors** within the of **Neighborhood Centers, Inc.**

By Angela Blanchard
Print or Type Name

Angela Blanchard
Signature

Date March 12, 1998

President & CEO
Title



UNIVERSITY OF HOUSTON SYSTEM
UNIVERSITY OF HOUSTON

*file # 1
1-5-58598*

Office of the Vice Chancellor for Research and Intellectual Property Management
UH System

Office of the Vice President for Research
University of Houston

March 16, 2000

Neighborhood Centers, Inc.
Attn: Angela Blanchard
4500 Bissonnet, Suite 200
Houston, Texas 77277-1389

Re: Continuation Contract between Neighborhood Centers, Inc. and the University of Houston
For the Period 01/01/2000 to 12/31/2000
University of Houston Primary Investigator Dr. Marcia Sanderson

Dear Ms. Blanchard,

Attached please find the executed Attachment II – Subcontractor Assurance document.
These were inadvertently excluded from the previous mailing.

Please don't hesitate to contact me if I can provide any additional information or assistance
regarding this matter. I can be reached at 713.743.9240. Alternatively, you can contact the
Grants and Contract Administrator Ms. Sharon Cole at 713.743.9238, fax at 713.743.9227, or
email at [REDACTED]

Sincerely,

Thomas Lee Boozer II
Research Contracts Officer
Research Financial Services



August 9, 1999

Chenda Koeuth
Neighborhood Centers, Inc.
4500 Bissonnet Suite 200
P.O. Box 271389
Houston, TX 77277-1389

Dear Ms Koeuth:

Enclosed please find two copies of Amendment to the Agreement between Neighborhood Centers, Inc. and Valley Innovative Services, Inc. Please sign both copies and have your signature attested. Then return the "File Copy" to Valley.

A copy has been retained by Valley. In the event you have any questions, please contact me at (601) 664-3178.

Sincerely,

A handwritten signature in black ink that reads 'Tara Rawls Wasson'. The signature is written in a cursive style with a large initial 'T'.

Tara Rawls Wasson
Contract Administrator

TRW/bc

Enclosures

APPENDIX

- J -

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: _____
Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Felix Fraga
2. Have you ever had your name changed? no If yes, give reason for the change: _____

b. Maiden Name (if female) _____
c. Other names used at any time _____

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: [REDACTED] Houston, TX

5. Business Address: P.O. Box 271389 Houston, TX 77277-1389
Business Telephone: (713) 464-5210

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>2000 - Jan 1</u>	<u>5501 Brady</u>	<u>Houston TX</u>	<u>77011</u>
<u>DEC 31 - 1999</u>	<u>301 N. Sidney</u>	<u>Houston TX</u>	<u>77003</u>
<u>May 1 - 1979</u>			

7. Education: Dates, Names, Locations and Degrees

College B.S. University of Houston

Graduate Studies M.S.W. Our Lady of the Lake San Antonio, TX.

Others _____

8. List Membership in Professional Societies and Associations: National Association of Social Workers

9. Present or Proposed Position with the Proposed Charter School: Member of the Ripley Hall Charter School Advisory Board

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1946-present	Neighborhood Centers Inc.	P.O. Box 271329 Houston 77277-1329	Youth Worker, Community Worker, Center Manager, VP of External Relations
Public offices include:			
1994-1999	City of Houston		Council Member, District H
1990-1994	Houston Independent School District		Board Member

11. Present employer may be contacted: *p2250 Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): N/A

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? N/A If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
 If yes, give details: I am, though, the Vice-President of External Relations for Neighborhood Centers Inc., which is a paid position.
16. Have you ever been adjudged bankrupt? No
17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
 If yes, give details: _____
18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO
19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No. If so, please furnish details: _____

Dated and signed this 16 day of August, 2000, at 11:40 AM

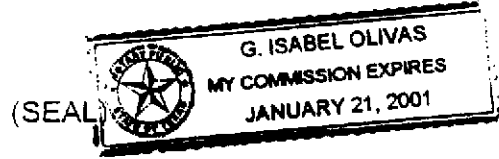
I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Felix Fraga
 (Signature of Affiant)

State of TEXAS
 County of HARRIS

Personally appeared before me the above named FELIX FRAGA personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 16th day of August, 2000



G. Isabel Olivas
 (Notary Public)
 My commission expires Jan/21/01
G. Isabel Olivas

**TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)**

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Ripley House Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Cynthia Tate Patton
2. Have you ever had your name changed? Yes if yes, give reason for the change: Married

b. Maiden Name (if female) Cynthia Jane Tate
 c. Other names used at any time _____

3. Social Security Number*: [REDACTED]
4. Date and Place of Birth: [REDACTED] Dallas, Texas
5. Business Address: 6201 Bonhomme Houston, Texas 77036
 Business Telephone: 713-273-3255

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>4/00 to present</u>	<u>4403 Plantation Creek</u>	<u>Missouri City, Tx</u>	<u>77459</u>
<u>7/77 to 4/00</u>	<u>386 Dawn Hill</u>	<u>Friendswood, Tx</u>	<u>77546</u>

7. Education: Dates, Names, Locations and Degrees

College 67-70 University of Texas at Austin
70-71 University of Houston Main Campus B.S.
 Graduate Studies Masters Degree University of Houston Clear Lake

Ph.D. Texas Woman's University Denton, Texas graduated 1989

Others _____

8. List Membership in Professional Societies and Associations: National Association for the Education of Young Children; Texas Association for the Education of Young Children; National Council on Family Relations; Texas Association for School-Age Care

9. Present or Proposed Position with the Proposed Charter School : _____
CEO

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1998 to Present	Neighborhood Centers Inc.	P.O. Box 271389 Houston, TX 77277-1389	Director of Early Childhood Services
1996 to 1998	Columbia-Brazoria I.S.D.	P.O. Box 158 West Columbia, TX 77486	Behavior Management Specialist
1993 to 1996	Neighborhood Centers Inc.	(see above)	Vendor Management Supervisor Grant Writer

11. Present employer may be contacted: *p2250 Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? No
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): I hold three Texas Teaching Certificates Home Economics Teacher Education; Kindergarden, Special Education (Generic)

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? No If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No. If so, please furnish details: _____

Dated and signed this 11th day of August,
19 2000, at 6201 Benhorne Houston Texas

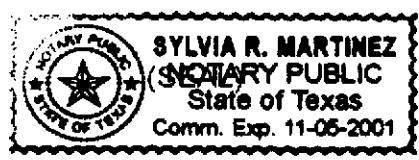
I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Cynthia T. Patton
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named Cynthia T. Patton personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 11th day of August,
19 2000



Sylvia R. Martinez
(Notary Public)
My commission expires 11-05-2001

10. (continued)

1992-1993 Sunset Pearl School 610 Chelsea Houston Texas Principal

1989-1992 Private Sector Initiatives 1111 Fannin Houston, Texas 77002
Child Care Program Manager

1988 University of Houston Laboratory School 4800 Calhoun Houston, TX 77004
Teacher

1986-1988 Youth and Family Counseling Services P.O. Box 281 Pearland, TX 77588
Resource Coordinator

1980-1988 Church of the Good Shepherd Day School 1207 Winding Way Friendswood,
TX 77546
Director

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): MARJORIE PEÑA

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) CRUZ
c. Other names used at any time "MARGIE"

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: [REDACTED] HOUSTON TEXAS

5. Business Address: 4401 LOUJODY HOUSTON TX 77003
Business Telephone: (713) 9292661

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>1978 - PRESENT</u>	<u>3202 ABEEN</u>	<u>HOUSTON TX</u>	<u>77087</u>

7. Education: Dates, Names, Locations and Degrees
College UNIVERSITY OF HOUSTON, BACHELORS, ACCOUNTING
Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: _____

9. Present or Proposed Position with the Proposed Charter School : _____

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
7/23/91 - PRESENT	DE 1611808/1400	CENTERS INC. 11, TX 77003	CENTER ADMINISTRATOR
11/77 - 7/91	CHAS. P. YOUNG	1616 McCLAREN HOUSTON TX 77	VICE PRES., CONTROLLER

11. Present employer may be contacted: *p2250 Yes / No (Circle One)
Former employers may be contacted: Yes / No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): _____

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? _____

If yes, give details: NO

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO

If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 11TH day of AUGUST, 2000, at 4401 LOUEJOY HOUSTON TX 77003

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

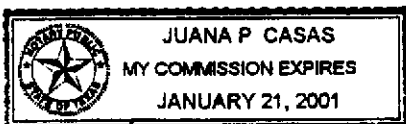
Marjorie Peña
(Signature of Affiant)

State of TEXAS
County of NARRIS

Personally appeared before me the above named MARJORIE PEÑA personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 11th day of AUGUST, 2000

Juana Casas
(Notary Public)
My commission expires 1-21-2001



(SEAL)

APPENDIX

- K -

3-YEAR BUDGET

Charter School Budget Categories

	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Net Assets at Beginning of Year				\$0
Estimated Revenues:				
Local Sources		\$ 55,985		55,985
State Sources		410,400		410,400
Federal Sources		58,320		58,320
Other Sources				-
Total Estimated Revenues		524,705	0	524,705
Estimated Expenses:				
Payroll Costs	6100	326,123	-	0
Professional and Contracted Services	6200	5,185	-	-
Supplies and Materials	6300	107,896	-	-
Other Operating Costs	6400	85,501	-	-
Debt Expense	6500	-	-	-
Total Estimated Expenses		524,705	0	0
Gains	7950	(0)		-
Losses	8950			-
Change in Net Assets		(0)	-	-
Net Assets at End of Year		\$ (0)	\$ -	\$ (0)

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Instruction	11				
Payroll Costs		6100	\$ 234,994	\$	234,994
Professional and Contracted Services		6200	245		245
Supplies and Materials		6300	60,540		60,540
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Instruction			\$ 295,779	\$ -	\$ 295,779
Instructional Resources and Media Services	12				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Instructional Resources and Media Services			\$ -	\$ -	\$ -
Curriculum Development and Instructional Staff Development	13				
Payroll Costs		6100	\$	\$	-
Professional and Contracted Services		6200	1,200		1,200
Supplies and Materials		6300	-		-
Other Operating Costs		6400	1,100		1,100
Debt Expense		6500	-		-
Total Curriculum and Instructional Staff Development			\$ 2,300	\$ -	\$ 2,300

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Instructional Leadership:	21				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Interest		6500			-
Total Instructional Leadership			\$ -	\$ -	\$ -
School Leadership:	23				
Payroll Costs		6100	\$ 62,240	\$	62,240
Professional and Contracted Services		6200	70		70
Supplies and Materials		6300	970		970
Other Operating Costs		6400	-		-
Debt Interest		6500	-		-
Total School Leadership			\$ 63,280	\$ -	\$ 63,280
Guidance, Counseling and Evaluation Services	31				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Interest		6500			-
Total Guidance, Counseling and Evaluation Services			\$ -	\$ -	\$ -

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Social Work Services:	32				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Social Work Services			\$	- \$	-
Health Services:	33				
Payroll Costs		6100	\$ 15,893	\$	15,893
Professional and Contracted Services		6200	35		35
Supplies and Materials		6300	540		540
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Health Services			\$ 16,468	\$ -	\$ 16,468
Student Transportation	34				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Student Transportation			\$	- \$	-

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Food Services:	35				
Payroll Costs		6100	\$ 12,996	\$	12,996
Professional and Contracted Services		6200	35		35
Supplies and Materials		6300	42,651		42,651
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Food Services			\$ 55,682	\$ -	\$ 55,682
Cocurricular/Extracurricular Activities:	36				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Cocurricular/Extracurricular Activities:			\$ -	\$ -	\$ -
General Administration:	41				
Payroll Costs		6100	\$ -	\$	-
Professional and Contracted Services		6200	3,600		3,600
Supplies and Materials		6300	3,195		3,195
Other Operating Costs		6400	72,438		72,438
Debt Expense		6500	-		-
Total General Administration			\$ 79,233	\$ -	\$ 79,233

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Plant Maintenance and Operations:					
	51				
Payroll Costs		6100	\$ -	\$ -	-
Professional and Contracted Services		6200	-	-	-
Supplies and Materials		6300	-	-	-
Other Operating Costs		6400	11,963	-	11,963
Debt Expense		6500	-	-	-
Total Plant Maintenance and Operations			\$ 11,963	\$ -	\$ 11,963
Security and Monitoring Services:					
	52				
Payroll Costs		6100	-	\$ -	-
Professional and Contracted Services		6200	-	-	-
Supplies and Materials		6300	-	-	-
Other Operating Costs		6400	-	-	-
Debt Expense		6500	-	-	-
Total Security and Monitoring Services:			\$ -	\$ -	\$ -
Data Processing Services:					
	53				
Payroll Costs		6100	-	\$ -	-
Professional and Contracted Services		6200	-	-	-
Supplies and Materials		6300	-	-	-
Other Operating Costs		6400	-	-	-
Debt Expense		6500	-	-	-
Total Data Processing Services			\$ -	\$ -	\$ -

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Community Services:	61				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Community Services			\$	- \$	- \$
Fund Raising:	81				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Fund Raising			\$	- \$	- \$

Charter School Budget Categories

	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Net Assets at Beginning of Year		(\$0)	\$0	\$0
Estimated Revenues:				
Local Sources		11,862		11,862
State Sources		615,600		615,600
Federal Sources		87,480		87,480
Other Sources		-		-
Total Estimated Revenues		714,942	0	714,942
Estimated Expenses:				
Payroll Costs	6100	489,603	-	0
Professional and Contracted Services	6200	6,525	-	-
Supplies and Materials	6300	95,027	-	-
Other Operating Costs	6400	123,787	-	-
Debt Expense	6500	-	-	-
Total Estimated Expenses		714,942	0	0
Gains	7950			-
Losses	8950	0		-
Change in Net Assets		0	-	-
Net Assets at End of Year		\$ 0	\$ -	\$ 0

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Instruction	11				
Payroll Costs		6100	370,603	\$	370,603
Professional and Contracted Services		6200	350		350
Supplies and Materials		6300	38,370		38,370
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Instruction			\$ 409,323	\$ -	\$ 409,323
Instructional Resources and Media Services	12				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Instructional Resources and Media Services			\$ -	\$ -	\$ -
Curriculum Development and Instructional Staff Development	13				
Payroll Costs		6100	-	\$	-
Professional and Contracted Services		6200	1,800		1,800
Supplies and Materials		6300	-		-
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Curriculum and Instructional Staff Development			\$ 1,800	\$ -	\$ 1,800

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Instructional Leadership:	21				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Interest		6500			-
Total Instructional Leadership			\$ -	\$ -	\$ -
School Leadership:	23				
Payroll Costs		6100	76,330	\$	76,330
Professional and Contracted Services		6200	70		70
Supplies and Materials		6300	-		-
Other Operating Costs		6400	-		-
Debt Interest		6500	-		-
Total School Leadership			\$ 76,400	\$ -	\$ 76,400
Guidance, Counseling and Evaluation Services	31				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Interest		6500			-
Total Guidance, Counseling and Evaluation Services			\$ -	\$ -	\$ -

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Social Work Services:	32				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Social Work Services			\$ -	\$ -	\$ -
Health Services:	33				
Payroll Costs		6100	15,893	\$	15,893
Professional and Contracted Services		6200	35		35
Supplies and Materials		6300	810		810
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Health Services			\$ 16,738	\$ -	\$ 16,738
Student Transportation	34				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Student Transportation			\$ -	\$ -	\$ -

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Food Services:	35				
Payroll Costs		6100	26,778	\$	26,778
Professional and Contracted Services		6200	70		70
Supplies and Materials		6300	55,197		55,197
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Food Services			\$ 82,044	\$ -	\$ 82,044
Cocurricular/Extracurricular Activities:	36				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Cocurricular/Extracurricular Activities:			\$ -	\$ -	\$ -
General Administration:	41				
Payroll Costs		6100	-	\$	-
Professional and Contracted Services		6200	4,200		4,200
Supplies and Materials		6300	650		650
Other Operating Costs		6400	105,842		105,842
Debt Expense		6500	-		-
Total General Administration			\$ 110,692	\$ -	\$ 110,692

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Plant Maintenance and Operations:	51				
Payroll Costs		6100	-	\$ -	-
Professional and Contracted Services		6200	-	-	-
Supplies and Materials		6300	-	-	-
Other Operating Costs		6400	17,945	-	17,945
Debt Expense		6500	-	-	-
Total Plant Maintenance and Operations			\$ 17,945	\$ -	\$ 17,945
Security and Monitoring Services:	52				
Payroll Costs		6100	-	\$ -	-
Professional and Contracted Services		6200	-	-	-
Supplies and Materials		6300	-	-	-
Other Operating Costs		6400	-	-	-
Debt Expense		6500	-	-	-
Total Security and Monitoring Services:			\$ -	\$ -	\$ -
Data Processing Services:	53				
Payroll Costs		6100	-	\$ -	-
Professional and Contracted Services		6200	-	-	-
Supplies and Materials		6300	-	-	-
Other Operating Costs		6400	-	-	-
Debt Expense		6500	-	-	-
Total Data Processing Services			\$ -	\$ -	\$ -

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Community Services:	61				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Community Services			\$ -	\$ -	\$ -
Fund Raising:	81				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Fund Raising			\$ -	\$ -	\$ -

Charter School Budget Categories

	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Net Assets at Beginning of Year		\$0	\$0	\$ 0
Estimated Revenues:				
Local Sources				-
State Sources		752,400		752,400
Federal Sources		106,920		106,920
Other Sources				-
Total Estimated Revenues		859,320	0	859,320
Estimated Expenses:				
Payroll Costs	6100	585,693	-	0
Professional and Contracted Services	6200	6,995	-	-
Supplies and Materials	6300	107,796	-	-
Other Operating Costs	6400	147,822	-	-
Debt Expense	6500	-	-	-
Total Estimated Expenses		848,306	0	0
Gains	7950	11,014		-
Losses	8950			-
Change in Net Assets		11,014	-	-
Net Assets at End of Year		\$ 11,014	\$ -	\$ 11,014

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Instruction	11				
Payroll Costs		6100	462,973	\$	462,973
Professional and Contracted Services		6200	420		420
Supplies and Materials		6300	32,330		32,330
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Instruction			\$ 495,723	\$ -	\$ 495,723
Instructional Resources and Media Services	12				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Instructional Resources and Media Services			\$ -	\$ -	\$ -
Curriculum Development and Instructional Staff Development	13				
Payroll Costs		6100	-	\$	-
Professional and Contracted Services		6200	2,200		2,200
Supplies and Materials		6300	-		-
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Curriculum and Instructional Staff Development			\$ 2,200	\$ -	\$ 2,200

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Instructional Leadership:	21				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Interest		6500			-
Total Instructional Leadership			\$ -	\$ -	\$ -
School Leadership:	23				
Payroll Costs		6100	79,304	\$	79,304
Professional and Contracted Services		6200	70		70
Supplies and Materials		6300	-		-
Other Operating Costs		6400	-		-
Debt Interest		6500	-		-
Total School Leadership			\$ 79,374	\$ -	\$ 79,374
Guidance, Counseling and Evaluation Services	31				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Interest		6500			-
Total Guidance, Counseling and Evaluation Services			\$ -	\$ -	\$ -

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Social Work Services:	32				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Social Work Services			\$ -	\$ -	\$ -
Health Services:	33				
Payroll Costs		6100	15,893	\$	15,893
Professional and Contracted Services		6200	35		35
Supplies and Materials		6300	990		990
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Health Services			\$ 16,918	\$ -	\$ 16,918
Student Transportation	34				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Student Transportation			\$ -	\$ -	\$ -

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Food Services:	35				
Payroll Costs		6100	27,523	\$	27,523
Professional and Contracted Services		6200	70		70
Supplies and Materials		6300	73,726		73,726
Other Operating Costs		6400	-		-
Debt Expense		6500	-		-
Total Food Services			\$ 101,319	\$ -	\$ 101,319
Cocurricular/Extracurricular Activities:	36				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Cocurricular/Extracurricular Activities:			\$ -	\$ -	\$ -
General Administration:	41				
Payroll Costs		6100	-	\$	-
Professional and Contracted Services		6200	4,200		4,200
Supplies and Materials		6300	750		750
Other Operating Costs		6400	125,889		125,889
Debt Expense		6500	-		-
Total General Administration			\$ 130,839	\$ -	\$ 130,839

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Plant Maintenance and Operations:					
	51				
Payroll Costs		6100	-	\$ -	-
Professional and Contracted Services		6200	-	-	-
Supplies and Materials		6300	-	-	-
Other Operating Costs		6400	21,932	-	21,932
Debt Expense		6500	-	-	-
Total Plant Maintenance and Operations			\$ 21,932	\$ -	\$ 21,932
Security and Monitoring Services:					
	52				
Payroll Costs		6100	-	\$ -	-
Professional and Contracted Services		6200	-	-	-
Supplies and Materials		6300	-	-	-
Other Operating Costs		6400	-	-	-
Debt Expense		6500	-	-	-
Total Security and Monitoring Services:			\$ -	\$ -	\$ -
Data Processing Services:					
	53				
Payroll Costs		6100	-	\$ -	-
Professional and Contracted Services		6200	-	-	-
Supplies and Materials		6300	-	-	-
Other Operating Costs		6400	-	-	-
Debt Expense		6500	-	-	-
Total Data Processing Services			\$ -	\$ -	\$ -

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Community Services:	61				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Community Services			\$ -	\$ -	\$ -
Fund Raising:	81				
Payroll Costs		6100		\$	-
Professional and Contracted Services		6200			-
Supplies and Materials		6300			-
Other Operating Costs		6400			-
Debt Expense		6500			-
Total Fund Raising			\$ -	\$ -	\$ -

3-YEAR CASH FLOW PROJECTION

Cash Flow Projection Worksheet Yr 2
For the Fiscal Year Ended August 31st 2002

Name of Charter School Neighborhood Centers Inc.
Contact Person Angela Blanchard
Telephone (713) 667-9400

Rounded to Even Dollars

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Beg Balance	\$												
Cash Inflows													
Local Sources	1,282	1,282	1,282	641	1,282	1,282	1,282	1,282	1,282	1,282		962	
State Sources	66,551	66,551	66,551	33,276	66,551	66,551	66,551	66,551	66,551	66,551		49,914	
Federal Sources	9,457	9,457	9,457	4,729	9,457	9,457	9,457	9,457	9,457	9,457		7,093	
Loans													
Total Receipts	77,291	77,291	77,291	38,646	77,291	77,291	77,291	77,291	77,291	77,291	0	0	57,968
Cash Outgoes													
Payroll	52,930	52,930	52,930	26,465	52,930	52,930	52,930	52,930	52,930	52,930		39,698	
Services Professional Services	705	705	705	353	705	705	705	705	705	705		529	
Rent	1,940	1,940	1,940	970	1,940	1,940	1,940	1,940	1,940	1,940		1,455	
Utilities													
Other Services													
Supplies	10,273	10,273	10,273	5,137	10,273	10,273	10,273	10,273	10,273	10,273		7,705	
Travel & Other Operating	11,442	11,442	11,442	5,721	11,442	11,442	11,442	11,442	11,442	11,442		8,582	
Principal and Interest for Loans and Other Financing Obligations													
Purchase of Equipment, Furniture, Buildings, Land and Other Capital Outlay													
Total Cash Outgoes	77,291	77,291	77,291	38,646	77,291	77,291	77,291	77,291	77,291	77,291	-	-	57,968
Excess (Deficiency) Cash Inflows to Cash Outgoes for the Month	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-	(0)
Ending Balance	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ -	\$ -	\$ (0)

Cash Flow Projection Worksheet Yr 3
 For the Fiscal Year Ended August 31st 2003

Name of Charter School Neighborhood Centers Inc.

Contact Person Angela Blanchard

Telephone (713) 667-9400

Rounded to Even
 Dollars

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Beg Balance												
Cash Inflows												
Local Sources												
State Sources	\$ 81,341	\$ 81,341	\$ 81,341	\$ 40,670	\$ 81,341	\$ 81,341	\$ 81,341	\$ 81,341	\$ 81,341	\$ 81,341		\$ 61,005
Federal Sources	11,559	11,559	11,559	5,779	11,559	11,559	11,559	11,559	11,559	11,559		8,669
Loans												
Total Receipts	92,899	92,899	92,899	46,450	92,899	92,899	92,899	92,899	92,899	92,899	0	0
Cash Outgoes												
Payroll	63,318	63,318	63,318	31,659	63,318	63,318	63,318	63,318	63,318	63,318		47,489
Services												
Professional Services	756	756	756	378	756	756	756	756	756	756		567
Rent	2,371	2,371	2,371	1,186	2,371	2,371	2,371	2,371	2,371	2,371		1,778
Utilities												
Other Services												
Supplies	11,654	11,654	11,654	5,827	11,654	11,654	11,654	11,654	11,654	11,654		8,740
Travel & Other Operating	13,611	13,610	13,610	6,806	13,608	13,610	13,610	13,610	13,610	13,610		10,207
Principal and Interest for Loans and Other Financing Obligations												
Purchase of Equipment, Furniture, Buildings, Land and Other Capital Outlay												
Total Cash Outgoes	91,710	91,709	91,709	45,855	91,707	91,709	91,709	91,709	91,709	91,709	-	-
Excess (Deficiency) Cash Inflows to Cash Outgoes for the Month	1,190	1,191	1,191	594	1,193	1,191	1,191	1,191	1,191	1,191	-	893
Ending Balance	\$ 1,190	\$ 1,191	\$ 1,191	\$ 594	\$ 1,193	\$ 1,191	\$ 1,191	\$ 1,191	\$ 1,191	\$ 1,191	\$ -	\$ 893

Neighborhood Centers Inc.

ACCOUNTING POLICIES AND PROCEDURES

Neighborhood Centers Inc.

ACCOUNTING POLICIES AND PROCEDURES MANUAL

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100 INTRODUCTION

110 PURPOSE OF MANUAL

- A. The Accounting Policies and Procedures Manual of Neighborhood Centers Inc. (the Manual) is the official document of Neighborhood Centers Inc. (the Agency) for the accounting and administration of its fiscal operations including the administration of grants and subgrants with the U.S. government and other funding sources.
- B. The purpose of the Manual is to provide detailed information on the accounting for business transactions commonly encountered by the Agency. The Manual should guide employees of Neighborhood Centers Inc. in the application of various Federal and state laws and regulations to grants awarded by the U.S. government and other funding sources.
- C. The Manual constitutes all current fiscal policies and standards that have been developed by the Agency, unless otherwise noted, through the date of issuance.

120 SCOPE AND AGENCY

The general organization of the Accounting Policies and Procedures Manual is as follows:

Section 100 Introduction provides a description of the purpose of the Accounting Policies and Procedures Manual and its organization.

Section 200 Internal Control Policies describes the system of Agency's, systems and human controls in place to safeguard the assets of the Agency and to ensure business is conducted in an ethical manner.

Section 300 Financial Management Policies sets forth policies for the operation of the financial management structure of the Agency.

Section 400 Accounting for Assets, Liabilities and Fund Balance establishes policies for accounting for the Agency's assets, liabilities and net assets.

Section 500 Revenue Policies reflects when and how to recognize income on services of the Agency to its funding sources.

Section 600 Cost Accounting Policies deals with the measurement, assignment and allocation of costs of the Agency to its various programs and cost objectives.

Section 700 Cost Estimating Policies describes those policies to be used in applying for grants with the U.S. government and the Agency's other funding sources.

Section 800 Property Management Policies presents policies and practices over the identification, control and disposition of government property and Agency-owned property, equipment and materials.

Section 900 Compensation Policies establishes policies over the control of compensation, cost-related fringe benefits, the status of employees and consultants, and the expenditure of funds on behalf of the Agency by its employees.

130 DEFINITION OF TERMS

When reference is made to terms herein, the terms should be interpreted as defined in OMB Circulars A-133 and A-122.

140 AMENDMENTS TO THE ACCOUNTING POLICIES AND PROCEDURES MANUAL

The Manual contains the essential fiscal policies of the Agency. From time to time, as additional matters require changes to the Manual, officials of Neighborhood Centers Inc. may amend the Manual. Significant policy changes require the approval of Neighborhood Centers Inc. Board of Directors.

200 INTERNAL CONTROL POLICIES

210 POLICIES

210.1 General Business Conduct and Disclosure

- A. Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of the Agency depend to a very large extent on the following considerations.

Each employee must apply his/her own sense of personal ethics, which should extend beyond compliance with applicable laws in business situations, to govern behavior where no existing regulation provides a guideline. It is your responsibility to apply common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this code in specific situations, ask yourself the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with corporate policy?
4. Am I sure that my action doesn't appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within the Agency or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?

You should be able to answer "yes" to all these questions before taking action.

Each supervisor is responsible for the ethical business behavior of his/her subordinates. Supervisors must weigh carefully all courses of action suggested in ethical as well as economic terms and base their decisions on the guidelines provided by this code as well as their personal sense of right and wrong.

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

- B. In recommending or proposing a particular business transaction or course of action for approval, those involved must disclose to their superiors or to the Board of Directors of the Agency all the pertinent information they know about such transactions and the persons involved. The disclosure

should include significant information that they may have reason to believe has been omitted by others.

- C. Specifically, the Agency does not tolerate the willful violation or circumvention of any laws of the United States, its states, counties, cities, or a foreign country by an employee during the course of that person's employment; nor does the Agency tolerate the disregard or circumvention of corporate policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents and intermediaries, what is directly forbidden.

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

Disciplinary action will be taken:

1. Against employees who authorize or participate directly in actions which are a violation of this code.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this code.
3. Against any supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this code.

210.2 Compliance with Laws

A. General

It is the policy of Neighborhood Centers Inc. to comply with the laws and regulations that apply to business at all government levels in the United States and abroad.

B. Disclosure of Information

The Agency's patient, financial, and administrative information is a valuable, intangible property asset. Protection of this information is vital to our continued growth and our ability to provide quality services to our participants. Accordingly, no employee should disclose such information outside of the Agency without the prior approval of the President and CEO or designee. You should be aware that unauthorized disclosure of client information may be a violation of the Privacy Act or other applicable state law.

Under our country's laws, this type of information is treated as intellectual property, usually in the form of information, knowledge, or know-how, the possession of which gives the owner some advantage over other Agency's who do not possess it. To be protected under law, such information must not be generally or publicly known or must be patented or copyrighted if publicly disclosed. The Agency's intellectual property assets are not always of a technical nature. Such information includes, but is not limited to, the following:

1. Service information about specific participants.
2. Agency business, research and new service plans.
3. Operating plans.
4. Salary, wages and benefits data.
5. Employee, funding source and vendor lists.

This list, while obviously not complete, suggests the wide scope and variety of Agency information that must be safeguarded. Special safeguards should be observed for agency participant, financial, or administrative information. Such information may be marked with a notice that imposes restrictions on the need to know within the Agency. However, most of what we know about our own jobs and the jobs of others, even without these classifications, should not be shared with individuals outside of the Agency. If you leave the employ of the Agency, our legal obligation is to protect the Agency's intellectual property until it becomes clear that it has become publicly available or the Agency no longer considers it necessary to restrict its use. We should remember also that correspondence, printed matter, documents or records of any kind, specific process knowledge, procedures, and special Agency ways of doing things are all the property of and must remain at the Agency.

C. Political Contributions

No funds or assets of the Agency may be contributed to any political party or organizations or to any individual who either holds public office or is a candidate for public office. The direct or indirect use of any funds or other assets of the Agency for political contributions in any form, whether in cash or other property, services, or the use of facilities, is strictly prohibited. The Agency also cannot be involved with any committee or other organization that raises funds for political purposes. This rule applies both inside and outside the United States, except in those cases permitted by law and expressly authorized by the Board of Directors of Neighborhood Centers Inc.

Following are examples of prohibited activities:

1. Contributions by an employee that are reimbursed through expense accounts or in other ways,

2. Purchase of tickets by the Agency for political fundraising events,
3. Contributions in kind, such as lending employees to political parties or using Agency assets in political campaigns,
4. Indirect contributions by the Agency through suppliers, funding sources or agents.

D. Government Officials

Employees of the Agency should not offer, promise, or bestow money, gifts, loans, rewards, services, use of facilities, lavish or extensive entertainment, or other favors to a government official or employee with a view toward influencing or inducing such official or employee to use his/her influence to effect an action or decision.

The above restriction extends to any employee of a Federal, state or local government agency.

No employee of the Agency should offer, give, or promise to offer or give, directly or indirectly, any money, gratuities or other thing of value to any government employee with current or possible responsibility on an award to the Agency. A gratuity includes any gift, favor, entertainment or other item having monetary value of over \$10 per event or presentation. This limitation applies to, among other things, services, conference fees, vendor promotional training, transportation, lodging and meals, as well as discounts not available to the general public and personal loans.

The provisions of this code apply fully to anyone who acts for the Agency. For example, you may not allow an agent to act on behalf of the Agency, if you know or have reason to believe that the agent would disregard the code or any law in performing his duties, you should bring it to the attention of the General Counsel.

E. Commercial Bribery

You are not allowed to make a payment either directly or indirectly or as a kickback to influence someone else, nor are you allowed to accept anything of value from someone who wants to do business with the Agency. With the exception of government officials acting on a procurement, inexpensive advertising and promotional items are not considered to have "value," and an occasional business meal may be accepted or given if it has a value of under \$100.

In some business relationships outside the government, an occasional gift is appropriate.

The Agency strongly discourages any gifts to any individual, but in the event a gift is proposed to be made, approval must be secured in advance

from both the cognizant officer of the operating area involved and the General Counsel. However, you may only accept inexpensive gifts of an advertising and promotional nature. Gifts which do not fit this category must be returned. If the return of a gift is not practicable because of its nature, it may be given to a charitable institution and the giver informed of its disposition.

You may neither give nor receive any lavish or expensive entertainment, but occasional normal and customary social business amenities are permitted.

If you are asked to make or accept a payment or gift in any form prohibited by this code, report the matter to your supervisor immediately.

F. Record Keeping

To provide an accurate and audible record of all financial transactions, Agency books, records, and accounts must be maintained in conformity with generally accepted accounting principles. You are responsible for safeguarding Agency assets under your control and for maintaining an audible record of financial transactions.

Further, the Agency specifically requires that:

1. No funds or accounts may be established or maintained for purposes that are not fully and accurately described on the books and records of the Agency,
2. Receipts and disbursements must be fully and accurately described on the books and records of the Agency,
3. No false entries may be made on the books or records nor any false or misleading reports issued,
4. Payments may be made only to the granting party or a valid assignee and only for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

If you have reason to believe that the Agency's books and records are not in accord with the foregoing requirements, report the matter to the Legal Counsel.

210.3 Employee Conflict of Interest

A. General

Employees should devote their best efforts to the interest of the Agency and the conduct of its affairs. The Agency recognizes the rights of employees to engage in activities outside of their employment here which are of a private nature; however, full disclosure of such activities may be necessary to assess and prevent potential conflicts of interest.

B. Outside Activities

You may not serve as a consultant to, or as a director, officer, or part-time employee of a company that competes or deals with the Agency or that seeks to do so, unless you have obtained the prior express consent of your supervisor. Even if you receive no pay from the other company and have no direct or indirect contact with it in your job, this conflict of interest exists because you may inadvertently disclose proprietary information to the other company or benefit it through your Agency contacts and general knowledge of how the Agency operates.

You may also have a conflict of interest if your outside activities, which in and of themselves may not be conflicts of interest, are so demanding on your time that they interfere with your job performance.

C. Responsibility of Employees' Relatives

Since everyone tends to identify his or her interests with those of members of his immediate family, you should keep such family members from doing anything that would be improper for you as an employee to do. In addition, it is a good general rule not to discuss the Agency's business with anyone, including relatives, who are not the Agency's employees. Members of your immediate family should be asked not to discuss Agency business.

D. Agency Assistance

You should review your personal and job situations and eliminate any possible conflicts of interest that exist. Discuss possible conflicts of interest with your supervisor, who may in turn refer the matter to the General Counsel. If you wish, you may consult the General Counsel directly, with the understanding that the General Counsel will hold disclosures in confidence unless they involve violations of law or failure to eliminate conflicts within a reasonable time. If necessary, the General Counsel will report the disclosure to executive management or the proper authorities.

E. Employee's Duty to Report Conflicts of Interest

It is your duty to report to your supervisor or the General Counsel any known conflicts of interest within the Agency. Further, you should report to the General Counsel any instances that come to your attention where non-Agency personnel misrepresent themselves as Agency officials or employees.

210.4 Organizational Conflict by Board of Director Participation

Members of the Agency's Board of Directors who are at the same time a member of funded subgrantee's Board of Directors or one of its executives or officials must abstain from voting on transactions between the organizations.

210.5 Ethical Standards in Bidding, Negotiation and Performance of Government Awards

- A. The Agency will strictly observe the laws, rules and regulations which govern acquisition of goods and services by federal, state and local governments. We will compete fairly and ethically for such business opportunities.

- B. Employees involved in the negotiation of grants will make all reasonable efforts to assure that all statements, communications and representations to funding source representatives are accurate and current. Care should be taken by personnel in a position to know that there are no material substitutions from specifications and the products meet or exceed contractual specifications.

210.6 Organizational Conflict of Interest or Self-Dealing

The Agency may not be organized and operated for the benefit of an affiliated or unaffiliated organization or an individual in his or her own private capacity, unless the benefit is considered merely incidental. This private benefit preclusion will extend to:

- A. Sale or exchange, or leasing, of property between the agency and an affiliated or unaffiliated organization or a private individual.

- B. Lending of money or other extension of credit between an agency and an affiliated or unaffiliated organization or a private individual.

- C. Furnishing of goods, services or facilities between the agency and an affiliated or unaffiliated organization or a private individual.

- D. Payment of compensation, unless authorized by the Board of Directors, to an affiliated or unaffiliated organization or a private individual.

- E. Transfer to, use by, or for the benefit of a private individual of the income or assets of the Agency.

Thus, the agency will be guided by the principle of arms-length standards with all affiliated or unaffiliated organizations or with a private individual(s).

210.7 Board of Directors' Authorities

The Board of Directors shall have the sole authority to approve and will incorporate into its own minutes such matters as:

- A. Change of the Agency's name,

- B. adoption of the annual operating budget,

- C. selection, termination and compensation of the President and CEO,
- D. investment policies,
- E. incurring of long-term debt, mortgages or other encumbrances and their covenants and restrictions,
- F. payment or performance guarantees of third parties,
- G. adoption of capital or endowment fund-raising projects,
- H. major changes in program offerings or client services,
- I. major endowment decisions,
- J. risk management decisions involving more than \$10,000,
- K. institution, termination or settlement of any litigation in controversies exceeding \$5,000,
- L. opening up or closing checking or savings accounts, and
- M. selection of the Agency's public accountant.

210.8 Signature Authorities

- A. Expenditures for:

	Type of Expenditure or Transaction	Authority by Position
1.	Major investments (capital and construction-in-progress; sale/ Leaseback arrangements; major modifications or betterment; Intangible assets)	President
2.	Capital asset purchases	President, Sr. VP, VP of Finance
3.	Leases and rental transactions (direct and indirect)	President
4.	Consultants and representatives and executive search agreements	President
5.	Legal fees and retainers	President

B.	Business Commitments and Authorizations	
1.	Proposals/grant applications	President
2.	Contracts/grants	President
3.	Procurements (including subgrants)	President
C.	Banking and Financing	
1.	Password access to bank accounts	President, VP of Finance
2.	Authorized to negotiate and commit the Corporation to financing arrangements	President, VP of Finance
3.	Authorized to execute investments	President
D.	Personnel Matters	
1.	New hires	President
2.	Temporary employees or contract labor personnel	Director
3.	Transfers or changes in labor classification (direct to Accounting Director indirect and vice versa)	HR Director
4.	Employment agency fees and/or employment advertising	HR Director and/or Division Directors
5.	Salary action, transfer, promotion and termination	President
6.	Job descriptions	HR Director and/or Division Directors
7.	Leave of absence	Directors
8.	Education authorization and refund	President
9.	Relocation expense	President
E.	Other Costs	
1.	Time sheet approvals	Direct Supervisors
2.	Exempt overtime authorization	President, Sr. VP
3.	Compensatory time off	President, Sr. VP, Directors
4.	Travel authorization Temporary travel advance	President, VP's
5.	Expense reports	President, VP's
6.	Severance pay	President and if applicable, Board of Directors
F.	Other Matters	
1.	Disposal of capital assets	President, Sr. VP, VP of Finance,
2.	Write-off of accounts receivable	Director of Finance

210.9 Endorsement Requirements for Agency Checks

- A. Except for Payroll checks which require only one official signature to be valid, all checks issued by the Agency should be signed by two authorized officials.
- B. The practice of pre-signing checks is a specific violation of the Agency's internal control structure.

210.10 Control of Non-Contemporaneous Cost Transfers

For all transfers of costs from one grant to another, and from a direct cost to an indirect cost or vice versa, made on other than a contemporaneous basis, the Agency will:

- A. Obtain the written approval of the Director of Finance and Accounting or Director of Planning and Budgeting.
- B. Reflect the adjustment in its General Journal.

210.11 Special Internal Control Safeguards over Participant Contributions

Because of the cash nature of participant contributions, Agency should exert special safeguards over such funds. At a minimum, the Agency will employ one or all of the following precautions: (1) have two persons count all cash contributions; (2) deposit the amount intact; (3) deposits typically made on a daily basis; (4) until deposited, all cash contributions will be maintained in a secure safe; (5) counts of cash should be regularly compared with the deposit receipts received from the bank; (6) for home-delivered meals, use of pre-numbered receipts and/or mailed contributions will be used for counting cash; (7) staff should be rotated periodically, if staffing permits, etc.

210.12 Taking Security Deposits and Making Payments on Behalf of Clients

Unless the Department has an approved program for such purposes and any such security deposits and payments are explicitly covered under the agency's fidelity bond coverage, all officers, employees, volunteers and agents will be precluded from and be periodically instructed about not taking security deposits or making payments on behalf of program participants. In situations where such programs are provided for and explicitly covered under the agency's fidelity bond coverage, adequate safeguards will be set in place and periodically assessed.

210.13 Government Access to Records

The Vice President of Finance and Administration will provide access to the Agency's records to the Comptroller General or his designee and provide supporting records as requested by government auditors to facilitate the completion of audits or reviews for grants and contracts that so mandate.

210.14 Security of Financial Data

- A. The Agency's automated accounting system will have sufficient built-in general controls and application controls to preclude unauthorized access to data.
- B. Access to any computer-based financial data will be granted on a need-to-know basis and will be restricted by a series of passwords to be revised quarterly.
- C. The system's accounting data will be backed up after use daily and stored in a safe off-site location.

210.15 Security of Corporate Documents

Originals of the following important corporate documents will be maintained at the indicated location and its presence verified on a periodic basis:

Document	Location	Frequency of Inventory
• Corporate Charter/Article of Incorporation	Administrative Office	Annual
• Minutes of the Board of Director	Administrative Office	Annual
• Banking Agreements	Finance and Accounting	Annual
• Financing Documents	Finance and Accounting	Annual
• Leases	Administrative Office	Annual
• Insurance Policies	Administrative Office	Annual
• Contracts and Subcontracts	Finance and Accounting	Annual
• Securities	Chase Securities of Texas	Annual

210.16 Use of Agency Assets

- A. Except as provided in personnel Policy Statement Number 910, 912, and 914 regarding the use of Agency equipment and vehicles, no employee may use any Agency property, equipment, material or supplies for personal use without the prior approval of the Director of Administrative Services.
- B. Any such uses of Agency assets for personal purposes may be reportable to the Internal Revenue Service for tax purposes.

210.17 Use of Company Credit Cards

- A. Credit cards assigned to executives who travel will only be used for company-related expenditures. The outstanding balance of credit purchases will not exceed \$5,000 and this amount must be liquidated within 30 days.

- B. Monthly credit card statements will be received by the Accounting Department unit as well as by the credit card holders.
- C. Upon receipt of the credit card statements, credit card holders will fill out either the Record of Business Luncheons, Meetings and Entertainment form and/or the Travel Expense Report to provide more specific details on the expense charged. These 2 forms must be approved by the card holder immediate supervisor before being forwarded to Accounting.

220 OVERALL ACCOUNTING SYSTEM DESIGN

220.1 Control Objective

To establish a coding structure that supports financial reporting and decision making.

220.2 Major Controls

- A. **Responsible Program Director/Managers Involved in Designing the Chart of Accounts/Coding Structure**
To support decision-making, program directors/managers, along with Accounting Department staff, will be involved at the outset in setting the chart of accounts/coding structure.
- B. **Financial Information Summaries Support Cost Center Responsibility Assignments**
Cost and other data will be designed to support cost center responsibility assignments at the functional, business location, program and final cost objectives level, as necessary.
- C. **Establishment of Control Accounts**
In order to perform reconciliation's, subsidiary account detail will be aggregated to General Ledger control accounts.
- D. **Use of Contra Accounts**
The coding structure will provide for offsetting contra accounts, like a reserve for accumulated depreciation, to adjust historical cost to current levels for financial reporting purposes.
- E. **Segregation of Unallowable Costs**
Accounts will be established to capture and segregate unallowable direct and indirect costs.

230 GENERAL LEDGER ACTIVITIES

230.1 Control Objective

To ensure that all General Ledger entries are current, accurate and complete.

230.2 Major Controls

A. Timeliness of Entries

All entries will be made soon after the underlying accounting event to ensure the financial records and reporting are current.

B. Authorization of Transactions and Entries

Each transaction and entry will be authorized in writing by the employee designated in the current signature authorities policy.

C. Adequate Support Documentation

All entries will be supported by adequate documentation that clearly shows the justification and authorization for the transaction.

D. Complete Audit Trails

A complete audit trail will be maintained by the use of reference codes from source documentation to the books of original entry, General Ledger and finally to periodic reporting.

230.3 Procedures

A. Financial data on source documentation will be recorded on original documents (e.g., voucher, check request, etc.) of the Agency by an Accounting Clerk before entering into the accounting system.

B. Each entry in the accounting system will be reviewed and approved by the Accounting Manager.

C. When initializing an entry, provision will be made for using recurring General Journal entries for such transactions as recording depreciation, amortization and accruals of interest revenue on outstanding investments.

D. Non-recurring entries, such as for correcting entries, recording accruals and recording non-cash transactions, will be prepared as circumstances warrant and on a monthly basis.

E. All entries in the books of original entry (e.g., General Journal, Purchases Journal, Payroll Register, Cash Receipts Journal and Cash Disbursements Journal) will be made soon after the accounting event from authorized forms prepared by qualified accounting personnel.

F. On an automated basis, totals in the books of original entry will be posted to the General Ledger monthly.

G. General ledger control accounts will be periodically retotalled based upon any updating posting.

- H. All General Journal entries will be supported by General Journal vouchers that have supporting documentation attached and be approved by an Accounting Manager or the Director of Finance and Accounting.

240 GENERAL LEDGER CLOSE-OUT

240.1 Control Objective

To ensure the accuracy of financial records and reports.

240.2 Major Controls

A. Trial Balance

Monthly, a trial balance will be prepared to ensure the accuracy of the General ledger account balances.

B. Reconciliation's of General ledger Control Accounts with Subsidiary Ledgers

Reconciliation will be prepared on a periodic basis.

240.3 Procedures

- A. Soon after the end of each month, a trial balance of all General Ledger accounts will be prepared by the Accounting Manager.

- B. Reconciliation between the General Ledger control accounts and the subsidiary ledgers will be completed by the Accounting Manager, staff Accountants and/or Accounting Clerks.

- C. Soon after the fiscal year end, all temporary income and expense accounts will be closed and the fiscal year's financial reports will be prepared by the Director of Finance and Accounting.

250 MIS CONTROLS

In this section, the MIS controls are described under program development, maintenance and documentation controls, system operations controls and computer security.

251 PROGRAM DEVELOPMENT, MAINTENANCE AND DOCUMENTATION CONTROLS

251.1 Control Objective

To ensure that appropriate priorities are set for program development and modifications and that computer programs and enhancements developed meet user and executive needs.

252.1 Major Controls

- A. **A Comprehensive Annual Plan Developed to Establish Priorities for Program Development and Modification**

To more effectively manage the Agency's MIS resources, a comprehensive annual plan will be prepared and approved by top management.

B. Develop vs. Procure Criteria Established to Ensure Consideration of Vendor Software

To minimize the cost of program development, vendor-developed software will be considered before customized programs are developed by in-house programming staff or consultants.

C. Perform Assessments to Assure User Input and Satisfaction

To assure user input, periodic assessments will be built in to review system description, program specifications, program run-in, testing and documentation.

D. Documentation Developed in Tandem with Program

Instead of waiting until after programs are developed, documentation will be prepared along with programs.

E. Management Plan for Program Development and Modification

Like any other activity, a management plan will be prepared and approved for each program development and modification.

251.3 Procedures

A. The Agency will subscribe to a catalog of vendor-supplied computer software packages for reference.

B. For new programs and program modifications, a program management plan containing tasks, responsibilities and timetables will be prepared by the MIS Manager with the approval of the Director of MIS and the user's Director.

C. A system or system modification design will be prepared by the Programmer and approved by the Director of MIS and the user's Director.

D. New programs and program modifications will be integrated in terms of data flow with the Agency's existing programs and files.

E. All proposed new programs and modifications will be tested and run in parallel operation with the existing program.

F. During system conversion, data transaction will be transferred completely and accurately.

251.4 Documentation

- A. The system will be fully designed by the Programmer and approved by the Director of MIS and the user's Director.
- B. Program documentation will be prepared by the Programmer and approved by the Director of MIS.
- C. A program operating manual will be prepared by the Programmer and approved by the Director of MIS.
- D. A user document will be prepared by the Programmer and approved by the Director of MIS and the user's Director.

252 SYSTEM OPERATIONS CONTROLS

252.1 Control Objective

To ensure the computer facility and equipment are efficiently operated and adequate back-up and recovery are assured.

252.2 Major Controls

- A. **Back-Up Performed Daily**
To prevent loss of data files and programs, a back-up will be performed daily
- B. **Contingency Plan for Back-Up Computer Facilities and Equipment**
The continuity of applications processing will be provided for with a realistic contingency plan that is periodically tested in the event of an unexpected interruption.

252.3 Procedures

System Back-Up

- A. Full nightly backups (which includes all data files and program files) are performed for each of NCI's file servers after ensuring all files on the server are closed.
- B. A modified version of the grandfather/father/son method of tape rotation is also incorporated whereas a Friday night tape is pulled from the tape rotation for a period of six weeks.
- C. The prior night's backup is stored off-site.
- D. Restoring from tape is periodically performed ensuring the integrity of the backup.

- E. After a process failure, all data files and programs will be recovered and checked to ensure that there were no unintended modifications.
- F. A contingency plan will be prepared by the MIS Director and periodically updated to ensure continuity of operations in the event of unexpected interruptions in computer operations.

253 COMPUTER SECURITY

253.1 Control Objective

To prevent access to data stored on the computer to an unauthorized user.

253.2 Major Controls

- A. Use of Passwords**
A system of user ID's and passwords with frequent revisions will be employed.
- B. Access to Sensitive Files/Modules Restricted**
The operating system will restrict access only to authorized files/modules.
- C. Physical Access to Computer Facilities, Terminals, Modems and Communications Lines Limited**
The system will be maintained in a secure room with restricted access.
- D. Dial-Up Access Restricted**
Dial-up access will be limited to those with authorized passwords.
- E. Internal Controls**
Administration of security controls performed by employees with responsibilities independent of the programming unit.

253.3 Procedures

- A. User Ids and Passwords**
 1. With quarterly revisions, passwords will be assigned to employees needing to access the system.
 2. For new or transferred employees, an access request form will be completed by the employee's Supervisor and reviewed and approved by the MIS Department.
 3. Access privileges for terminated or transferred employees will be immediately cancelled by the responsible Supervisor.
- B. Physical Access**
 1. During working hours, access to computer facilities, terminals, modems and communications lines will be controlled with the use of passwords.

2. On evenings, weekends and holidays, access can only be gained by the use of keys for access to computer equipment.

300 FINANCIAL MANAGEMENT POLICIES

310 POLICIES

310.1 Basis of Accounting

Neighborhood Centers Inc. will report program expenses and program income on the accrual basis in accordance with generally accepted accounting standards. Accordingly, expenditures are recorded when a liability is incurred and revenue is recorded when earned.

310.2 Incurred Costs

Outlays or expenditures represent charges made to the project or program. They may be reported on a cash or accrual basis. For monthly reports prepared on a cash basis, outlays are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expense charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subgrantees. For annual reports prepared on an accrual basis, outlays are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses incurred, the value of in-kind contribution applied, and the net increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, grantees, subgrantees and other payees and other amounts becoming owed under programs for which no current services or performance are required such as annuities, insurance claims and other benefit payments.

310.3 Elements of Financial Management System

- A. The Agency will maintain records and make reports in such form and containing such information as may be required to facilitate accurate financial reporting of its operations. The Agency will maintain such accounts and documents as will serve to permit expeditious determination of the status of funds and the levels of services, including the disposition of all monies received from its funding sources and the nature and amount of all charges claimed against such funds.
- B. Title 45 Code of Federal Regulations Subpart 74.61(b) and the administrative rules of other Federal agencies require that grantees or subgrantees have records that identify adequately the source and application of funds for grant or subgrant-supported activities. At a minimum, these records will contain information pertaining to grant or subgrant awards, assets, outlays, income, and liabilities.

- C. For the purpose of determining the adequacy of a subrecipient's financial management system, the Agency will review the following documentation at a minimum:
 - 1. General Journal
 - 2. General Ledger
 - 3. Separate or combined Cash Receipts and Disbursements Journal or Voucher Register
 - 4. Payroll Register
 - 5. Fixed Assets Register for all owned and leased property and equipment
 - 6. In-Kind Journal/Worksheets
 - 7. Project Cost Control Subsidiary Ledger/Worksheets
 - 8. Bank statements reconciled

- D. To maintain compliance with FASB 116, the Agency will maintain its present fund accounting system and convert to the required class structure (e.g., unrestricted, temporarily restricted and permanently restricted) by using worksheets prior to preparing external financial reports.

310.4 Cash Management

- A. Only cash necessary to meet anticipated day-to-day outlays plus a reasonable cushion of \$100,000 for contingencies will be kept available.

- B. Any excess cash will be invested in accordance with the Agency's Statement of Investment Policy.

- C. A schedule of aged accounts receivables will be prepared monthly and reviewed for collection with the Director of Finance and Accounting and the applicable Director/Manager. Appropriate collection procedures will be initiated.

- D. The Agency will maintain a financial forecasting system to adequately forecast its fund flows and needs.

- E. According to Treasury Circular 1075, the time elapsed between the transfer of funds from the U.S. Treasury and disbursement by the Agency should be minimized and should be limited to the actual, immediate cash requirements of the Agency.

310.5 Cash Concentration and Investment Policy

- A. The Agency will accumulate all cash collected from outlying banks in a concentration account.

- B. On a nightly basis, excess funds will be swept into an overnight investment account.

310.6 Cash Forecasting

- A. Director of Planning and Budgeting will be responsible for preparing and maintaining a cash forecast. The cash forecast will be approved by the Vice President of Finance and Administration
- B. The cash forecast will be updated as needed.

310.7 Accounts Receivable Aging Criteria

Accounts receivable outstanding will be aged on a thirty/sixty/ninety/over-ninety day basis.

310.8 Coordination of Funding Requirements with Financing Efforts

On a monthly basis, operating department funding requirements will be updated and coordinated by the Director of Planning and Budgeting in determining the Agency's financing needs and efforts.

310.9 Budgets

- A. The Agency will have prepared, have approved by the Board of Directors an annual operating budget of revenues and expenses, cash budget, capital budget and a pro forma statement of financial position.
- B. The agency will maintain an annual budget of its indirect costs and its basis of allocation.

310.10 Insurance and Bonding

- A. The Agency will maintain the following minimum levels of coverage:
 - 1. Comprehensive General Liability
 - General Aggregate --- \$2,000,000
 - Personal Injury --- \$1,000,000
 - Fire Damage (any one fire) --- \$50,000
 - Medical Expense (any one person) --- \$5,000
 - 2. Automobile insurance --- \$1,000,000
 - 3. Fire and water damage Coverage for all items with acquisition cost of greater than \$5,000
 - 4. Directors' and officers' Liability --- \$10,000,000
 - 5. Theft Coverage for all items with acquisition cost of greater than \$5,000
 - 6. Workers' compensation --- \$500,000
 - 7. Business interruption --- if applicable \$50,000 to \$500,000
- B. For personnel handling cash or preparing or signing checks, Neighborhood Centers Inc. will obtain minimum insurance coverages of \$1,000,000 in blanket fidelity bond coverage.

- C. These insurance coverage will be increased where grant provisions require an increased level of coverage.
- D. The Agency will require proof of adequate insurance coverage from all prospective subgrantees.

310.11 Record Retention and Disposal

- A. In accordance with the "Guide to Record Retention Requirements," National Archives and Records Administration, U.S. Department of Commerce, for the Internal Revenue Service, the following records will be retained for the indicated minimum periods:
 - 1. For seven years after the close of the year or until the tax audit of the return for the year is completed, whichever is longer: accounts payable and accounts receivable ledger, payroll register, inventory ledger, bad debt write-off supporting details, cash book, petty cash book, check register and checks, invoices (funding sources and vendors), and insurance safety reports.
 - 2. Permanently: Audit reports, chart of accounts, financial statements, general ledger, fixed asset records, journal vouchers, profit and loss statements, tax returns, annual corporate reports, charters and by-laws and minutes, grants and agreements, tax and legal correspondence, incorporation records, labor grants, insurance claims and policies, accident reports and retirement and pension records.
- B. All financial and programmatic records, supporting documents, statistical records and other required or pertinent records of the Agency related to awards of federal financial assistance will be retained for three years (or longer if specified by the contract) from the day the Agency submits its final expenditure report for the grant. For grants involving continued support or renewed annually, the retention period starts on the day Neighborhood Centers Inc. submits its expenditure report for that period.
- C. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- D. The disposal date determined under this policy will be the end of the fiscal year in which occurs the anniversary date of the required number of years from the act specified or, where not specified, from completion of a grant, date of final payment of a grant or year in which an entry is made charging or allocating a cost to a government grant, as the case may be.

- E. All records not supporting government grants or otherwise covered by rules of the Internal Revenue Service will be retained for three years from the end of the fiscal year in which the records were originally prepared.
- F. All financial records will be maintained in chronological order, organized by fiscal year.
- G. In connection with the disposal of any records, a memorandum of record disposal will be prepared by the designated Records Disposal Officer listing the record or the class of records disposed of. This memorandum of records disposal will be certified by the Records Disposal Officer.

310.12 Monitoring Subrecipients and Grantees

The Agency's program and fiscal personnel will develop criteria to categorize subrecipients and grantees for monitoring as follows:

Category 1 -- Experience has shown that subrecipients and grantees may be relied upon to submit well prepared and documented grant applications, have highly qualified program and fiscal personnel and systems and can be relied upon to comply with the principal requirements. For organizations in this category, the Agency will arrange an annual fiscal assessment, rely upon the subrecipient's annual audit and respond to reports for technical and other assistance.

Category 2 -- Experience indicates that subrecipients and grantees in this category have fairly reliable procedures and controls. The Agency will rely upon a quarterly visit/-contact and the annual audit.

Category 3 -- Other subrecipients who are known to be careless or less proficient in grant application preparation, grant cost accounting, reporting and grant/contract compliance. These subrecipients or grantees will be regularly monitored and follow-up actions taken, if required.

310.13 Financial Reporting

Supporting records should be maintained in sufficient detail to prepare the Agency's financial reports, including:

- A. Annually:
 - 1. Financial statements for audit: Statement of Financial Position, Statement of Changes in Net Assets, Statement of Cash Flows and Statement of Functional Expenses
 - 2. Annual budget(s)
 - 3. Indirect cost proposal to the Agency's cognizant agency
- B. Monthly:
 - 1. Trial balance
 - 2. Billings to the Agency's funding sources
 - 3. Cost summaries and analyses, by grant and group of grants

- C. Quarterly
 - 1. Financial status report
 - 2. Record of cash transactions
 - 3. Quarterly progress report

- D. Periodically:
 - 1. Annual IRS Form 990, Return for Organizations Exempt from Income Taxes
 - 2. IRS Form 941 and payroll tax returns and comparable state taxing authority returns
 - 3. Other reports upon request.

310.14 Financial Statement Format

The Agency will observe the following financial statement format:

- A. The Single Column, "Corporate"/FASB Net Asset Class method of presenting the Statement of Financial Position will be observed.

- B. The indirect method will be used to prepare the Statement of Cash Flows.

- C. Comparative financial data will be presented for prior year(s).

- D. For the Statement of Activities, costs will be summarized by functional categories. A separate Statement of Functional expense will be used to reflect the natural categories.

310.15 Audit

- A. The Agency will have conducted annually a full-scope audit by a qualified independent public accountant.

- B. Such audit will be performed in accordance with the Single Audit Act of 1984, PL 98-502, and OMB Circular A-133. Moreover, independent public accountants conducting such audits will abide by the American Institute of Certified Public Accountant's (AICPA) Audit and Accounting Guide, Audits of State and Local Government Units/Certain Nonprofit organization and the Government Auditing Standards (yellow book) 1994 Revision published by the Comptroller General of the United States.

310.16 Scope of Audit Report

- A. The audit will be made by an independent auditor in accordance with generally accepted government auditing standards covering financial and compliance audits.

- B. The audit will cover the entire operations of an agency. The auditor will determine whether:

1. The financial statements and the accompanying schedules of the agency present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles.
2. The Agency has an internal control structure to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations.
3. The Agency has complied with laws and regulations that may have a material effect on its financial statements and on each major Federal assistance program.

310.17 Procuring Audit Services

- A. In arranging for audit services, the Agency will follow the procurement standards for retaining professional services. Small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals will have the maximum practical opportunity to participate in audit contracts awarded under this section.
- B. In soliciting and retaining auditors to conduct the annual audit, the Agency will make specific reference in its request for proposal and any resulting contract that the auditor would be required to conform its audit to the contract requirements in Circular A-133. Such requirements relate to the scope of the audit, standardized audit report, reportable events, monitoring by the granting agency and quality assurance review, access to audit work papers, plan for corrective action and resolution of audit findings.
- C. The audit solicitation and any resulting contract for audit services will make specific reference that "if it is determined that the contractor's audit work was unacceptable as determined by the granting agency or a Federal supervisory agency, either before or after a reasonable time after a draft or final report was issued because it did not meet the granting agency's standards, the AICPA Standards or those promulgated by the Comptroller General of the United States, the contractor may, at the written request of the Agency, be required to reaudit at its own expense and resubmit a revised audit report which is acceptable."
- D. The Agency will award multi-year audit contracts of not longer than a five-year duration. At the end of such a multi-year period, the Agency will observe competitive procedures in reproccuring audit services.

310.18 Due Date for Audit Report Submissions

The audit report will be submitted to the granting agency no later than thirty days after the independent accounting firm submits the report to the Agency. If for reasons within the control of the agency, this report cannot be submitted by this time, funding of the agency may be suspended by the granting agency. The Agency should make a written

request for an extension of time for justifiable reasons to the granting agency before expiration of the thirty day period. Such request will be submitted with sufficient time for granting agency review and approval.

310.19 Audit of Subrecipients

- A. Agencies will ensure that all grantees and cost-reimbursement contractors receiving awards of \$300,000 or more annually will be audited. This audit will either be conducted by a subrecipient-selected auditor or by the agency's independent public accountant. All audit reports of the agency's subgrantees will be made available to the agency's independent public accountant.

- B. For grantees and cost-reimbursement contractors receiving less than \$300,000 a year from the agency, the agency may employ substitute means to satisfy itself that its subrecipient spent its funds in accordance with applicable laws and regulations. These substitute means could include, but not be limited to, audit by the agency's accountant, program reviews, fiscal assessments, accounts examination, etc. The results of the agency's substitute means will be documented and made available for review by representatives of the granting agency for a period of three years after completion.

310.20 Definition of Major Program Under OMB Circular A-133

- A. The independent public accountant will determine and report on whether the Agency has complied with laws and regulations that may have a material effect on each major financial assistance program.

- B. Even for those programs identified as non-major financial assistance programs, government-sponsored agencies may still require the Agency's independent public accountants to determine that such programs have complied with the laws and regulations having a material effect on each such program.

310.21 Oversight of Subrecipient Audits

- A. The agency should make available to its independent public accountant copies of all subgrantees' audits for an expression of an opinion on the overall agency's financial operations, including funding made available to its service providers.

- B. The agency or its auditor will review all subgrantee audits using the following guidance:
 - 1. In general, a determination should be made during the desk review of audited financial statements as to whether:

- a. The audit reports include financial statements and a schedule of Federal assistance, including footnotes of the recipient organizations.
- b. The financial statements cover the entire operations of the agency, including all Federal funds known to have been received by the auditee.
- c. The audit report:
 - (1) Identifies the statements examined and the period covered.
 - (2) Identifies the various programs under which the Agency received Federal funds, and the total amount of the expenditures for each Federal program.
 - (3) States that the examination was made in accordance with the generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128 or A-133.
 - (4) Expresses an opinion as to whether the financial statements are fairly presented in accordance with generally accepted accounting principles and state the nature of any qualifications, if an unqualified opinion cannot be expressed.

2. Report on Compliance

The auditor's report on compliance should contain a statement of positive assurance with respect to those items tested for compliance, including compliance with laws and regulations pertaining to financial reports and claims for advances and reimbursements:

- a. Negative assurance on those items not tested.
- b. A summary of all instances of noncompliance.
- c. An identification of total amounts questioned, if any, for each Federal assistance award, as a result of noncompliance.

3. Report on Internal Control

The desk review should determine that the auditor's report on the study and evaluation of internal control structure identifies (1) the organization's significant internal accounting controls, and those controls designed to provide reasonable assurance that Federal programs are being managed in compliance with laws and regulations, and (2) the controls that were evaluated, the controls that were not evaluated, and the material weaknesses identified as a result of the auditor's evaluation.

4. **Comments on Other Matters**
The desk review should determine whether the recipient has provided comments on the independent auditor's findings and recommendations and its corrective action plan to address the recommendations.
5. **Adequacy of Information Provided**
The review should also determine whether the information provided by the auditor on findings identified in the report is sufficient to facilitate resolution by program officials. If the findings contain insufficient information to enable resolution by program officials, the granting agency or the agency should contact the recipient or subrecipient and arrange for corrective action.

310.22 Audit Quality Assurance Reviews

Qualified agency personnel should:

- A. Review the complete audit report and note any deviations in the report format from that prescribed in the audit grant scope of work.
- B. Prove the clerical accuracy of all footings, extensions, etc., of all statistical data in the report.
- C. Verify that all exhibits, schedules and supporting statements in the report are in agreement and reconcilable, where appropriate.
- D. Review and evaluate the propriety of all questioned costs presented in the report and/or other management and internal control weaknesses.

310.23 Audits of Commercial Organizations

- A. In general, the audit requirements in the various OMB circulars do not apply to commercial organizations.
- B. If the Agency intends to apply these rules on audits to a commercial organization receiving a cost-reimbursement contract, it must specify the audit requirement in the original solicitation, the contractor's budget and resulting contract, or the Agency must arrange to have the records of the contractor audited by an agency-retained auditor.
- C. The Agency should normally will perform price or cost analysis of a commercial organization's fixed-price or fixed-unit-rate bid or proposal. As such, post-award audits would not normally be conducted of a commercial Agency receiving a fixed-price or fixed-unit-rate grant provided the organization performed the contract according to its terms and conditions. However, the Agency may use other means, such as first-

article testing, inspection, and/or program reviews, to determine if the funds are being spent properly by commercial organizations.

310.24 Audit Resolution

- A. The Agency will systematically assure the timely and appropriate resolution of audit findings and recommendations.

- B. The Agency will ensure that appropriate corrective action, including settlement and payment of any unacceptable costs, is taken within six months after receipt of an acceptable audit report for a subgrantee in instances of noncompliance with Federal or state laws and regulations.

310.25 Final Audit Adjustments

Subgrantees will submit their unaudited adjusted year-end report 30 days after the end of the grant period, unless a shorter period is required to comply with the Agency's grant with its grantor.

NOTE: Because the exact accruals and adjustments the auditor may make will not be known until after the auditor submits its audit report, the final financial report frequently differs from the audited financial figures. The carry-over balance estimated by the subgrantee will frequently be different from that available after the auditor reports the costs incurred.

310.26 Audit Committee

The Finance and Administration Committee of the Agency Board of Directors or a subcommittee thereof shall serve as the audit committee. This committee will nominate the independent auditor and review the scope of the results of the audit. The audit committee shall also receive notice of any consequential irregularities that the auditors become aware of during the engagement.

310.27 Internal Audit Capacity

- A. The Agency will establish and maintain a monitoring unit to assist in compliance with its various contracts and grants, the control of operations and safeguarding its assets. This unit will periodically assess the effectiveness of the Agency's internal controls and review the effectiveness and efficiency of operations and Agency structures.

- B. The monitoring unit will conduct independent reviews and evaluations of management operations and activities to appraise:
 - 1. Controls in place to safeguard assets.
 - 2. The accuracy, completeness and timeliness of financial and programmatic information.
 - 3. Compliance with policies, laws, regulations and contract/grant provisions.
 - 4. Economy and efficiency in the use of resources.

5. Effectiveness in accomplishing the Agency's mission, goals and objectives.
- C. In performing their functions, the Manager of Contract Administration and his/her staff will have neither direct authority over, nor responsibility for, any of the activities reviewed. Monitors will not develop and install procedures, prepare records, make management decisions, or engage in any other activity which could be reasonably construed to compromise their independence. However, in connection with the objectives of this function, the Monitor will recommend policies and procedures for approval and implementation by appropriate management.
 - D. Monitoring activities will be coordinated, to the extent practicable, with the Agency's public accountants so as to enhance audit efficiency.

310.28 Monitoring Access and Confidentiality

- A. To accomplish the ends to which monitoring is directed, it must have full, free and unrestricted access to all corporate functions, activities, operations, records, data files, computer programs, property and personnel.
- B. It is expected that the Manager of Contract Administration and his/her staff will exercise discretion in the review of records to ensure the confidentiality of all matters that come to their attention.

310.29 Monitoring Planning

- A. The Manager of Contract Administration will establish a plan of review. To that end, he/she will prepare a three-year monitoring plan which establishes the coverage of reviews to all programs operated/administered by the Agency. The three-year plan will be broken down in detailed increments of six-month periods.
- B. The monitoring review plan will be coordinated with the external auditors.
- C. All reports of the monitoring units will be made available to the external auditors for their review and use.

310.30 Chart of Accounts

The principal account groupings in the chart of accounts of the Agency are as follows:

Assets:

1010-1030	Cash
1040-1080	Investments
1090	Petty Cash and Imprest Funds
1100-1199	Account Receivables and Pledges Receivables
1200-1299	Inter-Fund Due To/Due From Accounts

1300-1399	Inventory
1400-1499	Prepaid Expenses
1500-1599	Fixed Assets accounts
1600-1699	Accumulated Depreciation
Liabilities:	
2000-2099	Account Payables
2200-2399	Payroll Deduction Payables
2400-2499	Benefits Payables
2500-2599	Other Liabilities
Net Assets:	
3500-3599	Net Asset Accounts
3900-3999	Asset Transfer Accounts
Revenues:	
4000	Contributions
4100	Fundation Grants
4200	pecial Events
4700	United Way Allocations
5000	overnment Grants/Contracts
5100	Membership
5200	Day Care Fees
5300	Program Fees
5700	Rental Income
5710	Interest Income
5900	Miscellaneous Income
5910	Gain and Loss on Sale of Assets
Expenses:	
6000-7799	General Operating Expenses
7800-7999	Inter-Agency Charges
8900	Depreciation

320 ANNUAL COMPREHENSIVE BUDGET PLAN: MANAGEMENT REPORTING PROCEDURES

In this section, procedures are covered for supporting the annual comprehensive business plan, financial reporting and tax compliance.

320.1 Control Objective

To effectively support the preparation of the annual comprehensive business plan and its periodic review.

320.2 Major Controls

A. Budget Process Supported by Top Management

Top managers will be involved in the negotiation of the annual comprehensive business plan with line managers.

- B. Before Acceptance, Budgets Approved by Supervisory Managers**
All proposed plans and budgets will be reviewed and approved by each successive level of supervisory management.
- C. Accomplishment of Budgeted Goals Linked to Manager Incentive Compensation**
Each manager's performance appraisal should be linked to meeting or exceeding budgeted financial and program outcome goals.
- D. Internal Accounting Controls Reviewed**
Accuracy and completeness of plans and budgets reviewed by Director of Budget and Planning.

320.3 Procedures

- A. In preparation of the annual budget, the Director of Budget and Planning will prepare a memorandum of guidance for budget preparers containing basic assumptions for the forthcoming fiscal period.
- B. The budget memorandum and budget forms will be distributed 60 days before submission of each Director's budget.
- C. To support budget estimating, the Budgeting and Planning Department will prepare current year-to-date financial data with projections of year-end totals. Any cost analyses will also be disseminated by the Budgeting and Planning Department.
- D. The budget forms submitted will be reviewed for completeness and reasonableness by the Budget Manager.
- E. Budget negotiations will begin between the Director of Budgeting and Planning and each responsible manager, leading to acceptance or adjustment of budget estimates.
- F. Based upon budgets accepted, the Director of Budget and Planning will prepare the annual comprehensive budget plan, including:
- Revenue forecast
 - Production schedule
 - Personnel forecast
 - Capital improvement budget
 - Statement of earnings showing operating results
 - Balance sheet
 - Indirect cost rate forecast

- G. Once adopted, the approved budget totals will be entered in the General Ledger by the Budgeting Coordinator for the new fiscal year, in order to track actual costs against budgeted levels.

330 FINANCIAL REPORTING

330.1 Control Objective

To ensure the accuracy, completeness and timeliness of financial reporting to support decision-making.

330.2 Major Controls

- A. **Use of a "Tickler" System**
Periodic managerial reports will be prepared based on a schedule contained in the "tickler" system.
- B. **Review and Approval of Financial Reports**
Before release, all financial reports will be reviewed for accuracy and completeness and approved by the Director of Finance and Accounting and/or Vice President of Finance and Administration.
- C. **Periodic Trial Balance and Close-Outs**
To facilitate statement preparation and ensure the accuracy of its financial reporting, the Agency will periodically prepare a trial balance and close out its books of account.
- D. **Financial Statements Audited by a Qualified Public Accounting Firm**
The annual financial statements of the Agency will be audited by a qualified public accounting firm.

330.3 Procedures

- A. The Accounting Department will prepare and abide by a "ticker" system of required financial reports: annual budget, monthly statement of revenue and expenses, monthly statement of cash flow, monthly balance sheet, monthly contract cost summary, etc.
- B. The Accounting Department will prepare monthly financial statements.
- C. All financial reports will be reviewed and approved by the Director of Finance and Accounting and Administration before release.
- D. Analyses of key financial information will be completed by the Director of Budgeting and Planning to assess the accuracy of financial reporting.
- E. The Agency will submit to a full scope audit of its financial statements by a qualified public accountant firm.

340 TAX COMPLIANCE

340.1 Control Objective

To accurately prepare and file required tax documents on timely basis.

340.2 Major Controls

A. Use of "Tickler" System

All tax returns will be prepared and filed in accordance with a "tickler" system.

B. Approval of Tax Returns

All tax returns will be reviewed and approved by the Director of Finance and Accounting and/or the Vice President of Finance and Administration.

340.3 Procedures

- A. The Director of Finance and Accounting will periodically compare the data requirements of all new tax return forms with the Agency's reporting and seek revisions, as appropriate, to its coding structure/chart of accounts in order to report all required tax data.
- B. Neighborhood Centers Inc. will maintain a "tickler" system to remind accounting staff of required filing due dates for:
 - 1. IRS Form W-2 – Wage and Tax Statement
 - 2. IRS Form W-3 – Transmittal of Income and Tax Statements
 - 3. IRS Form 941 – Employer's Quarterly Federal Tax Return for Federal Income Tax Withheld from Wages and FICA Taxes
 - 4. IRS Form 990 – Information Return of Organization Exempt or Claiming Exemption for Income Tax
 - 5. IRS Form 990-T – Return for Reporting Unrelated Business Income of Exempt Organizations
 - 6. IRS Form 1099 MISC (also 1099-DIV, 1099-INT, 1099-OID) – U.S. Annual Information Return for Recipients of Miscellaneous Income
 - 7. IRS Form 5500 – Annual Return/Report of Employee Benefit Plan
 - 8. IRS Form 8109 – Federal Tax Deposit Coupon
 - 9. Quarterly and annual state(s) unemployment tax return(s)
- C. The Agency's Director of Finance and Accounting will have responsibility for the preparation of the various tax returns.
- D. Before submission, all tax returns and the supporting schedules prepared in house will be reviewed and approved by the Vice President of Finance and Administration for accuracy and completeness.

- E. The Accounting Clerk will prepare a General Journal entry for taxes. All General Journal entries for taxes will be reviewed and approved by the General Accounting Manager.

400 POLICIES RELATED TO ASSETS, LIABILITIES AND NET ASSETS

410 ASSETS

410.1 Bank Accounts

- A. Bank accounts for the indicated purpose(s) and limitation(s) have been authorized by the Board of Directors of the Agency at the indicated Federal Deposit Insurance Corporation (FDIC)-insured banks:
 - Chase Bank – General Account
 - Frost Bank – Child Care Management Services
- B. To the maximum extent practical, Agency funds will be maintained in interest-bearing accounts.
- C. In addition to maintaining its accounts in FDIC-insured banks, the Agency has taken the following additional precautions to ensure the security of its funds: (1) maintaining collateral agreements on accounts when specifically required by the contracting agency and (2) periodically obtaining and reviewing the credit rating of each financial institution it does significant business with.
- D. Consistent with the Agency's goal of expanding opportunities for minority business enterprises, banks which are minority- or women-owned, to the extent they are available locally, will be considered in the selection of the Agency's banking establishment(s).

410.2 Petty Cash Payments

- A. Small amounts of petty cash are issued to responsible employees at various locations so that necessary but relatively small expenses that arise can be handled expeditiously.
- B. New petty cash funds must be approved by the Director of Finance and Accounting or a person designated by the Director of Finance and Accounting. Employees assigned to maintain such funds must sign a receipt form acknowledging the receipt of and responsibility for the petty cash fund. Disbursements of petty cash should be supported by receipts or other appropriate documentation. Petty cash funds should only be used to pay valid expenses of the Agency and not items such as cashing personal checks.
- C. The Accounting Department will conduct surprise counts of petty cash funds at least once annually.
- D. The petty cash imprest account will be balanced on a when replenished basis.

410.3 Accounts Receivable

Consistent with the terms and conditions of grants and contracts, the Agency will progress bill for costs incurred.

410.4 Contributions and Pledges

- A. Contributions received, including unconditional pledges, are to be recognized as revenues in the period received. Conditional pledges will be recognized as revenue when the condition has been substantially met. Contributions in a form other than cash are to be measured at the fair market value of the items received.

- B. All contributions received should be classified as permanently restricted net assets, temporarily restricted net assets or unrestricted net assets.

410.5 Unbilled Receivables

Unbilled amounts represent revenue for which billings have not been presented to funding sources. These amounts are usually billed and collected within one year.

410.6 Allowance for Doubtful Accounts

Because of the nature of the Agency's receivables, the direct write-off method will be used to recognize uncollectible accounts receivable.

410.7 Leases

Leases which meet the accounting criteria for capital leases in accordance with Statement of Financial Accounting Standard No. 13 should be recorded as property, plant and equipment, and the related capital lease obligations (the aggregate present value of minimum future lease payments, excluding executory costs such as taxes, maintenance and insurance) are included in long-term debt for financial reporting purposes. Depreciation and interest should be charged to expense, and rent payments are treated as payments of long-term debt, accrued interest and executory costs. All other leases should be accounted for as operating leases, and rent payments charged to expense as incurred.

410.8 Separate Fixed Asset Fund

Only those fixed assets will be separately classified as permanently restricted if a donor has explicitly restricted the proceeds from any future disposition of the assets to reinvestment in fixed assets.

410.9 Capitalization of Equipment

- A. All tangible personal property with a useful life of more than one year and a unit acquisition cost of \$1,000 will be capitalized and depreciated over its useful life using the straight-line method of depreciation. The Agency will expense the full acquisition cost of tangible personal property below these thresholds in the year of purchase.

- B. The basis of accounting for depreciable fixed assets is acquisition cost, and all normal expenditures, including installation costs, architect-engineer fees, etc., of readying an asset for use should be capitalized.

410.10 Impairment of Long-Lived Assets

A recognized impairment of a long-lived asset should be reflected when circumstances warrant. For disclosure purposes, any recognized impairment loss should be accompanied by a description of the impairment asset or group of assets and the measurement assumptions used in determining the impairment loss.

410.11 Title or Lien-Interest to Acquired Property with Federal Funds

A lien-interest in all equipment with a unit acquisition cost of \$1,000 or more acquired as a direct cost with funds granted by the awarding agency will vest with the awarding agency during the duration of the grant, unless specified otherwise by the contract. Upon termination of such a grant, the Agency may arrange for acquisition of such equipment or property at a fair and reasonable price, seek temporary custody of such equipment or property if service will be continued with other funding, or make arrangements for a duly authorized representative of the granting agency to obtain custody.

410.12 Donated Property or Equipment

Donated assets which, at the time of receipt, meet the Agency's criteria for capitalization should be capitalized at their fair or appraised value.

410.13 Betterments

Expenditures for significant betterments of existing properties are capitalized at cost. Maintenance and repairs are expensed as incurred.

410.14 Leased Equipment

A lease-versus-payment analysis will be performed annually by the Agency for all equipment obtained under an operating lease as defined in Statement of Financial Accounting Standard No. 13. A written justification statement will be prepared for all under operating leases comparing the cost of leasing versus owning such equipment.

410.15 Authorized Investments

Funds not required to be used on a current basis will be invested in short-term interest-bearing investments consistent with the Agency's Statement of Investment Policy.

420 LIABILITIES

420.1 Accounts Payable

Only valid accounts payable transactions based on documented vendor invoices, receiving reports or other approved documentation shall be recorded as accounts payable.

420.2 Accounts Payable Payment Policy

Vendors, suppliers and subcontractors will be paid on a prompt payment discount date basis.

420.3 Advance Payments

The Agency receives payment on some grants in advance. For internal reporting, revenues are deferred and recognized as income in the period in which the related products or services are delivered. For external financial reporting these amounts should be recognized as revenue and assets recorded as temporarily restricted.

420.4 Accrual of Unpaid Salaries and Wages

Salaries and wages earned, but unpaid will be reflected as a liability when entitlement to payment occurs. Liquidation will be made within one year of incurring the liability.

420.5 Liability for Compensated Absences

- A. Compensated absences arise from employees' absences from employment because of vacation, personal leave, etc. When the Agency expects to pay an employee for such compensated absences, a liability for the estimated probable future payments should be accrued if all of the following conditions are met:
 - 1. The employee's right to receive compensation for the future absences is attributable to services already performed by the employee
 - 2. The employee's right to receive the compensation for the future absences is vested or accumulates
 - 3. It is probable that the compensation will be paid
 - 4. The amount of compensation is reasonably estimatable.
- B. Compensated absences not to be paid upon employee termination will be recognized when paid.

420.6 Provision for Anticipated Losses on Grants

- A. Losses on grants are to be accrued when the losses become evident, regardless of the method of accounting for the grant. Such losses will be deducted first from any related accumulated costs included in the balance sheet and the balance, if any, separately shown as a liability.
- B. Losses will be included in the income statement as an element of grant cost rather than as a reduction of grant revenue. NOTE: Such losses generally are unallowable for purposes of billing grantors.

420.7 Obligations for Equipment Purchased for a Government Grant

Obligations for equipment specifically purchased for, and expected to be used solely on, an individual government grant or group of related grants--regardless of the payment terms of the obligations--should be treated as a liability.

430 NET ASSETS

430.1 Unrestricted, Temporarily Restricted and Permanently Restricted Net Assets

Consistent with FASB 117, the Agency for purposes of external financial reporting will organize its net assets into three classes -- permanently restricted, temporarily restricted and unrestricted -- based on the existence or absence of donor-imposed restrictions.

430.2 Endowment Funds

- A. Initial receipts for gifts, grants or bequests under an endowment agreement will be recorded as a net asset addition based on the fair market value of the property received.
- B. Separate line items will be reported in notes to financial statements to distinguish between permanent restrictions for holdings of (a) assets, such as land or works of art, donated with stipulations that they be used for a specified purpose, be preserved, and not be sold or (b) assets donated with stipulations that they be invested to provide a permanent source of income.
- C. Unrestricted investment income from endowment funds and term endowment funds will be recorded as unrestricted investment income. Restricted expendable investment income will be accounted for as an addition to temporarily restricted net assets. Investment income that must be added to the principal balance as required by a donor or grantor agreement will be recorded as an addition to permanently restricted net assets. Also, gains or losses from investments will be recorded as additions or deductions to the class of net assets to which they relate.
- D. When a term endowment fund expires, surplus resources will be transferred to unrestricted net assets.

440 CASH MANAGEMENT PROCEDURES

In this section, procedures are described for cash receipts, cash disbursements, imprest and petty cash funds, trust accounts, prepaid items and investments.

441 CASH RECEIPTS

441.1 Control Objective

To record cash receipts completely and accurately and to prevent the diversion of cash assets.

441.2 Major Controls

A. Cash Receipts Policies

The Agency deposits cash within three business days and whenever possible uses electronic funds transfer to accelerate deposits.

B. Internal Accounting Controls

1. Opening of mail assigned to an employee with responsibilities independent of access to files or documents pertaining to accounts receivable or cash accounts. Cash Management Specialist prepares deposits and the Day Porter will make the deposit to the bank. A stamped deposit ticket will be attached to the cash receipt listing.
2. Listed receipts and credits compared to accounts receivable and bank deposits.
3. General ledger control accounts reconciled with Accounts Receivable Subsidiary ledger.
4. Periodic statements sent to customers (i.e., grantors, tenants, etc.) and noted differences resolved.

441.3 Procedures

- A. Mail will be opened and a detailed listing of cash and checks received will be prepared by Accounting Department Administrative Assistant.
- B. All checks will be endorsed immediately by the Cash Management Specialist.
- C. Cash receipts will be posted to the Cash Receipts Journal on a weekly basis.
- D. All cash sales and check payments will be deposited intact by the end of the next banking day by Cash Management Specialist.
- E. Cash receipts will be compared to deposit slips and bank statements by the General Ledger Accountant.
- F. The General Ledger control account will be reconciled with the Accounts Receivable Subsidiary ledger.
- G. A monthly statement will be sent to customers (i.e., grantors, tenants, etc.) with an outstanding balance or account activity, with noted differences being resolved.

442 CASH DISBURSEMENTS

442.1 Control Objective

To disburse cash for authorized purposes and record cash disbursements completely and accurately.

442.2 Major Controls

- A. **Cash Disbursement Policies**

All cash disbursements must be pre-approved prior to check preparation by appropriate personnel as indicated the Purchasing Manual. All disbursements will be made to take advantage of all available discounts. All cash disbursements will be processed through the weekly Accounts Payable run, with the exception of manual checks to be issued for emergency purposes only. All requests for manual checks must be approved by the Vice President of Finance and Administration.

B. Internal Accounting Controls

1. Prenumbered checks
2. Use of special check protective paper or check imprint
3. Adequate control over the custody and use of signature plates
4. Match disbursement records against accounts payable/open invoice files
5. Bank statements reconciled to cash accounts and any outstanding checks evaluated by the Cash Management Specialist.
6. Supporting documentation cancelled to prevent resubmission for payment
7. Detailed comparison of actual vs. budgeted disbursements
8. Bank reconciliation's prepared on a monthly basis
9. Separation of duties
10. Authorization of payment of each check is called into the bank prior to the release of checks
11. All manual checks must be reviewed and approved by the Director of Finance prior to release.

442.3 Procedures

- A. When the transaction is complete and payment is due, a check register is to be prepared by the Accounts Payables Specialist who will attach all supporting documentation such as: vendor invoice, purchase order, petty cash voucher, check request, etc.
- B. The check run and supporting documentation will be reviewed by the Accounting Manager for, among other things, the appropriateness of the account coding and the adequacy of the support.
- C. Checks will be signed by Accounting Department Administrative Assistant.
- D. After having been signed, checks will be mailed directly to the payee.
- E. All supporting documents will be canceled by the Accounting Department Administrative Assistant.

- F. All checks and bank transfers will be entered into the Cash Disbursements Journal and General Journal, respectively.
- G. Bank statements will be reconciled within thirty days of receipt by the Cash Management Specialist.
- I. Bank reconciliations and proposed adjustments will be reviewed and approved by the Accounting Manager and/or Director of Finance.

443 IMPREST AND PETTY CASH FUNDS

443.1 Control Objective

To control the use of imprest and petty cash funds for valid transactions.

443.2 Major Controls

- A. Segregate custodial and recordkeeping duties
- B. Reconcile imprest and petty cash funds by employees with responsibilities independent of cash receipts, disbursements or custody.

443.3 Procedures

- A. A log of all disbursements made from the imprest or petty cash fund will be maintained by the fund custodian.
- B. When the fund needs to be replenished, a check request will be prepared by the fund custodian, attaching the log of disbursements and the supporting vouchers.
- C. Any differences between the check request to bring the fund up to the imprest amount and total disbursements made will be reviewed and a justification prepared.
- D. In the case of payroll imprest fund, a reconciliation will be prepared between disbursements made and the Payroll Journal.
- E. Funds disbursements will be entered into the General Ledger when the fund is replenished.
- F. Periodic, surprise reviews by qualified Accounting Department personnel.
- G. Fund custodians will be held responsible for any shortages.

444 PREPAID ITEMS

444.1 Control Objectives

To ensure proper accounting for prepaid expenses.

444.2 Major Controls

- A. Preparation and updating of an amortization schedule to reflect the incurring of expenses for prepaid items.
- B. Detailed prepaid expenses reconciled with the General Ledger control account.

444.3 Procedures

- A. All customer invoices will be reviewed by the Accounts Payable Clerk to identify all required prepayment.
- B. For large recurring payments, a "tickler" system will be established to monitor when upcoming payments are due.
- C. For payment of prepaid items, an entry will be made to reflect the appropriate portion of the payment representing an asset.
- D. An amortization schedule will be prepared to reflect the incurring of an expense for prepaid items.
- E. A standard journal entry will be prepared by the General Journal Supervisor to record the monthly expense.
- F. A reconciliation will be performed between the subsidiary ledger and the prepaid asset General Ledger control account.

445 INVESTMENTS

445.1 Control Objectives

To maximize return on investments and to control all investments according to Neighborhood Centers Inc.'s Statement of Investment Policy.

445.2 Major Controls

A. Investment Policies

Investment activities will be controlled according to Neighborhood Centers Inc.'s Statement of Investment Policy adopted in a resolution by the Board of Directors and recorded in its minutes regarding the use of different types of investments. Designated corporate officials will have specific authorities to approve transactions.

B. Internal Accounting Controls

1. All transactions approved by the Vice President of Finance and Administration. Investment account balances reconciled monthly with the General Ledger control account.
2. Investments held by authorized agent(s).
3. Investment account balances reconciled with bank/broker statements.

445.3 Procedures

A. Investment Activity

1. All proposed investment transactions will be authorized by the Vice President of Finance and Administration.
2. A Check requisition or bank transfer will be prepared for investment purchases accompanied by an investment purchase authorization.
3. For investment sales, an investment sales authorization will be completed to execute the transaction.
4. An investment control log will be maintained with an adjustment made for each investment purchase/sale.
5. Investment sales gains or losses will be calculated from the broker's sales notice.
6. The receipt of all investment sales proceeds will be reconciled with the investment sales authorization.
7. Investment account balances will be reconciled with the General Ledger control account monthly.
8. The investment account support detail will be reconciled with bank/broker statements.

B. Physical Custody of Investment Certificates

1. An investment certificate or safekeeping receipt will be received and support each check or bank transfer.
2. The location of each investment certificate will be noted on the investment control log when trades are made.
3. All investment certificates kept on the premises will be stored in a secure location to prevent unauthorized conversion and periodically inventoried by two authorized officials.

C. Investment Earnings

1. A worksheet will be prepared monthly listing the interest and dividends earned for the previous period so a journal entry to the various investment income General Ledger accounts can be prepared.
2. Premiums and discounts on bonds and notes receivable will be amortized over the applicable holding period for each investment according to a schedule prepared by the Cash Receipt Clerk. This

will be used to prepare the monthly entry to the various investment premium/discount General Ledger accounts.

3. Using the investment schedule of marketable equity securities, the market value of each security will be updated on a monthly basis and an adjustment prepared to record the difference between cost and market value of such securities.
4. A monthly report of investment results will be prepared to record the difference between cost and market value of such securities.

446 ACCOUNTS PAYABLE

446.1 Control Objective

To ensure that invoices are accurately recorded on a timely basis for authorized purchases.

446.2 Major Controls

A. Use of Prenumbered Documents

Neighborhood Centers Inc. will use and account for prenumbered purchase requisitions, purchase orders and receiving reports.

B. Reconciliation of Accounts Payable Records

Reconciliation of subsidiary ledger totals and General Ledger control accounts will be performed periodically to ascertain the accuracy of accounts payable entries.

C. Reviews for Duplicate Payments

Reviews for duplicate payments will be performed and reviewed.

446.3 Procedures

A. Preparation and Review of Check Run

1. Upon receipt of a vendor invoice, the Accounts Payable Clerk will attach to a hard copy of the vendor's invoice the packing slip, purchase order, requisition, receiving report, the authorization of acceptance of goods and services and, if applicable, related bid forms.
2. The assigned Account Payable Clerk will follow up on any unmatched purchase orders, receiving reports and invoices to resolve any missing, duplicate or unmatched items.
3. The Accounts Payable Clerk will determine whether the supporting documents justify payment of the vendor invoice and enter the vendor's invoice into the payables module of the automated accounting system.
4. The Accounts Payable Clerk will generate a check run of items recommended for payment and after researching any potential

duplicate payment submit the run to the General Ledger Supervisor for review.

5. To check on the accuracy of all entries, and adding machine total of the invoice amounts will be produced to serve as a control.
6. The General Ledger Supervisor will review the check run for:
 - a. Matching of the nature and quality of goods ordered and the related price according to the vendor invoice, purchase order and the receiving report
 - b. Accuracy of all arithmetic calculations and extensions
 - c. Correctness of the General Ledger account distribution
 - d. Appropriateness of account coding
 - e. Completeness of duplicate payment review

B. Procedures

1. The Accounts Payable Clerk will review the vendor's invoice for the purchase discount cut-off date.
2. The Accounts Payable Subsidiary Ledger will be maintained by purchase discount date to afford the Agency all purchase discounts it is entitled.

C. Handling Returns and Allowances

1. Neighborhood Centers Inc. will issue a shipping order for returned goods.
2. Before making payment to a vendor, shipping orders will be matched with vendor credit memos.
3. Shipping orders for returned goods will be reconciled with vendors' credit memos by the Purchasing Manager.

D. Reconciliation of Accounts Payable Records

1. The Accounts Payable Subsidiary Ledger will be reconciled with purchase and cash disbursement transactions by the Payables Clerk and reviewed by the Accounting Manager.
2. The balance in the Accounts Payable Subsidiary Ledger will be reconciled with the General Ledger control account.
3. Debit balances in the Accounts Payable Subsidiary Ledger will be resolved by either treating them as an offset against other amounts due the vendor or by requesting payment from the vendor.

447 PURCHASING – SEE SEPARATE PROCUREMENT POLICIES AND PROCEDURES

SEE PROCUREMENT POLICIES AND PROCEDURES

SEE PROCUREMENT POLICIES AND PROCEDURES

SEE PROCUREMENT POLICIES AND PROCEDURES

SEE PROCUREMENT POLICIES AND PROCEDURES

448 ACCRUED LIABILITIES

448.1 Control Objective

To accurately control and record accrued liabilities.

448.2 Major Controls

A. Maintain an Accrued Liabilities Schedule

To properly set up and track accrued liabilities, a separate Accrued Liabilities Schedule will be maintained for each accrual: salaries and wages, vacation and sick pay, payroll taxes, rent, insurance, property taxes, interest, warranty costs, etc.

B. Reconciliation of the Accrued Liabilities Schedule with the General Ledger Control Account

On a quarterly basis, a reconciliation will be performed between the Accrued Liabilities Schedule and the General Ledger control account.

448.3 Procedures

- A. A detailed Accrued Liabilities Schedule is to be established and maintained by the General Ledger Supervisor for each type of accrual.
- B. Each month, timing differences between the payment of an expense and incurring of that expense will be evaluated by the Accounting Manager for the amount of the accrued liability.
- C. At the end of each month, the Accounting Manager will prepare a General Journal adjusting entry to record the accrued liability.
- D. At the beginning of each month, a General Journal reversing entry will be entered reversing the accrual.
- E. A reconciliation will be performed by the Accounting Manager between the Accrued Liabilities Schedule and the General Ledger control account.

500 REVENUE SOURCES

510 POLICIES

511 REVENUE RECOGNITION

Revenue under cost reimbursement-type grants is recorded as costs are incurred. Applicable estimated fees, if any, are included in revenue in the proportion that incurred costs bear to total estimated costs. Revenue under unit rate contracts that require substantial performance over a long period of time are accounted for under the units of delivery method.

512 PROGRAM INCOME

- A. Program income is gross income generated directly from participant in a program operated/administered by the Agency.
- B. If authorized by Federal regulations or the grant agreement, costs incident to the generation of program income may be deducted from gross income to determine program income.
- C. Depending on the method provided for in the grant agreement, program income should be deducted from outlays, added to the funds committed to the grant agreement, or used to meet the cost sharing or matching requirements of the grant agreement.

513 CONTRIBUTIONS

- A. A contribution is an unconditional transfer of cash or other asset to the Agency or a settlement or cancellation of its liabilities in a voluntary nonreciprocal transfer by an entity acting other than as an owner.
- B. Contributions received, including unconditional promises to give, are recognized as revenue in the period received at their fair market value, in conformance with Statement of Financial Accounting Standard No. 116.
- C. Unconditional promises to give should be recognized in the financial statements only when promises are evidenced in the form of verifiable documentation.
- D. Contributions should be recognized as revenues or gains in the period received.
- E. Contributions will be classified as restricted or unrestricted based upon donors' intent.

514 DEFINITION OF GRANTS AS A CONTRIBUTION

It is the Agency's policy to consider a grant as an in-substance purchase as defined in paragraph 3 of FASB 116, especially when grants are used to pay for services provided to third parties.

515 DONATED FACILITIES OR SERVICES

Contributed facilities or services (e.g., volunteers) shall be recognized as revenue if the services received:

- A. Create or enhance nonfinancial assets, or
- B. Require specialized skills: are provided by individuals possessing those skills; and would typically need to be purchased if not provided by donation.

516 CONTRIBUTIONS OF LONG-LIVED ASSETS

Gifts of long-lived assets should be reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of other assets or cash that must be used to acquire long-lived assets should be reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, expirations of donor restrictions should be reported when the donated asset or long-lived asset is placed in service..

517 INTEREST EARNED ON ADVANCES

Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act and the Indian Self-Determination Act, Neighborhood Centers Inc. should remit interest earned on advances to the applicable Federal agency. Neighborhood Centers Inc. may retain interest amounts up to \$250 per year to offset administrative expenses.

518 RENTAL INCOME

Rent payments received net of any prepayments and net of any credits for costs incurred on government awards will be recorded as income.

519 SEGREGATION OF REVENUES

Neighborhood Centers Inc. will separately identify the source and application of funds provided for Federally-funded activities in its coding structure.

520 PROCEDURES

In this section, the procedures are described that cover revenue and invoicing, billing, customer orders, accounts receivable, customer returns and allowances, cost estimating, credit and collections and other revenues.

521 ACCOUNTS RECEIVABLE/BILLING

521.1 Control Objective

To ensure that contract billings are adequately supported and reflect the requirement of contractual terms and conditions. To ensure that unbilled items are identified and properly classified.

521.2 Major Controls

- A. Segregation of Unallowable Costs**
Accounts are maintained in the program cost accounts for explicitly unallowable costs.

- B. Internal Review**
Supporting documentation for a sampling of invoices is reviewed periodically.

- C. Internal Accounting Controls**
 - 1. All invoices reconciled with the program cost centers
 - 2. Separation of duties between the preparation of the invoice and its review and approval
 - 3. Billing summaries that indicate contract utilization are prepared and reviewed with appropriate program staff.

521.3 Procedures

- A.** On a monthly basis, program cost entries will be reviewed and recorded manually on a customer invoice.

- B.** Any unallowable or unbillable costs will be excluded from claimed direct and indirect costs.

- C.** Services billed in the succeeding month will be recorded in the current month as an unbilled receivable.

- D.** All billings will be reviewed for accuracy and completeness.

- E.** Each billing will be approved by the Billing Supervisor before submission.

- F.** Billings will be entered into the Accounts Receivable Subsidiary Ledger and mailed to the customer.

- G.** Copies of invoices and supporting documents will be routed by hand to the correspondence file maintained by the Accounting Department Administrative Assistant.

- H. All invoices receivable will be reviewed periodically for follow-up if outstanding more than 45 days. Follow-up will be performed by the assigned Program Manager.

522 CONTRIBUTIONS

522.1 Control Objectives

To ensure Neighborhood Centers Inc. complies with state rules on soliciting contributions and to properly account for contributions received/made.

522.2 Major Controls

- A. **Separate Fund Restricted Contributions**
Contributions received for restricted purposes will be accounted for in separate funds.
- B. **Accounting Reports to Donors**
Regular accounting reports will be sent to donors summarizing the receipt, use, management and disposition of all contributions.
- C. **State Filing and Reporting**
Neighborhood Centers Inc. will comply with the filing and reporting requirements in each state it solicits contributions.
- D. **Annual Audit of Contributions**
A qualified public accounting firm will conduct an audit of all contributions received and held in accordance with SFAS No. 116, as part of the overall audit of Neighborhood Centers Inc.
- E. **Internal Accounting Controls**
 1. Use of prenumbered contributions acknowledgement form.
 2. Separation of duties between managing contributions and accounting for contributions.

522.3 Procedures

- A. **General**
 1. Neighborhood Centers Inc. will register annually in each state it solicits contributions.
 2. Annually, Neighborhood Centers Inc. will file an annual return with each state in which it is authorized to solicit contributions as well as the IRS Form 990 with the Internal Revenue Service.
- B. **Contributions of Checks and Cash**
 1. All contributions in the form of checks, cash or credit cards received in the mail will be recorded and delivered on the day they were received to the Development Department.

2. The Development Department will prepare and mail to the donor a prenumbered contribution acknowledgement form.

C. Contributions of Securities

1. For the transfer of securities certificates or their ownership to Neighborhood Centers Inc., the certificates will be delivered by certified or registered mail, or by hand.
2. A stock power form, signed by the donor and naming the Agency as transferee, will be prepared and formally executed.
3. A prenumbered contribution acknowledgement form will be prepared by the Development Department and sent to the donor.
4. Securities certificates will be forwarded by messenger to Texas Commerce Bank for safekeeping and/or disposition.

D. Contributions of Personal Property

1. Personal property may be accepted when it can be readily sold or used in connection with the mission of the Agency.
2. A contribution of personal property in excess of \$5,000 will be appraised by a certified professional appraiser and a copy of the appraisal must accompany the gift. (The cost of the appraisal will be borne by the donor.)
3. A prenumbered contribution acknowledgement form will be prepared by the Development Department when a gift of personal property is accepted.
4. If personal property is received and sold within two years of its receipt, Neighborhood Centers Inc. will complete IRS Form 8282, Donee Information Return to Report the Sale, Exchange or Other Disposition of Charitable Deduction Property, and submit it to IRS.

E. Contributions of Real Estate

1. Real estate in the form of a residence, business, commercial building, undeveloped land, etc., may be accepted provided an environmental and toxic waste review has been conducted and the property can be sold or used in the mission of the Agency. A certified appraisal performed within 60 days of the contribution will be provided by the donor.
2. Upon acceptance, a contribution acknowledgement form will be completed by the Development Department and sent to the donor.

F. Promises to Give

1. In order to recognize unconditional promises to give as income, the contribution will be acknowledged by the signature of a written pledge, tape recording, written register or other means that permits subsequent verification and is legally enforceable.

2. Conditional promises to give will be recognized as a contribution at the time the condition is substantially met.
3. Upon acceptance, a prenumbered contribution acknowledgement form will be prepared by the Development Department and mailed to the donor.

G. Accounting For Contribution Revenue

1. Contributions received for restricted purposes will be entered in a separate donor restricted fund by the Accounting Department.
2. Reports will be prepared quarterly/annually to donors on the deposit, Management and disposition, and use of funds.

H. Recordkeeping for Contributions

The Contribution acknowledgment form will be routed by hand to the Development Department which will enter the information in the Agency's donor files/software package.

523 OTHER REVENUES

523.1 Control Objectives

To ensure that other revenues are accurately and completely recorded on a current basis.

523.2 Major Controls

A. Preparation and Analysis of Other Revenue Schedule

For rental transactions, royalties and deferred income, a schedule will be prepared to reflect when income is earned versus, when cash or other assets are received.

B. Review of Other Revenue Schedule

The other revenue schedule will be reviewed and updated on a periodic basis and the books of account adjusted to reflect any changes in revenue.

523.3 Procedures

A. Rental Income

1. On a monthly basis, an entry to accounts receivable and to the rental income account will be recorded for rental income earned based upon a schedule of rents.
2. Rent prepayments will be recorded as a liability until the designated time when the prepayment is earned.

B. Royalties

Royalties income will be entered in the General Ledger when received.

C. Advances and Deferred Income

Cash advances received for a service not rendered will be recorded as a liability.

D. Barter Transactions

When goods or services are traded without monetary compensation, such barter transactions will be recorded as revenue at the estimated fair value of the goods or services received.

600 COST ACCOUNTING POLICIES

610 POLICIES

610.1 Consistency in Cost Accounting

Practices used by Neighborhood Centers Inc. in estimating costs in preparing its grant proposals will be consistent with its accounting practices used in accumulating and reporting costs. Accounting practices used by Neighborhood Centers Inc. in accumulating and reporting actual costs for a grant with the funding source will be consistent with its practices used in estimating costs in its grant proposals. Moreover, all costs incurred for the same purpose, in like circumstances, are either direct costs only or indirect costs only with respect to grants. No final cost objective will have allocated to it as an indirect cost any cost, if other costs incurred for the same purpose, in like circumstances, have been included as a direct cost of that or any other final cost objective.

610.2 Unallowable Costs

Costs expressly unallowable or mutually agreed to be unallowable, including costs mutually agreed to be unallowable directly associated costs, will be identified in separate accounts and excluded from a billing, claim or grant applicable to a grant with the funding source. These costs will include: bad debts unreasonable compensation, contingencies, contributions, entertainment, fines and penalties, idle facilities, interest, lobbying, political and campaigning organizational, furnished automobiles for personal use, fund-raising, losses on other awards, Agency costs, and certain taxes.

610.3 Detailed Records of Unallowable Costs

Neighborhood Centers Inc. will maintain separate records in its direct cost categories and in each of its indirect cost pools for all expressly and mutually agreed unallowable costs.

610.4 Fiscal Year

The fiscal year of Neighborhood Centers Inc. will be January 1st to December 31st. The same accounting period will be used for all adjusting entries, accruals and deferrals as well as accumulating costs in an indirect cost pool and establishing its base.

610.5 Program Service Costs

- A. Expenses will be classified in a manner that describes the Agency's service activities. The Agency will utilize cost centers to identify expenditures relating to individual funding sources. Personnel working in multiple areas must maintain a log of hours worked in each cost center. Salaries and fringe benefits are charged to the respective cost centers based upon percentage of time worked in that area
- B. Costs related to the supervision of program services and supporting services should be prorated among those services.

610.6 Management and General Expenses

Costs that cannot be related to a specific program or fund-raising activity will be classified as management and general costs. These costs generally include executive direction, legal, budgeting and accounting, preparation of the Agency's grant application and grant proposals, and like kind of management and general activities.

610.7 Direct and Indirect Costs

- A. Costs incurred specifically for a final cost objective (e.g., a grant, subgrant, etc.) will be treated as direct cost. Costs benefiting more than one cost objective will be consistently treated as indirect costs. Costs necessary for the overall operation of the Agency will be treated as management and general costs.
- B. Neighborhood Centers Inc. maintains one composite indirect cost pool combining all indirect costs. The base of allocation for indirect costs will be direct salaries.
- C. Neighborhood Centers Inc. will treat all fringe benefits including compensated personal absences consistently with the direct labor charges to which they relate.
- D. Each of the individual cost elements will be treated consistently as shown in the "Treatment of Elements of Cost."

610.8 Allocation of Costs Fund-Raising and Development

- A. Even though fund-raising and services to members, clients or the general public are unallowable, when significant and necessary, they will have allocated to them all direct costs and their share of the Agency's indirect costs.
- B. If activities other than appeals for funds can be demonstrated, such costs should be allocated between fund-raising and the related program or management and general functions.

610.9 Allocation of Legal Fees

Legal fees incurred specifically in connection with a final cost objective will be allocated as a direct cost. Minor amounts of direct legal fees and all legal fees benefiting more than one cost objective will be treated as an indirect cost.

610.10 Contributed Services and Materials

- A. Contributed services in the form of volunteer services should be recognized if all of the following conditions exist.
 1. The services performed are significant and form an integral part of the efforts of the Agency.

2. The Agency controls the employment and duties of the service donors.
 3. The Agency has a clearly reasonable basis for the amount to be recorded.
- B. Materials received as support should be recorded based on their estimated fair market value. When a reasonable fair market value cannot be determined, no support should be recognized.

610.11 In-Kind Costs

- A. To satisfy a matching or cost-sharing requirement on a grant or contract, Neighborhood Centers Inc. will account for the following allowable in-kind costs:
1. Charges incurred by Neighborhood Centers Inc. as project costs, including non-cash items such as depreciation or use charges.
 2. Project costs financed with cash contributed or donated to the Agency by non-Federal third parties or in the case of Federal funds, other Federal funds specifically authorized by law for matching.
 3. Project costs represented by services and real or personal property donated to the Agency by non-Federal third parties, provided such costs are:
 - (i) Identifiable from Agency records
 - (ii) Not included as contributions for all other Federally assisted programs
 - (iii) Necessary and reasonable for proper and efficient accomplishment of project objectives
 - (iv) Allowable if the Agency itself was required to pay for them.
- B. Valuation of third-party, in-kind contributions:
1. Volunteer services should be valued at rates paid by other areas of the Agency and should be consistent with those paid for similar work in the same labor market. Rates of employees of other agencies should be priced at the base compensation rate plus fringe benefits and overhead costs. Note: Specific approval from the grantor may be required if a rate in excess of \$10 is used.
 2. Donated real or tangible personal property:
 - a. Tangible personal property and donated real property (land and buildings) should be valued at purchase price or fair market value at the time of transfer.
 - b. Donated use of property should be valued as if the grantee has rented the property and has paid the property's fair rental value.

Note: The Agency may be required to establish the value of real property through the use of an appraiser.

3. Other charges should be adequately supported and permissible. Charges must be reasonable and properly justified.

610.12 Accounting for In-Kind Costs

Except where otherwise required by a funding agency, in-kind costs should be recorded in worksheet entries without recording in-kind in the Agency's official books of account.

610.13 Documentation of In-Kind Costs

Neighborhood Centers Inc. should obtain the same kind of documentation, to be retained for the same period of time, as required for incurred costs. To the extent feasible and practical, the Agency should obtain independently generated documentation for in-kind costs: time sheets or log-in sheets for donated labor, written verification of the value of donated equipment or space, etc.

610.14 Acquisition Cost of Material

- A. When the cost objective was specifically identified at the time of purchase or production, the cost of material acquired for a final cost objective should be treated as a direct cost of that cost objective.
- B. The cost of material which is used solely in performing indirect functions or is not a significant element of production cost should be allocated to an indirect cost pool.

610.15 Depreciation Method

The cost of buildings is depreciated on the straight-line method over periods of 5 to 50 years. The cost of equipment is depreciated on the straight-line method over periods from 3 to 10 years.

610.16 Gain or Loss on Disposition of Assets

Gains and losses from the sale, retirement or other disposition of depreciable property should be recognized in the year within the cost grouping(s) in which the depreciation or amortization applicable to those assets was included. The gain or loss for each asset disposed of should be recorded as the difference between the net amount realized, including insurance proceeds from involuntary conversions, and its undepreciated balance. The gain recognized for grant costing purposes should be limited to the difference between the acquisition cost (or for assets acquired under a capital lease, the value at which the leased asset is capitalized) of the asset and its undepreciated balance.

610.17 Service Lives of Tangible Capital Assets for Depreciation Purposes

Neighborhood Centers Inc. will maintain supporting records showing acquisition, use and disposition of each tangible capital asset or group of assets.

610.18 Use Allowances on Buildings and Equipment

- A. In lieu of depreciation, Neighborhood Centers Inc. will take a use allowance on buildings and improvements computed at an annual rate not exceeding two percent of the acquisition cost.
- B. For equipment, the use allowance should be computed at an annual rate not exceeding six and two-thirds (6 2/3) percent of acquisition cost.

610.19 Use Allowance on Fully Depreciated Assets

- A. Neighborhood Centers Inc. may observe a use allowance on fully depreciated assets obtained under an advance agreement required by paragraph 9(f) of Attachment B or OMB Circular A-122/paragraph 11(e) of Attachment B of OMB Circular A-87.
- B. Accounting for such a use allowance may be performed using memorandum accounts or supplemental records.

610.20 Purchased Computer Software Licenses

Purchased computer software of more than \$1,000 is amortized by the straight-line method over the period expected to be benefited, which is generally five to eight years.

610.21 In-House Computer Software Development Costs

- A. Neighborhood Centers Inc. will capitalize and amortize over its useful life development costs for computer software produced for external purposes from the point of technological feasibility as defined by Statement of Financial Accounting Standard No. 86.
- B. Neighborhood Centers Inc. will expense all other computer software development costs in the year incurred.

610.22 Lease Abatements

For leases with an escalating rental payment schedule, Neighborhood Centers Inc. will amortize the total lease payments over the term of the lease on a straight-line basis, to be in conformance with Statement of Financial Accounting Standard No. 13.

610.23 Compensated Personal Absences

- A. In conformance with Statement of Financial Accounting Standard No. 43, the cost of earned, but untaken vacation will be accrued when earned, not when taken. The cost of all other compensated absences for illness, personal leave, etc., will be reflected when taken.
- B. The cost of compensatory time earned will be reflected as a liability when earned. However, earned, but untaken compensatory time will not be paid upon termination of the employee. For all compensatory time forfeited, the cost for the compensatory time expense and related liability will be reversed.

- C. Information on the cost of compensatory time earned will be maintained using informal records.

610.24 Purchased Labor

- A. The cost of all purchased or temporary labor incurred specifically for a grant, bid and proposal, independent research and development, or other final cost objective will be treated as direct labor.
- B. All purchased or temporary labor benefiting more than one grant will be treated as an indirect cost.

610.25 Insurance

- A. Neighborhood Centers Inc. will obtain adequate insurance coverage from purchased insurance.
- B. In circumstances where Neighborhood Centers Inc.'s management considers prudent, Neighborhood Centers Inc. will assume the risk of loss. The cost of such self-insurance will be the projected average loss for that period plus insurance administration expenses in that period.
- C. To determine the cost of purchased insurance, Neighborhood Centers Inc. will obtain competitive quotes from insurance brokers/carriers every three years.
- D. Neighborhood Centers Inc. will maintain records to substantiate the amounts of premiums, refunds, dividends, losses and self-insurance charges, paid or accrued.

610.26 Interest Expense Accruals

An interest accrual shall be reflected monthly for all debt outstanding.

610.27 Bond Discounts and Premiums

The difference between the price and the maturity value of bonds, that is, discount or premium, will be amortized over the term of the bonds. The interest method will be used to compute the amortization.

610.28 Bid and Proposal Costs

All costs of preparing grant applications and cost proposals to the funding sources of Neighborhood Centers Inc. will be treated as a fund raising labor cost.

610.29 Offsetting of Investment Expenses

Investment expense, such as custodial fees and investment advisory fees, will not be netted against investment income, according to paragraph 24 of FASB 117, provided they

are disclosed either on the face of the Statement of Activities or in notes to the financial statements.

610.30 Match

Given the way program match was bid on each program or grant, the accounting system will accumulate and report related costs, distinguishing between agency-paid, donated services, space or equipment and any program income authorized to be treated as match.

610.31 Credits

- A. The applicable portion of any volume in cash discounts, refunds, rental income, trade-ins, scrap sales, direct billings, etc., relating to any allowable cost incurred on a cost reimbursement grant and received by or accruing to the agency will be credited to the government either as a cost reduction or by cash refund.

- B. Significant amounts of credits will be applied to the year in which the underlying cost was incurred rather than the year of receipt or accrual of the credit. In the case of credits of an insignificant amount, such credits may be offset against the current year's related indirect cost.

610.32 Proceeds from Subletting

To the extent the application is equitable and consistent, the proceeds of all subletting or short-term rental of the Agency's space, equipment or facilities will be credited to the cost center to which the underlying costs were originally charged.

620 TRAVEL AND ENTERTAINMENT EXPENSE REIMBURSEMENT

620.1 Control Objective

To ensure the pays for only authorized business travel and entertainment expenses.

620.2 Major Controls

- A. **Travel Policies**
Neighborhood Centers Inc. has adopted policies on the mode of travel, maximum lodging and subsistence reimbursement, use of frequent user bonuses, travel advances and use of corporate credit cards.

- B. **Out-of-Area Travel Approvals**
All out-of-area travel in the contiguous U.S. must be approved by the employee's Vice President. All travel outside of the contiguous U.S. must be approved by the President and CEO.

C. Employee Expense Reimbursement

1. **Per Diem Rates** – For all out-of-town travel, the Agency will apply the per diem rates that are set by the Travel and Transportation Management Policy Division of the General Services Administration, Office of Governmentwide Policy. Because the per diem rates differ from city to city, employees must verify the per diem allowance prior to departure. The per diem rates can be obtained from the Accounting Department or by logging in to the GSA website:

<http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/travel.shtml>

All expenses must be accounted for on the Travel Expense Report under the correct heading (Breakfast, Lunch or Dinner) with the proper supporting receipts attached to the report. Any expenditure above the allowed per diem rate will be disallowed and will not be reimbursed.

2. **Mileage** – Mileage is reimbursed at \$.25 per mile for the use of the employee auto in conducting agency's business. To be reimbursed, the employee must fill out the Mileage Sheet Report and provide a detailed account of all the mileage claimed.

D. Internal Accounting Controls

1. Justification for travel approved by employee's supervisor
2. Documentation for incurred employee expenses
3. Audit of employee's travel and entertainment expense reimbursement form.

620.3 Procedures

A. Airline, Train and Rental Car Reservations

An employee planning to travel out of the area will prepare a travel request that must be approved by the employee's supervisor. For travel out of the area, but within the contiguous U.S., additional approval will be obtained from the Vice President; for travel outside of the contiguous U.S., approval must be obtained from the President and CEO.

B. Expense Advance or Reimbursement

1. Expense Advance:
 - a. An employee seeking a travel advance will forward the approved travel authorization form to the Accounts Payable Clerk for payment of a travel expense advance in sufficient time before the scheduled travel
 - b. Within two weeks after completion of the trip and before seeking another travel advance, the employee will liquidate the advance by accounting for the actual expenses incurred,

completing a travel and entertainment form attaching originals of supporting documentation. The travel and entertainment form, approved by the employee's supervisor, will be routed by hand to the Accounts Payable Clerk for proper accounting and liquidation of the travel advance.

2. Expense Reimbursement
 - a. Soon after completing a trip, an employee who seeks reimbursement for authorized expenses will complete a travel and entertainment form detailing the expenses incurred, attaching originals of supporting documentation.
 - b. The employee's travel and entertainment form will be reviewed and approved by the employee's supervisor and routed by hand to the Accounts Payable Clerk.

C. Corporate Credit Cards

1. The Accounts Payable Unit will apply to the credit card for additional credit cards.
2. The employee will sign a liability agreement with the credit card for use of the credit card for business-related expenses.
3. The employee may incur charges against the credit card.
4. A copy of the monthly statement will be sent to the Accounts Payable Clerk for payment; a copy will be sent to the employee for approval of charges and determination of expense codes.
5. Personal charges should be minimal and reimbursed promptly.

D. Employee Expense Audit

1. Whether for an advance or reimbursement, the travel and entertainment form will be audited by the Accounts Payable/Payroll/Travel office auditor for maximum lodging and subsistence reimbursement, supporting documentation and account classification.
2. For any reimbursement due to employee, the approved and audited travel and entertainment form will be routed by hand/by mail/electronically to the Accounts Payable Unit for payment.

630 RETAINING CONSULTANTS AND PROFESSIONAL SERVICES

630.1 Control Objective

To maintain control over the selection, negotiation, oversight, payment and close-out of consulting agreements, and to ensure compliance with Internal Revenue Service regulations.

630.2 Major Control

- A. Use of a Standard Consulting Agreement

Neighborhood Centers Inc. will use a standard consulting agreement for all consultants and professional services that specifies an exact scope of work, the consultant's obligation to pay income and self-employment taxes, and the consultant's requirement to furnish the tools of trade.

B. Competitive Award and Recompetition of All Consulting Relationships

Unless approved by the President/Executive Director, all consulting and contract person agreements will be initially competed and, if extended beyond one year, will be recomputed annually.

C. Performance Measurement of Consultant's Work

Each consultant will report monthly on work accomplished and time spent on his/her own stationery.

D. Reporting on consultant Utilization

Periodically, a report will be prepared by the Personnel Department on the use of consultants and their areas of activity.

630.3 Procedures

A. Consultant Requirements

1. A written scope of work will be prepared by the requisitioning unit for use of a consultant/contract person.
2. Before going outside the Agency to retain a consultant, a skills inventory and availability study will be conducted by the Personnel Department to determine the internal availability of required skills.
3. A budget authorization request will be prepared if this expenditure has not already been approved in the annual budget.

B. Selecting the Source

1. At least three consulting sources must be identified for consideration.
2. Written justification must be provided for purchasing consulting service on a sole-source basis.

C. Pricing

1. Personnel will perform some form of cost/price analysis of the consultant's proposal/rate/quotation.
2. Regardless of the requisitioning unit's responsibility for overseeing the consultant, the Director of Human Resources will have sole responsibility for managing consultant utilization.

D. Award and Contract Preparation

1. The area Vice President will have the authority to award consulting contracts.

2. Consultant contracts will be prepared by the General Counsel and contain the scope of work, specifications, travel and subsistence reimbursement rates, performance dates, reporting and documentation requirements, payment terms, consultant Federal Employer Identification number or Social Security number and clauses required by the work to be performed.

E. Consultant Monitoring and Reporting

1. Each consultant will be assigned in writing to a designated Technical Representative who will monitor the work of the consultant.
2. Each consultant will be required to maintain time records and to report time expended on his/her own stationery.
3. Each consultant will prepare a periodic written report of accomplishments and final report of results produced.
4. Consultant hours expended will be controlled by the Technical Representative and variances between time expended and work accomplished will be resolved with the consultant.

F. Consultant Accounting and Payment

1. A copy of the consultant's contract will be routed by hand from the General Counsel to the Accounts Payable Unit.
2. Upon receipt of the consultant purchase order/contract, the Accounts Payable Unit will open up a vendor account in the vendor listing for the consultant and enter all necessary information:
 - a. Period of the contract
 - b. Consultant's full billing address and telephone number
 - c. Consultant's FEI or Social Security Number
 - d. Maximum dollar size of the award
 - e. Name and telephone number of assigned Technical Representative for approval of consultant payments.
3. Upon receipt of the Technical Representative's authorization to make payment to a consultant, the consultant's invoice will be reviewed for adequacy and the total amount of payment made to date, including this payment request, and will be compared to the total amount of the award.
4. The amount of the authorized payment will be entered in the Cash Disbursements Journal and a check prepared.
5. A check will be mailed directly to the consultant.
6. The endorsement on returned checks will be compared to the consultant's signature on any correspondence.

G. Purchasing Files Regarding the Use of Consultants

1. The Purchasing Manager will set up a file for each consultant contract.
2. The consultant purchasing file will contain, at a minimum, a copy of:
 - a. The original letter of solicitation, if any
 - b. Purchase order/contract agreement
 - c. Bid tabulation sheet
 - d. Periodic reporting and time reporting
 - e. Correspondence between the Agency and the consultant
 - f. Final report.
3. Files will be maintained in the Accounting Department

H. Management Reporting Regarding the Use of Consultants

Quarterly a report will be prepared by the Personnel Department to the President and CEO on all consultant activity: number of FTE's and the areas of activity.

I. Consultant Tax Compliance

1. Before award, each consulting agreement and the underlying relationship will be reviewed by General Counsel for:
 - a. Extent of control, i.e., setting working hours, controlling the procedures for accomplishing the contracted services, etc.
 - b. Specificity of scope of work to be performed
 - c. Payment for any fringe benefits
 - d. Consultant use of own tools of trade
 - e. Extent of exclusive service arrangements
 - f. Use of Agency's office space.
2. For Section 1706 consultants, Neighborhood Centers Inc. will pay the related payroll taxes for such consultants and the Payroll Department will be so advised.

700 COST ESTIMATING POLICIES

710 POLICIES

710.1 Responsibility for Cost Estimating

Cost estimates for the Agency's proposals to its funding sources will be prepared by the Agency's budgeting and planning staff. Their estimates should be reviewed and approved by the Agency's management before completion of the proposal.

710.2 Authorized Cost Estimating Techniques

- A. As circumstances warrant, the Agency's cost proposals will be prepared using one or more of the following cost estimating techniques:
 1. Costs are based upon an estimate of the funding source's budget and prices of the Agency's competitors (commonly called the "top-down" method)
 2. The detailed, empirical or step-by-step method (commonly known as the "bottom-up" approach)
 3. The comparative method using conversion factors to relate similar grant work and cost experience with the proposed product or service
 4. Round-table method combining the experience of diverse functional specialties in the Agency for pricing products or services with which the grantee has had little or no prior experience.
- B. Each cost estimating method should be periodically reviewed for its accuracy and reliability, and appropriate adjustments made as warranted.

710.3 Cost Accounting System Support for Estimating

- A. The accounting system of Neighborhood Centers Inc. will contain sufficient refinements to provide data for cost estimating purposes.
- B. Cost breakdowns are to be available for:
 1. Labor rate by labor category
 2. Experience factors for inflation escalators
 3. Separate costing for each other direct cost: travel, insurance, reproduction, etc.
 4. Overhead rate forecasts with updated baseloads for anticipated work.

710.4 Estimating Labor Utilization

- A. Neighborhood Centers Inc. will use one of the following four techniques, as circumstances dictate, in estimating labor utilization:
 1. Person-loading or staffing techniques
 2. Direct judgment of person-hours required

- B. The Agency will use each of these labor utilization methods as appropriate and will use or adjust labor utilization rates obtained on prior grant activity.

710.5 Estimating Labor Rates

- A. Neighborhood Centers Inc. will bid actual labor rates if specific employees are bid or otherwise bid average labor rates, if labor categories are proposed.
- B. As a baseline, all labor rates will be based upon rates paid to employees for the most recent month.
- C. The Director of Human Resources will maintain and publish standard composite data on merit increase, changes in labor rates due to new hires/separations, and any anticipated changes resulting from across-the-board salary changes.

710.6 Purchased Material Cost

- A. For anticipated purchase of materials or parts, Neighborhood Centers Inc. will obtain at least two vendor quotes or use catalog prices.
- B. Neighborhood Centers Inc. will update subgrantee pricing, vendor quotes and catalog prices, if applicable, before entering into negotiations on any grant requiring certified cost or price data.

710.7 Subcontractor Costing

- A. All subcontracts will be procured, to the maximum extent feasible, using competitive procedures with awards to qualified Agency's whose price and technical factors are most advantageous.
- B. For those acquisitions to be awarded on a noncompetitive basis, Neighborhood Centers Inc. will obtain and furnish a copy of the proposed subcontractor's cost or price proposal with its price proposal.

710.8 Costing "Other Direct Costs"

- A. For each "other direct cost" (ODC) proposed, the Agency will compare historical data from similar grants or obtain technical input on the anticipated costs for such items on the anticipated grant.
- B. For all ODCs involving subgrant activity, Neighborhood Centers Inc. will obtain a sufficient number of quotes to establish a fair and reasonable price for the material or service.

- C. The Agency ordinarily should not bid certain costs as direct if, in like circumstances, such costs are also being bid on other grants as indirect costs.

710.9 Estimating Per Diem Rates

- A. Neighborhood Centers Inc. will use its own institutional travel rates for bidding, costing and billing subsistence costs for employee travel.
- B. The Agency will periodically inflation-adjust its quoted per diem rate on multi-year grants according to forecasted escalation rates.

710.10 Charge-Back Rates for Service Centers

- A. The cost of administrative service centers may be treated as a direct cost to all users based on a standard rate with the variance being charged or credited periodically each cost center.
- B. By the beginning of each fiscal year, the cost of service centers and their related activity will be estimated and a charge-back rate to all users established. This rate will be charged to all grants or indirect cost pools based on utilization. Standard rates will be adjusted to actual costs by the end of the fiscal year and the variance reflected to each grant/indirect cost pool.

710.11 Estimating Indirect Costs

- A. Indirect cost projections will be prepared annually using budgeting and forecasting techniques. Official estimates of indirect costs will be adopted for use in the Agency's bids/proposals.
- B. Using actual cost and base of allocation data, Neighborhood Centers Inc. financial personnel will model its indirect cost rate(s), update the forecasted rate(s) based on actual experience and, when applicable, adjust indirect cost rates for all large-dollar size bids.

710.12 Forecasting Inflation

The Agency will use a combination of the Data Resources Inc. Index/the Consumer Price Index/the Producer Price Index for its estimates of costs over a multi-period basis.

710.13 Management Fee or Allowance

As circumstances permit, Neighborhood Centers Inc. will bid a fee of 3/5% of allowable direct and indirect costs. This practice can be justified because of the need for funds for working capital accumulation, paying for the unamortized portion of depreciable costs, plant or office expansion and covering the cost of necessary, but unallowable, costs, like interest.

710.14 Cost Proposal Support

In support of each cost proposal submitted to the government, Neighborhood Centers Inc. budgeting and planning personnel will have detailed supporting information showing:

- A. The basis for establishing the source and reasonableness of price for all acquisitions of materials
- B. The basis for labor estimates
- C. Budgetary support for proposed indirect cost rate(s) for indirect costs and the base of allocation, by fiscal year
- D. Basis for pricing all other direct costs
- E. Copies of all quotations and subgrant price proposals received, whether accepted or not.

710.15 Comparison of Estimates to Actual Costs

Neighborhood Centers Inc. will make a periodic comparison of grant cost estimates on all grants of over \$100,000 with subsequent actual costs.

720 COST ESTIMATING PROCEDURES

720.1 Control Objective

To provide for the development of cost estimates that are current, accurate and complete.

720.2 Major Controls

A. Organizations and Assignment of Responsibilities

Neighborhood Centers Inc. provides for a written description of the organization, duties and responsibilities of (i) personnel who prepare, review and approve cost estimates and (ii) the various functions that contribute to the estimating process such as accounting, planning, etc.

B. Cost Estimate Development

Estimating source data are applied appropriately, and the basis for estimating elements are disclosed by providing written guidelines for developing and supporting consistent verifiable proposals.

C. Compliance Development

Management is to ensure that the estimating system policies and procedures are up-to-date, periodically reviewed, and implemented.

720.3 Procedures

A. Cost Estimate Development

1. The sources of data, the estimating methods and the rationale use in developing cost estimates will be identified:
 - a. Procedures and instructions on the extent of documentation required for a proposal will be provided, such as:
 - (1) Conditions, assumptions, qualifications
 - (2) Basis of each cost element

- (3) Milestones for contract performance, or
 - (4) Reconciling the detail and summary level data.
 - b. Procedures will be established to ensure that all documentation supporting proposals is contained in the bid file or readily available by the contract certification date.
 - c. Procedures will be established to ensure that all updates of the documentation supporting proposals are contained in the bid file or readily available by the contract certification date.
- 2. Estimating techniques will be applied consistently.
 - a. The estimating system documentation will include or reference all related policies and procedures, such as formats for proposal preparation and the required detail for support; general cost estimate development procedures and specific estimate development by cost element; and separate guidelines for special treatment areas (make-or-buy policies, spare parts pricing, special tooling and test equipment, etc.).
 - b. Uniform formats will be established, described, and utilized for submission of data in support of proposals.
 - c. Where electronic data processing capabilities are used for cost estimating, current documentation, including any capabilities for summarizing the detailed supporting data, will be maintained.
 - d. Internal controls will be established over estimating systems relating to :
 - (1) The identification and detection of direct and indirect cost duplications
 - (2) The detection and timely correction of errors, and
 - (3) The protection against cost duplications and omission
- 3. Clear identification of the pricing policy will be provided for sensitive areas as identified by the Government and contractor, which may include areas such as start-up costs for the follow-on contracts, burdens for intracompany effort; inventory items, including residual inventory; and government-owned or furnished equipment.
- 4. Historical experience will be used where appropriate, including the results of negotiations with subcontractors and suppliers as to price adjustments of initial bids or proposals.
- 5. Appropriate analytical methods will be required.
- 6. Information available from other management systems will be integrated as appropriate.
 - a. Responsibility will be assigned for estimating each indirect cost pool and allocation base and procedures established for

the dissemination of the rates to estimating segments on a current basis.

- b. Methods and support used to develop indirect rates, pools and bases will be documented.
7. Procedures will be provided to update cost estimates in a timely manner throughout the proposal evaluation and negotiation process.
 8. Responsibility for review and analysis of subcontract prices will be addressed.

B. Compliance Reviews

1. Policies and procedures for compliance with applicable Federal regulations will be periodically reviewed and updated.
2. Internal reviews of the estimating system will be required, such as:
 - a. Testing employee compliance with supervisory and organizational responsibilities.
 - b. Performing tests of the adequacy of training methodologies.
 - c. For a representative sample, comparing cost projections with actual results and analyzing differences.
 - d. Performing post-award reviews of a representative sample to determine that cost or pricing data were current, accurate and complete at the time of contract certification.
3. Procedures for action and follow-up on recommendations resulting from internal reviews will be required.

800 PROPERTY MANAGEMENT POLICIES

810 POLICIES

810.1 Government-Furnished and Agency-Acquired Property Equipment and Material

- A. Title to government-furnished and grantee-acquired property and equipment acquired as a direct cost on a cost reimbursement government grant and for the duration of a firm fixed price grant, will reside in the governmental entity and will not be recognized as an asset of the Neighborhood Centers Inc.
- B. Neighborhood Centers Inc. will maintain detailed records of all government-furnished property and grantee-acquired equipment on government grants, segregate such property and equipment, ensure its maintenance and disposal, not use it on any commercial activities and exclude it from its insurance coverage.

810.2 Receipts for Government Property

- A. Neighborhood Centers Inc. will furnish written receipts for all or specified classes of government property. Neighborhood Centers Inc. will also maintain proof of receipt for grantee-acquired property before submitting its request for payment for the property.
- B. Neighborhood Centers Inc. will take all actions necessary in adjusting overages, shortages or damage in shipment of government-furnished and grantee-acquired property.

810.3 Identification of Government Property

- A. Neighborhood Centers Inc. will tag all government property -- both government-furnished and Neighborhood Centers Inc. acquired -- upon receipt and will record assigned numbers on all applicable documents pertaining to the property control system.
- B. Neighborhood Centers Inc. will mark government-owned special tooling and test equipment, if any, with a serial number and identify the agency owning the property.
- C. Markings will be removed or obliterated when government property is sold, scrapped or donated.

810.4 Record and Report of Government Property

Property records will be maintained that include:

- A. A description of the property
- B. A serial number or other identification number
- C. The source of property who holds title

- D. The acquisition date
- E. The cost of the property
- F. Percent of Federal participation in the cost of the property
- G. The location
- H. Use and Condition of the property, and
- I. Any ultimate disposition date, including the date of disposal and sale price of the property.

810.5 Record of Real Property

- A. Neighborhood Centers Inc. will maintain an itemized record of the description, location, acquisition cost, and disposition of all government real property, alterations, construction work and sites connected with such alteration and construction.
- B. Neighborhood Centers Inc. will also maintain information on costs incurred for:
 - 1. New construction of government real property in its possession
 - 2. Additions, expansions, extensions, conversions, alterations and improvements that increase the value, life, utility, capability or serviceability of government real property

810.6 Grantee Owned, Leased and Low Cost Property and Equipment

- A. All grantee owned, leased and low cost property, equipment and materials will be controlled as described above.
- B. The use of licensed computer software will be closely monitored and practices involving unauthorized copying restricted.

810.7 Physical Inventories

- A. Neighborhood Centers Inc. will once every year physically inventory all government and grantee-owned property in its possession or control and will cause subgrantees which have accountable government property in their possession or control to do likewise.
- B. Personnel performing the physical inventory will not be the same individuals who maintain the property records or have custody of the property unless the grantee's other staff is unavailable to perform the inventory count.

810.8 Disposal of Property, Plant and Equipment

- A. No item of property, plant and equipment shall be removed from the premises without prior approval from the responsible official.
- B. When property is retired, the appropriate asset and accumulated depreciation accounts and asset accountability records shall be adjusted and any profit or loss reflected.

810.9 Fully-Depreciated Assets

Records of fully-depreciated assets shall be maintained as long as the property is in continuous use.

810.10 Other Records and Reports

- A. Neighborhood Centers Inc. will also maintain records of completed products, transportation and installation costs of plant equipment, misdirected shipments and property returned for rework.
- B. Records of Neighborhood Centers Inc. will provide annually the acquisition cost of government property for which the grantee is accountable under each grant with each government agency, including government property at subgrantee plants and alternate sites for:
 - 1. Land
 - 2. Other real property
 - 3. Plant equipment of \$5,000 or more
 - 4. Plant equipment of less than \$5,000.

810.11 Disposable Items

All small-dollar items direct cost on a grant expected to be used and disposed within two years of purchase will not be tagged, inventoried and tracked.

810.12 Disposition of Real Property and Equipment

- A. When original or replacement real property or equipment acquired under a grant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the real property or equipment will be made as follows:
 - 1. Neighborhood Centers Inc. will request disposition instructions from the awarding agency. The instructions will indicate whether the agency will retain title after compensating the awarding agency, sell the property and compensate the awarding agency, or transfer title to the awarding agency or to a third-party designated/approved by the awarding agency.
 - 2. Equipment
Disposition of the equipment will be made as follows:
 - a. Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.

- b. Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency will have a right to an amount calculated by multiplying the current market value or proceeds from the sale by the awarding agency's share of the equipment.
- B. In the event a grantee is provided government-furnished equipment, the grantee may retain custody, but not title, to the equipment for as long as the equipment is needed. When the equipment is no longer needed, disposition instructions will be requested from the Federal agency owning the equipment.

820 PROPERTY, PLANT AND EQUIPMENT (PP&E) PROCEDURES

This section is organized into six parts: PP&E acquisitions, recordkeeping over PP&E, inventory of PP&E, disposal of PP&E, and Government-furnished and contractor/grantee-acquired property and equipment.

821 PROPERTY, PLANT AND EQUIPMENT ACQUISITIONS

821.1 Control Objective

To control the acquisition of PP&E and completely and accurately record fixed asset acquisitions in order to safeguard fixed assets from loss.

821.2 Major Controls

- A. **PP&E Acquisitions Tied to Capital Budgeting**
All acquisitions of property, plant and capital equipment must be part of the approved capital budget.
- B. **Lease vs. Purchase Analysis**
The decision whether to lease or purchase property, plant and equipment will be supported by a lease vs. purchase analysis.
- C. **PP&E Acquisitions Based on Approved Requests**
Before a purchase is made, approval by an authorized official must be obtained.
- D. **Internal Accounting Controls**
 1. Use of prenumbered capital expenditure authorizations and account for missing documents
 2. Separate purchase order designators used for capital expenditures
 3. Reconcile fixed assets with capital expenditure authorizations.

821.3 Procedures

- A. Capital budget requests will be submitted annually for review and approval by the President and CEO.

- B. Each request for the acquisition of PP&E in excess of \$10,000 must have a lease vs. purchase analysis completed to support the acquisition.
- C. Each authorization request for the acquisition of PP&E in excess of \$1,000 will be reviewed and approved by the Vice President of Finance and Administration.
- D. Each item of property, plant and equipment received will be identified and tagged in a visible area on the asset.
- E. A copy of purchase orders for capital expenditures will be routed by hand to the General Ledger Supervisor who will enter fixed assets in the Fixed Assets Subsidiary Ledger.
- F. Information on each tagged asset will be entered in the Fixed Assets Subsidiary Ledger.
- G. The Fixed Assets Subsidiary Ledger will be maintained by type of owned PP&E asset:
 1. U.S. Government-furnished
 2. Prime contractor/grantee-furnished
 3. Contractor/grantee-acquired
 4. Contractor/grantee-owned
 5. Leased items
 6. Small dollar items
 7. Computer software with original acquisitions cost of over \$500.

821.4 Donated Tangible Assets

- A. All tangible assets donated to the Agency will be treated as owned by the Agency.
- B. Each donated asset will be identified, tagged and entered in the Fixed Assets Subsidiary Ledger at the fair market value of the asset at the time of the donation of the asset.

822 RECORDKEEPING OVER PROPERTY, PLANT AND EQUIPMENT

822.1 Control Objective

To completely and accurately record fixed asset acquisitions, transfers and dispositions on a current basis.

822.2 Major Controls

A. Capitalization Policies

Neighborhood Centers Inc. will observe its policies on the capitalization of equipment and distinguish between normal maintenance and

betterments. Neighborhood Centers Inc. will also observe ARB 43 and FASB 34 regarding the capitalization of expenditures for capital assets under construction and the capitalization of interest expense. Items valued at \$1,000 or more with a useful life of more than one year are capitalized.

B. Fixed Asset Classification

Fixed assets will be maintained for the following classifications: land; buildings and improvements; leasehold improvement; furniture, fixtures and office equipment; automobile equipment; and other equipment.

C. Policy on Asset Accountability Units

Neighborhood Centers Inc. will track its fixed assets by groups of assets with varying service lives. Items acquired with a useful life of more than one year and having a unit cost of \$500 or more must be tagged and inventoried.

D. Complete Record of PP&E Acquisition Costs

The Fixed Assets Subsidiary Ledger will contain the full history of each capital asset acquired: original acquisition cost, any costs incurred to prepare the asset for use, less cash discounts taken and accumulated depreciation.

822.3 Procedures

- A. Asset acquisitions, transfers, dispositions and depreciation will be entered in the Fixed Assets Subsidiary Ledger on a monthly basis.
- B. The Fixed Assets Subsidiary Ledger will be reconciled with the General Ledger for the original acquisition cost and accumulated depreciation.
- C. Any differences will be analyzed and resolved by the General Ledger Supervisor.

823 DEPRECIATION

823.1 Control Objectives

To ensure that the depreciation of PP&E is correctly stated.

823.2 Major Controls

A. Depreciation Policies

Neighborhood Centers Inc. will apply a consistent depreciation policy to all of its owned assets.

B. Depreciation of Individual Assets/Class of Assets

Detailed depreciation records will be maintained for each individual/class of asset so that the Agency's total depreciation amounts will be cumulative form each fixed asset's periodic and accumulated depreciation.

823.3 Procedures

- A. Each capital asset will be properly classified according to the type of asset and useful life and entered in the Fixed Assets Subsidiary Ledger by the General Ledger Supervisor.
- B. Annually, the useful lives of fixed assets will be evaluated by the Finance Director. If a change is made, the remaining cost of the class of asset will be spread over their revised remaining lives.

824 INVENTORY OF PROPERTY, PLANT AND EQUIPMENT

824.1 Control Objective

To ensure that all recorded assets exist and are in use.

824.2 Major Controls

- A. All PP&E tagged when received
- B. Restricted access to facilities during non-working hours
- C. Physical inventories checked by independent personnel
- D. Differences between physical inventories and perpetual inventory balance analyzed and reconciled.

824.3 Procedures

- A. A printout of all recorded fixed assets will be prepared by the Accounting Department by location and by asset classification.
- B. Inventory will be taken by those employees with responsibilities independent of the custody or recordkeeping of such assets.
- C. The inventory of fixed assets will be compared to the detailed fixed assets printout.
- D. Any differences will be resolved with the employee to whom the asset has been assigned.

825 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

825.1 Control Objective

To ensure that assets no longer in use will be disposed of in accordance with existing policies.

825.2 Major Controls

A. Disposal Policies

Neighborhood Centers Inc. has adopted policies on the disposition of property, plant and equipment.

B. Internal Accounting Controls

1. Use of prenumbered fixed asset disposal and transfer authorization forms
2. Disposal or transfer of fixed assets only with proper authorization.
3. Periodic count of fixed assets that is reconciled with fixed asset records.

825.3 Procedures

- A. A determination will be made by staff as to the necessity of keeping fixed asset.
- B. With proper written authorization form the Director of Administrative Services, an asset disposal form will be prepared.
- C. An asset will be disposed of by trade-in on a similar asset/sale to employees or third parties/treatment as scrap/etc.
- D. A copy of the asset disposal form will be routed by hand to the General Ledger Supervisor who will enter the disposed assets as a reduction in the General Ledger control account, the related accumulated depreciation account, treatment of any proceeds from the disposition, and the recognition of any gain or loss on sale of the disposed asset.

826 GOVERNMENT-FURNISHED AND CONTRACTOR/GRANTEE-ACQUIRED PROPERTY AND EQUIPMENT

826.1 Control Objective

To assure that Government-furnished and contractor/grantee-acquired property and equipment are properly obtained, used and managed during the performance of a Government contracts.

826.2 Major Controls

A. Separate Recordkeeping

Neighborhood Centers Inc. will keep separate identifiers and records on Government-furnished and contract/grantee-owned property and equipment.

B. Separate Custody

All Government-furnished and contractor/grantee-acquired property and equipment, when not in use, will be stored in a separate secure area.

C. Separate Inventory

All Government-furnished and contractor/grantee-acquired property and equipment will be inventoried separately.

826.3 Procedures

A. All Government-furnished and contractor/grantee-acquired property and equipment on Government contacts/grants will use a separately assigned group of tag numbers.

B. On a annual basis, the Director of Administrative Services will inventory all such property and equipment to ensure the assets are being used for the purpose intended.

C. Along with the annual physical inventory, all Government-furnished and contractor/grantee-acquired property and equipment will be inventoried.

D. The disposition of excess/unused Government-furnished and contractor/grantee-acquired property and equipment will be authorized by the Finance Director and reported to the Government Agency's Property Management Office.

900 COMPENSATION POLICIES

910 POLICIES

911 COMPENSATION POLICY

It is the policy of the Neighborhood Centers Inc. to provide competitive total compensation--base compensation and fringe benefits--to that offered by other Agency's for personnel performing comparable work in the same labor market area.

912 LABOR DISTRIBUTION REPORTING

- A. The hours of work are eight (8) hours, from 8:00 A.M. to 5:00 P.M., with a one-hour lunch break, each workday unless otherwise directed by the Program Manager.

- B. Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible supervisory official. The distribution of time worked must be supported by labor distribution reports.

- C. Labor distribution reports will be prepared and controlled according to the following minimum standards:
 1. Employees, including subcontracted employees performing in-house work, are responsible for preparing their own timecards/timesheets.
 - a. Employees should be provided clear instructions of the work to be performed and the activity to be charged.
 - b. Timecards/timesheets should be prepared in ink.
 - c. Timecards/timesheets should be filled out as work is performed, but no less often than daily.
 - d. All supervised hours worked should be recorded on timecards/timesheets.
 2. Timecards/timesheets will be signed by employees and the supervisor only after they are filled out.
 3. Corrections are to be made by cross-out and new entry, with no erasures or whiteouts.
 - a. Corrections are to be initialed by the employee and supervisor.
 - b. An explanation must be provided for corrections.
 4. Distribution and collection of timecards/timesheets will be controlled by the payroll unit.
 - a. Only one card is to be furnished to an employee for a period.
 - b. Corrections are to be initialed by the employee and supervisor.

- c. Timecards/timesheets must be collected by an authorized person.
- 5. Responsibility for distribution and collection of timecards/timesheets should be segregated from that for:
 - a. Preparation and approval of time and attendance records.
 - b. Preparation and distribution of the payroll.
 - c. Monitoring performance to budgets.
- 6. New employees are to be fully indoctrinated on proper time-card/timesheet procedures. Employees must be made aware of their individual responsibility for accurate timecard/timesheet preparation.
- 7. Periodic internal reviews are to be performed by the external auditors of the timekeeping system to assure compliance with system controls.
- 8. Overtime hours ordinarily should be approved by a supervisor prior to the employee working the overtime. Such approval shall be witnessed by the supervisor signing the time sheet for the period in which the overtime was worked.

913 TIMELY SUBMISSION OF TIMESHEETS AND PENALTIES

Until an accurate and complete timesheet is submitted to the payroll unit, an employee will not be paid nor receive any salary advance.

914 OVERTIME PAY FOR FLSA-EXEMPT PERSONNEL

All FLSA-exempt personnel receiving supervisory authorization for overtime are to be paid at the rate of time and one half for time worked beyond 40 hours.

915 UNCOMPENSATED OVERTIME FOR FAIR LABOR STANDARDS ACT-EXEMPT PERSONNEL

- A. Employees whether exempt or non-exempt will record all hours worked.
- B. For time worked beyond forty (40) hours in a pay period, the hourly pay rate of exempt employees will be disregarded if not material.

916 FAIR LABOR STANDARDS ACT RECORD RETENTION

For all non-exempt employees, Neighborhood Centers Inc. will retain the following records for at least three (3) years: employee's name, home address, occupation, sex and hours and days of work.

917 EVIDENCE FOR CONSULTANT UTILIZATION

Whether used in a direct or an indirect capacity, the utilization of all consultants, grant personnel and consulting firms will be sufficiently evidenced with:

- A. Details of all agreements (e.g., work requirements, rate of compensation, and nature and amount of other expenses, if any) with the individuals or Agency's providing the services and details of actual services performed

- B. Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services performed, and
- C. Consultant's work products and related documents, such as trip reports indicating persons visited and subjects discussed, minutes of meetings, and collateral memoranda and reports.

918 CONTROL OF INDEPENDENT CONTRACTORS

The use of consultants will be closely monitored so as not to vary from the rules of the Internal Revenue Service. In particular, consultants will:

- A. Not be controlled as to what services will be performed and how these services will be performed. Consultants will not have set hours of work.
- B. Furnish their own tools of trade -- tools, materials, and the like -- in performing their work
- C. Adhere to a precise contract scope of services, recomputed or at least adjusted annually. This consultant agreement should specify the obligation of the consultant to pay his or her own self-employment taxes, if applicable.
- D. Not receive any fringe benefits as such, although their fee may include provision for fringe benefits
- E. Not be assigned a permanent work station
- F. Make their services available or work for a number of firms or persons at the same time.

920 PAYROLL PROCEDURES

Payroll procedures are organized under six categories: personnel requirements, personnel standing data, timekeeping and labor distribution, preparation of payroll, payroll payment and handling payroll deductions.

921 PERSONNEL REQUIREMENTS

921.1 Control Objective

To ensure that Neighborhood Centers Inc. hires only those employees – full or part-time – it absolutely needs and exerts tight control over hiring new employees and promoting existing employees.

921.2 Major Controls

Neighborhood Centers Inc. has adopted payroll policies for installing new employees on the payroll system and removing terminated employees from the system as well as handling vacation and sick pay and paying bonuses.

921.3 Procedures

A. New Employees

1. Requests for new employees will be initiated by Program/Area Director and compared with the approved annual personnel budget.
2. A personnel action form will be initiated by the Personnel Department when hiring a new employee. This form, containing the employee's rate of compensation and the effective date for paying salary, will be routed by hand to the Payroll Department.
3. All new employees will complete a personal history card and an IRS I-9 and W-4 form.

B. Vacation and Sick Pay

1. Employees' earned vacation balances will be adjusted each pay period to reflect vacation earned/taken.
2. Sick leave taken will be recorded against each employee's available sick time.
3. Before vacation or sick time is paid, an authorization request is to be prepared by the employee, reviewed and approved by the employee's supervisor, and routed by hand to the Payroll Department.

C. Bonus Pay

1. Bonus pay may only be paid if approved by President and CEO.
2. An authorizing memorandum, with a justification provided, will be initiated by President and CEO to the Payroll Unit to issue a bonus check or add bonus to the next payroll check.
3. A copy of the bonus pay authorization memorandum will be maintained by the Payroll Unit to support the payment

D. Terminations

1. A termination form will be completed by the Program/Area Supervisor and routed by hand to the President and CEO for approval for each terminating employee.
2. The approved termination form will be routed by hand to the Payroll Unit for updating the standing payroll data.
3. The approved termination form will be maintained in the terminated employee's personnel file.

922 PERSONNEL STANDING DATA

922.1 Control Objective

To calculate and record payroll data accurately and completely for all employees.

922.2 Major Controls

- A. Precise paper trail covering all transactions
- B. All changes in standing personnel data approved by responsible officials
- C. Separate payroll and personnel files periodically reconciled.

922.3 Procedures

- A. Changes to standing personnel data will be initiated with a personnel action form when making changes in new hires, terminations, pay rate changes or payroll deductions.
- B. A change to payroll standing data will be authorized by the President and CEO for new hires and terminations and the Director of Human Resources for all other matters.
- C. Authorized changes to the payroll standing data will be processed by the Payroll Unit.
- D. A copy of the personnel action form will be retained in the employee's personnel file.
- E. Standing personnel data will be compared by the Personnel Unit with personnel files to ensure that all changes have been authorized and accurately processed.

923 TIMEKEEPING AND LABOR DISTRIBUTION

923.1 Control Objective

To ensure that payment for salaries and wages is made in accordance with documented time records and that employee time is properly distributed.

923.2 Major Controls

- A. **Timekeeping Policies**
A written timekeeping and labor distribution policy will instruct employees on the proper charging of time and reasonably assure the accuracy of recorded time to cost objectives.
- B. **Orientation and Training**
An orientation program will familiarize all employees, as appropriate, on proper time-keeping practices.

C. Time Card Preparation

Labor hours will be accurately recorded and any corrections to timekeeping records including the appropriate authorizations and approvals, are documented.

D. Internal Accounting Controls

1. Daily head-counts of all employees by supervisors while at job site
2. Periodic checks on the way employees prepare their timesheets
3. Verification of labor cost transfers
4. Reconciliation of hours charged in attendance records to payroll distribution summaries
5. Segregation of responsibilities between timekeeping and payroll and those responsible for operating within budgets
6. Tracing representative labor charges billings to underlying time sheets.

923.3 Procedures

A. Orientation and Training

1. Each new employee will receive an orientation program on proper timekeeping and labor charging practices.
2. For employees who are not following proper time-keeping procedures, a periodic refresher course will be conducted.

B. Time Sheet Preparation

1. Each employee will prepare his/her own time sheet on a semi-monthly basis.
2. In preparing time sheets, each employee will:
 - a. Use job assignments provided by the employee's supervisor/ manager
 - b. Enter his/her own hours in ink and sign the completed timesheet
 - c. Keep timesheets under the employee's control
 - d. Make corrections in ink by crossing-out the error and initialing the change
 - e. Submit the completed timesheet to the supervisor/manager for approval.

C. Distribution, Approval and Collection of Time Sheets

1. Before the beginning of a pay period, one preprinted time sheet will be distributed to each employee.
2. Each employee's time sheet will be approved in writing by an assigned supervisor. A list of supervisors authorized to approve time sheets along with signature card kept on file by the Payroll Unit.
3. Completed time sheets will be collected by an authorized person.

D. Overtime Approval

Overtime will be approved in advance by the employee's supervisor and justification will be included on the time sheet.

E. Reconciliation of Payroll to Time Sheets

Hours shown on timesheets will be reconciled by the Payroll Unit monthly with the hours recorded on attendance records and the total hours recorded on the payroll.

924 PREPARATION OF PAYROLL

924.1 Control Objective

To ensure that payment of salaries and wages is accurately calculated.

924.2 Major Controls

A. Accuracy of Transactional Data

Cross-checks have been built into the payroll system with the use of control totals and other means to reconcile timekeeping data with payroll data.

B. Internal Accounting Controls

1. Time records periodically reconciled with payroll records
2. Responsibility for checking the accuracy of payroll calculations will be kept separate from responsibility for payroll preparation.

924.3 Procedures

- A. Total time recorded on time sheets and number of employees will be totaled by the Payroll Unit.
- B. Recorded hours from the semi-monthly time sheets will be automatically posted to the Payroll Register.
- C. Labor rates will be entered in the Payroll Register by the Payroll Clerk.
- D. Gross pay and payroll deductions will be checked by the General Ledger Supervisor.
- E. The completed payroll (e.g., calculations, payrolls and payroll summaries) will be compared with timekeeping, labor rate, payroll deductions, etc. by the General Ledger Supervisor.
- F. Total hours and number of employees will be compared with the totals in the Payroll Register by the General Ledger Supervisor.

- G. The Payroll Register will be reviewed and approved by the Finance director prior to release of payroll.
- H. Labor distribution summaries will be forwarded to Program/Area Managers for comparison with budgeted salaries and differences, if any, appropriately resolved.
- I. The Payroll Register will be reviewed periodically by the Monitoring Unit and tests performed for reasonableness.

925 PAYROLL PAYMENT

925.1 Control Objective

To ensure payment for salaries and wages by check, direct deposit, cash or other means is made only to employees entitled to receive payment.

925.2 Major Controls

- A. Use of prenumbered checks with the Payroll Department accounting for all check numbers
- B. Erroneous checks voided by permanent notation and filed in numerical sequence with canceled checks.
- C. Destruction of obsolete or surplus checks in the presence of authorized personnel and the destruction evidenced by their signatures.
- D. Separation of duties of timekeeping, paymaster and employees preparing payrolls, with periodic rotation of duties
- E. Complete audit trail on all payroll checks and direct deposit with authorizing signatures at each juncture.
- F. Extensive documentation regarding the receipt of checks and the handling of unclaimed payroll checks.

925.3 Procedures

- A. Payroll payments by check, direct deposit or cash will be distributed by the Payroll Clerk who does not approve time reports and is not responsible for personnel actions.
- B. Each employee will be required to show identification or a badge in order to receive payment.
- C. For payments by cash, employees will sign a receipt log.

- D. A report of undelivered payroll checks will be prepared by the Payroll Clerk, and undelivered checks will be returned to the Finance Director for voiding.
- E. Subsequent payment of unclaimed payroll checks or cash requires employee evidence of employment and signature on the list of undelivered checks.
- F. Endorsements on checks and signatures on the cash receipt log will be compared with employee signatures on file.
- G. A representative from the Monitoring Units will observe the distribution of payroll checks at unannounced intervals.
- H. The payroll bank account will be reconciled monthly by the Cash Receipts Clerk.

926 HANDLING PAYROLL DEDUCTIONS

926.1 Control Objective

To ensure that payment deductions are correctly reflected and paid to the appropriate third parties.

926.2 Major Controls

- A. **Reconciliation of Payment and Payroll Deductions**
Payroll deductions will be recorded in appropriate General Ledger control accounts and reconciled with payment made to third parties.
- B. **Exceptional Events**
Any late and other notices received from third parties will be available for review by the Monitoring Unit.
- C. **Internal Accounting Controls**
Calculations of payroll deductions will be reviewed by employees different from those who make payments of payroll deductions to third parties.

926.3 Procedures

- A. Payroll deductions will be calculated for each employee by the Payroll Unit. These will be summarized by pay period and recorded into the appropriate General Ledger Accounts.
- B. Payroll deductions when required to be paid will be reconciled monthly with the amounts recorded in the control accounts by the Payroll Clerk.

- C. The Finance Director will review for accuracy and timeliness payments made to third parties for payroll deductions.
- D. Original deduction/benefit elections will be reviewed and approved annually.
- E. Late and other notices received from third parties will be stored in a separate file and made available for review by the Monitoring Unit.

**MONTHLY BUDGET STATUS
REPORT**

NEIGHBORHOOD CENTERS INC.
Ripley House Charter School
Monthly Status Report - Year One

Account Description	Budgeted		Actual	Incr(Decr)	% Change
	Annual	Monthly			
Support Funding	\$55,985	\$6,221		(\$6,221)	-100.0%
USDA	58,320	6,480		(6,480)	-100.0%
State Funding	410,400	45,600		(45,600)	-100.0%
Total Revenues	524,705	58,301	0	(58,301)	-100.0%
Salaries and Wages	282,960	31,440		(31,440)	-100.0%
Health & Retirement Subtotal	16,170	1,797		(1,797)	-100.0%
Payroll Taxes Subtotal	26,993	2,999		(2,999)	-100.0%
Benefits, Taxes Subtotal	43,163	4,796		(4,796)	-100.0%
Salaries & Benefits	326,123	36,236		(36,236)	-100.0%
Office Supplies	500	56		(56)	-100.0%
Medical Supplies	540	60		(60)	-100.0%
USDA Food	42,651	4,739		(4,739)	-100.0%
Program Supplies	18,900	2,100		(2,100)	-100.0%
Total Supplies	62,591	6,955		(6,955)	-100.0%
Misc. Equipment	48,905	5,434		(5,434)	-100.0%
Drug Testing	385	43		(43)	-100.0%
Training & Professional Development	1,200	133		(133)	-100.0%
Building Usage	11,963	1,329		(1,329)	-100.0%
Out-of-Town Travel	1,100	122		(122)	-100.0%
M&G Expense	72,438	8,049		(8,049)	-100.0%
Total Other	87,086	9,676		(9,676)	-100.0%
Total Expenses	524,705	58,301	0	(58,301)	-100.0%
(Deficit)/Surplus	\$0	\$0	\$0	\$0	0.0%

NEIGHBORHOOD CENTERS INC.

Budget Worksheet

Program: #REF!
Fund: #REF!
Cost Center: #REF!

REVENUE/SUPPORT	Account Description	Current	Proposed	Inc(Decr)	%Change
4000	Contributions	#REF!	#REF!	#REF!	0%
4100	Foundation/Corporate Grants	#REF!	#REF!	#REF!	0.0%
4200	Special Events - Net	#REF!	#REF!	#REF!	0.0%
4600	Associated Organizations			0	0.0%
4710	UWTGC Allocation	#REF!	#REF!	#REF!	0.0%
4715	UWTGC Emergency Grant			0	0.0%
4720	UWTGC Special Funds			0	0.0%
4740	UWTGC Service Center In-Kind			0	0.0%
4750	Montgomery County United Way			0	0.0%
4800	Other United Ways			0	0.0%
5000	Government Fees and Grants	#REF!	#REF!	#REF!	0.0%
6000	Membership Dues	#REF!	#REF!	#REF!	0.0%
6200	Program Service Fees	#REF!	#REF!	#REF!	0.0%
6400	Sales to Public	#REF!	#REF!	#REF!	0.0%
6500	Investment Income	#REF!	#REF!	#REF!	0.0%
6800	Rental Income	#REF!	#REF!	#REF!	0.0%
6900	All Other Income	#REF!	#REF!	#REF!	0.0%
6910B	Transfer Funds: Add/Deduct	#REF!	#REF!	#REF!	0.0%
6910C	Distribution of M&G Indirect Revenue	#REF!	#REF!	#REF!	0.0%
				0	0.0%
6910D	TOTAL REVENUE/SUPPORT	#REF!	0	#REF!	0.0%
				0	0.0%
				0	0.0%
				0	0.0%
EXPENSES					
7000	Salaries	282,960	0	(282,960)	-100.0%
7100	Employee Health and Retirement	16,170	0	(16,170)	-100.0%
7200	Payroll Taxes	26,993	0	(26,993)	-100.0%
8000	Professional Fees and Contract Services	#REF!	#REF!	#REF!	0.0%
8100	Supplies	62,591	0	(62,591)	-100.0%
8200	Telephone	#REF!	#REF!	#REF!	0.0%
8300	Postage and Shipping	#REF!	#REF!	#REF!	0.0%
8400	Occupancy	#REF!	#REF!	#REF!	0.0%
8500	Rental and Maintenance of Equipment	#REF!	#REF!	#REF!	0.0%
8510	Purchase of Equipment	48,905	0	(48,905)	-100.0%
8600	Printing and Publications	#REF!	#REF!	#REF!	0.0%
8700	Travel and Meetings	#REF!	#REF!	#REF!	0.0%
8900	Assistance to Individuals	#REF!	#REF!	#REF!	0.0%
9050	National Dues/Support			0	0.0%
9300	In-Kind Expense for Line 4740			0	0.0%
9380	All Other Expenses	#REF!	#REF!	#REF!	0.0%
9400F	Distribution of M&G Indirect Costs	72,438	0	(72,438)	-100.0%
				0	0.0%
				0	0.0%
9400G	TOTAL EXPENSES	#REF!	0	#REF!	0.0%
9400H	Net (Deficit) or Surplus	#REF!	\$0	#REF!	0.0%

APPENDIX

- L -

LEASE AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This lease agreement is entered into by DANIEL AND EDITH RIPLEY FOUNDATION ("Lessor") and NEIGHBORHOOD CENTERS, INC. ("Lessee") (each of the parties being a non-profit Texas corporation) to take the place of their prior agreements, understandings and arrangements, written and unwritten, all of which are superseded, terminated, and replaced hereby. In particular, this Lease Agreement supersedes and replaces that certain Lease Agreement dated September 25, 1984 executed by Lessee and Lessor covering property identical to that covered hereby.

Lessee is using and occupying the following properties of Lessor:

- (a) Ripley House and its grounds, including also the Corrinne S. Tsanoff - Ripley Building erected on such grounds, and the three immediately adjacent properties known as 302, 324 (no improvements), and 332 North Sidney Street;
- (b) Kirkland-Ripley Settlement, building and grounds;
- (c) Harbach - Ripley Neighborhood Center, building and grounds;
- (d) W. D. Cleveland, Jr. - Ripley Building, and grounds.

Such properties are further described in Exhibit I attached hereto and by reference incorporated herein.

As to all such properties the relation of Lessor and Lessee is that of landlord and tenant, and Lessor hereby rents and leases to Lessee, and Lessee hereby rents and leases from Lessor, each of such properties, upon the following terms and provisions:

ARTICLE 1. - TERM

The term of this lease shall begin upon January 1, 1995, and shall continue down to and including December 31, 2004 (the "Initial Term"). Thereafter, this lease shall continue for additional terms (the "Supplemental Terms") of one year each, commencing at the expiration of the Initial Term or the then applicable Supplemental Term, unless at least ninety (90) days prior to the expiration of the Initial Term or the then applicable Supplemental Term, either party hereto delivers to the other party written notice of its election to terminate this lease as of the expiration of the Initial Term or the then applicable Supplemental Term. The parties hereto acknowledge that at the time the relation between these parties was first entered into and Ripley House was built it was determined that such relation should continue as long as mutually satisfactory to both parties, which it has continued to be to the deep satisfaction of all during the fifty-three years that have since transpired.

ARTICLE 2. - RENTAL

The rental for each of the properties of Lessor occupied or used by Lessee shall be One Dollar (\$1.00) a year, payable in advance at the beginning of each lease year.

All rents or rental values that may have become due to Lessor for all periods of occupancy by Lessee or its subtenants down to the time of execution hereof, whether expressly

provided for, or as may have been implied from their relation as landlord and tenant in the absence of other provisions, are hereby agreed to have been fully paid, satisfied and discharged.

ARTICLE 3. - PURPOSE

Ripley House was built to serve as an enduring expression of the philanthropic purposes for which Lessor was created and constitutes a memorial to Mr. and Mrs. Ripley. To such end, the building was built in specific contemplation of the use of same for the welfare and development of the community. This agreement leases same for such purpose, and Lessee agrees that same shall be used only for such philanthropic purposes and not for profit (but this provision does not limit the imposition by Lessee of such fees and charges as Lessee finds desirable to defray its expenses, not looking to profit).

The other properties covered by this lease, though not acquired or built as themselves to constitute permanent parts of the memorial, were nevertheless acquired and built for the same purpose above expressed during their use and occupancy by Lessee and its subtenants, and likewise as to these, Lessee agrees that same shall be used only for such philanthropic purposes and not for profit (subject to the same provisions above stated permitting fees and charges to defray expenses not looking to profit).

Lessee acknowledges that Lessor is a tax exempt entity and Lessee covenants and agrees with Lessor that Lessee shall cooperate fully with Lessor in order to comply with the requirements of and maintain such tax exempt status.

ARTICLE 4. - MAINTENANCE

Attached hereto as Exhibit II is a memorandum which sets forth the obligations of Lessor and Lessee with respect to construction and maintenance of the leased premises. All references in Exhibit II to The Ripley Foundation and the Foundation shall, for the purposes of this lease, mean Lessor, and all references in Exhibit II to the Neighborhood Centers, Inc. and the Association shall, for the purposes of this lease, mean Lessee. Lessor and Lessee agree that the obligations set forth in Exhibit II shall be applicable throughout the term of this lease, unless the parties mutually agree to modify such obligations after the expiration of one year from the commencement date hereof.

Lessor shall not be liable for any damage caused to persons or property as a result of leaks, breaks, or otherwise in consequence of any defects in the leased premises or equipment located thereon. Lessee hereby agrees to indemnify and hold harmless Lessor from any and all liability for damages, costs or expenses with respect to any personal injury, death or property damage arising in any way from any defect or other condition of the leased premises or property located thereon, notwithstanding any act or omission or negligence on the part of Lessor. Lessee is familiar with and accepts the condition of the leased premises, improvements, and equipment, and agrees to maintain the leased premises in good repair and a clean, safe, and sightly condition, in accordance with Lessee's obligations hereunder, and agrees to suffer no waste of the leased premises. Lessor shall have no liability to the employees and patrons of Lessee or Lessee's sublessees, or to the public or others, because of the condition of the leased premises or because of any defect therein, whether existing at the time of execution hereof or developing hereafter, or the acts, omissions or negligence of anyone, including Lessor, and Lessee agrees to indemnify and hold Lessor harmless against liability or claim therefor.

Such funds as Lessor may contribute to Lessee (which is contemplated to be \$25,000.00 per year, but Lessor shall in no event have any obligation to contribute any funds) shall be used by Lessee to assist in satisfying Lessee's obligation to keep the leased premises in first-class repair and condition, and to partially help defray the salary and expenses of employing an individual whose responsibilities involve the maintenance and repair of the leased premises.

These funds may, at Lessor's option, be placed in a special account for the maintenance of the leased property until such time as Lessor and Lessee agree that these funds are necessary for maintaining these properties.

ARTICLE 5. - ALTERATIONS

Lessee shall not make any structural alterations in the improvements on the leased premises, or make any additions thereto, or place any new improvements thereon, or disturb the original walls or permanent fixtures, or change the appearance of the building inside or outside, or place or paint any signs thereon, or change the fence or sidewalks, without first obtaining the written consent of Lessor. All alterations of the improvements and additions thereto shall become the property of Lessor when made. Fixtures installed by Lessee which are of such a nature that they can be removed without damage to the structure shall remain the property of Lessee and be subject to removal by Lessee at or prior to the termination of this lease provided that promptly upon such removal the places where same have been installed are restored by Lessee to their condition prior to the installation of same, less reasonable wear and tear. Any fixtures or property left by Lessee upon the premises when Lessee vacates same upon termination of its tenancy shall at the option of Lessor be subject to use and disposition by Lessor as its own property or Lessor at its option may require removal thereof, in which event Lessee covenants at its sole cost and expense to remove same promptly upon request, restoring any damage caused thereby to the condition prior to installation thereof, less reasonable wear and tear.

Notwithstanding the giving of consent to the making of any alteration or improvement, should such consent be given, or to the installing of any fixture, it is expressly agreed and provided that Lessee and those entering under Lessee shall not have the right or power to cause or permit any lien, statutory or voluntary, to be filed against or affixed to the properties, the buildings and other improvements thereon, the leasehold, the leased premises, or said alterations or improvements by or because of the making or installation thereof, or any other action of Lessee or anyone entering under Lessee, or for any cost of said construction, or labor done, or material furnished or otherwise, and Lessee guarantees that all costs of any alterations or improvements made by Lessee or those entering under Lessee, and the costs of installing any fixtures they may install, shall be promptly paid and that Lessee will prevent the assertion of any lien or claim upon Lessor's property with respect thereto.

ARTICLE 6. - UTILITIES

Lessee shall make its own arrangements for all utilities and utility services it desires at the leased premises, having all meters, and all utility accounts, placed in the name of Lessee, and Lessee shall keep all charges for such utilities and utility services to the leased premises paid promptly as they become due.

ARTICLE 7. - COMPLIANCE WITH LAW

Lessee covenants to make no unlawful or offensive use of the leased premises, and to promptly comply with, execute and fulfill all valid laws, ordinances and governmental regulations applicable to the maintenance, use, and occupancy of the leased premises and condition of any property of Lessee thereon, including, without limitation, the American's with Disabilities Act of 1990, the Life Safety Code, and any and all laws, ordinances and regulations applicable to medical and biological waste.

Lessee hereby represents, warrants, and guarantees to Lessor that Lessee has not and shall not introduce or allow to be introduced on to the leased premises any flammable substances or materials, explosives, radioactive materials, asbestos, PCP's, petroleum, petroleum by-products, hazardous wastes or materials, toxic wastes or materials, or other similar substances (collectively, "Hazardous Materials"). Lessee shall immediately notify Lessor of and clean

and/or remediate in accordance with any and all applicable rules, regulations, ordinances, orders, statutes, laws, and judicial interpretations any Hazardous Materials discovered or released or otherwise located at, on, around or under the leased premises.

Lessee shall indemnify and hold Lessor harmless from any and all liabilities, claims, damages, fines, judgments, penalties, costs, expenses, or losses, including, without limitation, any and all sums paid for settlement of claims, attorney's fees, consulting fees and expert fees, arising from or in connection with Lessee's failure to comply with the terms of this Article 7 of this lease.

ARTICLE 8. - DAMAGE OR DESTRUCTION OF PREMISES

In the event the improvements on any of the properties leased hereunder should be destroyed or damaged by fire or storm or other casualty, Lessee shall give prompt notice thereof to Lessor. Should the damage be such that the improvements are rendered uninhabitable and should Lessor elect not to restore the damaged improvements, or elect to rebuild with different improvements, either party may at its election terminate the lease as to such property.

ARTICLE 9. - DEFAULT

Should it occur that either party makes default in its obligations hereunder and should such default not be corrected within sixty (60) days after notice thereof is given to the party in default by the other party hereto, in such event the party giving such notice may at its option thereupon terminate this agreement.

No waiver of any breach of the agreements contained in this lease shall constitute a waiver of any other breach of any agreement hereof.

ARTICLE 10. - CONTINUOUS USE

Should Lessee and its permitted subtenants therein discontinue for more than sixty (60) days the active use (exclusive of storage use) of any of said premises for the purpose hereof, Lessor may at its election terminate the lease as to such premises.

ARTICLE 11. - CONDEMNATION

In the event any one or more of the leased areas separately listed on page 1 hereof is entirely taken by eminent domain or conveyed under threat of taking by eminent domain to an entity having the power of eminent domain, the lease shall terminate as to said entire lease unit. A partial taking by eminent domain or conveyance in lieu thereof of such a lease unit shall not ipso facto cause a termination of the lease except as to the portion taken or so conveyed, but either party shall have the right at its election upon any such partial taking or conveyance to terminate the lease as to the entire lease unit of which there was such partial taking or conveyance should the part not taken or so conveyed be deemed by such party no longer suitable for the purposes of this lease. In any event, and whether the taking, or conveyance in lieu thereof, be total or partial, Lessee shall be entitled only to such part, if any, of the award as is made for fixtures and property taken which Lessee would have been entitled to remove under the provisions hereof upon the termination of the lease (it being understood and agreed, however, that no portion of any award shall be payable to Lessee for any fixtures or property which Lessee elects to subject to such taking, as opposed to an election by Lessee to exercise Lessee's right to remove such fixtures or property on or before the time of such taking pursuant to the terms of this lease), and the remainder of the reward shall be paid solely to Lessor, and any interest which Lessee might otherwise be deemed to have therein is hereby assigned and transferred to Lessor.

ARTICLE 12. - SURRENDER ON TERMINATION

Upon the termination of this lease, however brought about, Lessee agrees to peaceably quit and surrender the leased premises to Lessor, unless the lease has been renewed or extended.

Absent a written renewal or extension, should it occur that Lessee holds over for any subsequent period after the expiration or termination of this lease, such occupancy shall be understood to be a tenancy from month to month, terminable at the will of either party, and all the other terms and provisions of this lease shall be applicable during such period, except that Lessee shall pay, upon demand, as rental for the period of such possession, monthly rent of Ten Thousand and No/100 Dollars (\$10,000.00), and such holding over shall not be deemed to operate as a renewal or extension of this agreement, and no consent to a renewal of the lease shall be inferred therefrom.

The indemnifications set forth in Articles 4 and 7 hereof shall expressly survive the expiration or termination of this lease, provided, however, such indemnifications shall apply only to matters that arise or accrue in connection with events or circumstances existing during the term of this lease.

ARTICLE 13. - ASSIGNMENT

Lessee covenants that it will not assign this lease in whole or part without the prior written consent of Lessor. Lessee shall have the privilege of subletting portions of the leased premises to social welfare, health and recreation agencies sponsored by the United Way of the Texas Gulf Coast, and governmental units, serving the people of the community, for the non-profit philanthropic purposes stated in Article 3 of this agreement, provided such sublease agreements are in writing and are first submitted to and approved by Lessor. Lessee agrees and covenants that no part of the leased premises is to be sublet to any other group or for any other purposes than as expressly permitted above. Any and all subleases shall be expressly subject to the terms of this lease and shall include as an exhibit to such sublease a complete copy of this lease.

The subleases that have been previously made by Lessee and in effect at the time this agreement between Lessor and Lessee are hereby consented to by Lessor as a sublease under this agreement, for the remainder of its stated sublease term, subject to the provisions hereof under which Lessee in turn holds the property as Lessee.

ARTICLE 14. - FURNITURE AND CHATTELS

The parties hereby confirm and make it a matter of record that the furniture and other movables on the leased premises are the property of Lessee and that only the realty and the improvements and fixtures permanently affixed and attached thereto are the property of Lessor. It is the duty and covenant of Lessee to supply such equipment as shall be requisite to carry out on the leased premises the purposes stated herein for which this lease is made.

ARTICLE 15. - INSURANCE

Lessee agrees to obtain comprehensive general liability insurance covering all the leased premises in the amount of not less than \$2,000,000 for injuries to or death of any one person and not less than \$5,000,000 for injuries to or death of all persons by any one accident or occurrence, and not less than \$500,000 for property damage. Such policy shall be in favor of Lessor as well as Lessee as named insureds thereunder. Lessee agrees, at its expense, to keep such insurance in effect at all times during the term of this lease, and at all times while it or its subtenants are in occupancy of any of Lessor's premises, keeping all premiums paid in advance and furnishing in advance of each coverage commencement and renewal date evidence of payment of the premiums and copy of such policy or certificate showing such coverage.

Lessee shall not be obligated to carry insurance against destruction of or damage to Lessor's improvements and property.

Notwithstanding anything to the contrary contained in this lease, whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this lease in connection with the leased premises, and (b) such party is then covered (or is required under this lease to be covered) in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party, and other party's employees, agents and contractors from any liability it may have on account of such loss, cost, damage or expense and waives any right of subrogation which might otherwise exist on account thereof; provided that such release of liability and waiver of the right to subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage. The release and waiver contained in this Article is intended to expressly release and waive the liability of each party to the other from the consequences of its negligent acts or omissions, subject to the terms of this Article. Lessor and Lessee shall use their respective best efforts to obtain a release and waiver of subrogation from their respective insurance carriers and obtain any special endorsements, if required by their insurer, to evidence compliance with the aforementioned waiver. The terms and provisions of this Article shall survive the termination or expiration of this lease.

ARTICLE 16. - NOTICES

All notices called for hereunder shall be given by hand delivery or by certified mail, return receipt requested, to the proper party, at the address indicated below, and shall be deemed received when actually received by the party to whom addressed.

NOTICE TO LESSOR:

Daniel and Edith Ripley Foundation
c/o Townes G. Pressler
1100 Louisiana, Suite 3620
Houston, Texas 77002-5218
Attention: President
Phone: (713) 659-8300

NOTICE TO LESSEE:

Neighborhood Centers, Inc.
P. O. Box 271389
Two Bissonnet Park
4500 Bissonnet, Suite 200
Houston, Texas 77277-1389
Attention: President and Chief Executive Officer
Phone: (713) 667-9400

ARTICLE 17. - PHILANTHROPIC RESPONSIBILITY

Subject to permission given pursuant to the above to Lessee to sublet portions of the premises to other organizations and governmental units engaged in like endeavors as aforesaid, Lessee as consideration for this lease of such properties to it agrees and binds itself to use its best efforts in organizing, arranging for, conducting and carrying out, upon the premises hereby leased to it, non-profit philanthropic social welfare, health and recreational activities to serve as best they can the welfare of the people of the neighborhoods and communities in which the leased premises are located, to the end that the philanthropic purposes whose service was

envisaged when Daniel and Edith Ripley Foundation was created shall be well served and such Foundation shall be the worthy benefice to the community that was intended.

ARTICLE 18. - CONDITION OF PROPERTY

Lessee represents, warrants and guarantees to Lessor that (1) Lessee is a sophisticated lessee who is familiar with the type of property affected hereby; (2) Lessee has been a lessee at the leased premises for an extended period of time and thus has been afforded the opportunity to make, and has made, any and all inspections of the leased premises and such related matters as Lessee desires; (3) neither Lessor nor any of its agents, brokers, officers, directors, shareholders, or employees has made and does not make any representation or warranties of any kind whatsoever, whether oral or written, express or implied, with respect to the leased premises; and (4) the leased premises are being leased to Lessee in their present "AS IS, WHERE IS, AND WITH ALL FAULTS" condition.

EXECUTED in multiple counterparts, each of which, when signed by the parties, shall be of equal dignity this 13th day of December, 1995, to be effective, however, as of January 1, 1995.

DANIEL AND EDITH RIPLEY
FOUNDATION

ATTEST:

Robert M. Collier

By: Townes G. Pressler
Name: Townes G. Pressler
Title: President

NEIGHBORHOOD CENTERS, INC.

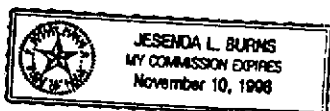
ATTEST:

By: _____
Name: Angela Blanchard
Title: President and CEO

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Townes G. Pressler, President of Daniel and Edith Ripley Foundation, a non-profit Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Daniel and Edith Ripley Foundation, a non-profit Texas corporation as aforesaid, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 13th day of December, 1995.



Jesanda L. Burns
Notary Public in and for
THE STATE OF TEXAS

envisaged when Daniel and Edith Ripley Foundation was created shall be well served and such Foundation shall be the worthy benefice to the community that was intended.

ARTICLE 18. - CONDITION OF PROPERTY

Lessee represents, warrants and guarantees to Lessor that (1) Lessee is a sophisticated lessee who is familiar with the type of property affected hereby; (2) Lessee has been a lessee at the leased premises for an extended period of time and thus has been afforded the opportunity to make, and has made, any and all inspections of the leased premises and such related matters as Lessee desires; (3) neither Lessor nor any of its agents, brokers, officers, directors, shareholders, or employees has made and does not make any representation or warranties of any kind whatsoever, whether oral or written, express or implied, with respect to the leased premises; and (4) the leased premises are being leased to Lessee in their present "AS IS, WHERE IS, AND WITH ALL FAULTS" condition.

EXECUTED in multiple counterparts, each of which, when signed by the parties, shall be of equal dignity this 13th day of December, 1995, to be effective, however, as of January 1, 1995.

DANIEL AND EDITH RIPLEY
FOUNDATION

ATTEST:

By: _____
Name: _____
Title: _____

NEIGHBORHOOD CENTERS, INC.

ATTEST:

Veronica [Signature]

By: Angela Blanchard
Name: Angela Blanchard
Title: President & CEO

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared _____ of Daniel and Edith Ripley Foundation, a non-profit Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Daniel and Edith Ripley Foundation, a non-profit Texas corporation as aforesaid, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 1995.

Notary Public in and for
THE STATE OF TEXAS

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Angela Blanchard, President & CEO of Neighborhood Centers, Inc., a non-profit Texas corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Neighborhood Centers, Inc., a non-profit Texas corporation as aforesaid, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 13 day of December, 1995.



Mary Stonebraker
Notary Public in and for
THE STATE OF TEXAS

EXHIBIT I

FURTHER DESCRIPTION OF PROPERTIES LEASED

(a) The premises described in the lease as Ripley House and its grounds, including also the Corrinne S. Tsanoff Ripley Building erected on such grounds, and the two immediately adjacent properties known as 302 and 324 North Sidney Street, are further described as consisting of the following:

(1) The premises conveyed by R. W. Franklin, Trustee, to Daniel and Edith Ripley Foundation by deed dated July 13, 1938, recorded in Volume 1093 at page 616 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering Lots Four (4), Five (5), Six (6), and Seven (7) of the Dietzscholds Subdivision of Lot No. Sixty-six (66) of the S. M. Williams Survey, in the City of Houston, Harris County, Texas;

(2) The premises conveyed by Helena Lennie to Daniel and Edith Ripley Foundation by deed dated July 13, 1938 recorded in Volume 1093 at page 615 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering Lots Ten (10) and Eleven (11) of the Dietzschold Four Acre Subdivision, a part of Lot No. Sixty-six (66) of the S. M. Williams Survey, in the City of Houston, Harris County, Texas;

(3) The premises conveyed by Olga Elsa Blau, individually and as Independent Executrix of the Estate of George G. Blau, deceased, to Daniel and Edith Ripley Foundation by deed dated July 13, 1938 recorded in Volume 1093 at page 614 of the Deed Records of Harris County, Texas, as corrected by deed dated August 2, 1938, recorded in Volume 1106 at page 463 of such records, to which reference is made for further description, covering the A. F. Blau 2.09 acre tract out of the A. Blau 12.56 acre tract out of Great Lot Sixty-six (66) of the S. M. Williams Survey, in the City of Houston, Harris County, Texas;

(4) The premises conveyed by F. M. Atwell and wife to Daniel and Edith Ripley Foundation by deed dated July 13, 1938, recorded in Volume 1092 at page 783 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering 2.09 acres of land known as the A. F. Blau Tract out of the Blau 12.56 acre tract out of Lot Sixty-six (66) of the S. M. Williams Survey in the City of Houston, Harris County, Texas;

(5) The premises conveyed by Elizabeth O. Murray and husband to Daniel and Edith Ripley Foundation by deed dated July 23, 1938 recorded in Volume 1091 at page 686 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering 2.09 acres of land out of what is known as the 12 1/2 acre Blau Tract out of Lot Sixty-six (66) in the S. M. Williams Survey in the City of Houston, Harris County, Texas;

Comprising and including the premises described in the decree in Cause No. 249,913 in the 113th Judicial District Court of Harris County, Texas, styled Daniel and Edith Ripley Foundation vs. Samuel M. Williams, et al, recorded in Volume 1107 at page 379 of the Deed Records of Harris County, Texas, as follows:

7.8407 acres of land in the S. M. Williams Survey in Houston, Harris County, Texas, being out of Lot 66, more particularly described as follows:

BEGINNING at the Southwest corner of Lot 4 of the Blau Subdivision:

THENCE North 35° East 50 1/2 feet, being the distance across Lovejoy Street to the beginning point of this survey;

THENCE North 70° 5' West 92.2 feet with the North line of Lovejoy Street to an iron pipe set at the intersection of Lovejoy Street and Jenkins Street;

THENCE North 35° East 362.0 feet to an iron rod for corner;

THENCE North 70° 6' West 141.54 feet to an iron rod, same being the Southwest corner of Lot 5;

THENCE North 35° 27' East 20 feet to a pipe for corner;

THENCE North 70° 5' West 115 feet to a pipe for corner, same being the Southwest corner of Lot 10 in the Dietzschold Subdivision;

THENCE North 17° 37' East 220.7 feet to an iron stake in a fence line, same being the Northwest corner of Lot 4 of said Dietzschold Subdivision;

THENCE South 70° 5' East 184.2 feet to an iron stake in the West line of Lot 5 set apart to A. F. Blau;

THENCE North 35° 27' East 251.7 feet to an iron stake for corner;

THENCE South 55° East 446.75 feet to a stake in fence line, this point being in the East line of Lot 6 set apart to George G. Blau of the Blau Subdivision, and is further located as being 28.35 feet South 35° West from the Northeast corner of said Lot 6;

THENCE South 35° West at 384.15 feet an iron pipe marking the Southeast corner of Lot 6 and the northeast corner of Lot 4 at a total distance of 746.15 feet to an iron stake on the North line of Lovejoy Street, now marking the Southeast corner of Lot 4 set apart to Charlotte Blau. This point is further designated as being North 35° East 50 1/2 feet from the original Southeast corner of Lot 4;

THENCE North 70° 5' West following the North line of Lovejoy Street 232.1 feet to the place of beginning, and containing within said description 7.8857 acres, and being all of the three 2.09 acre tracts known as 4, 5 and 6 in the partition of the 12.56 acres known as the Nitze Homestead tract, as per map recorded in Vol. 222, page 140 of the Deed Records of Harris County, Texas, and that part of Lot 3 of said partition known as Block 2 of the Kropp Addition to the City of Houston, as per map recorded in Vol. 570, page 164 of the Deed Records of Harris County, Texas, and Lots 4, 5, 6, 7, 10, and 11 of the Dietzschold Subdivision to the City of Houston, Harris County, Texas, as per plat recorded in Vol. 322, page 361 of the Deed Records of Harris County, Texas;

Save and except that portion of the property which has been subsequently dedicated of record for a part of the present right-of-way for Lovejoy Street;

(6) The premises conveyed by Willie Lee Kee to Daniel and Edith Ripley Foundation, Inc. by deed dated February 4, 1974 recorded in the office of the County Clerk of Harris County, Texas under Film Code numbers 174-22-1167 through 174-22-1169, covering the premises known as 324 North Sidney Street, Houston, Texas, further described by metes and bounds as follows:

TRACT 1: Parts of Lots Four (4) and Five (5) of the Dietzschold Subdivision, out of the S. M. Williams Survey, in Harris County, Texas, according to the plat of said addition recorded in the County Clerk's office of Harris County, Texas, and more particularly described as follows:

BEGINNING at an iron pin which is the northeast corner of said Lot 4; THENCE South 35° 23' West along the Ripley Foundation fence line 44.6 feet to stake;

THENCE in a westerly direction to iron pin in the east line of North Sidney Street as relocated by the Ripley Foundation, which point is 45.5 feet South 35° 23' East from the north line of Lot 4;

THENCE North 35° 23' East 45.5 feet along the east line of North Sidney Street as relocated to an iron pin on the north line of Lot 4;

THENCE South 69° 54' East 85.4 feet to the place of beginning, and being the same property described in deed from Daniel and Edith Ripley Foundation to R. J. Turner dated May 22, 1941, recorded in Vol. 1204, page 179 of the Deed Records of Harris County, Texas, reference to which is here made for all purposes.

TRACT 2: South 55.8 feet of Lot Two (2), in Block Eight (8), of Electric Park, an addition to the City of Houston, situated in the S. M. Williams Survey, on the south side of Buffalo Bayou, in the County of Harris, and State of Texas, according to map thereof recorded in Vol. 359, page 294 of the Deed Records of Harris County, Texas.

(b) The premises described in the lease as Kirkland-Ripley Settlement, building and grounds, are further described as consisting of the following:

(1) The premises conveyed by Jerry P. Daly, Joseph T. Daly, and Mary Abby Daly to The Daniel and Edith Ripley Foundation, Inc. by deed dated March 29, 1947, recorded in Volume 1577 at page 541 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering four contiguous tracts out of the north part of the East one-half of Lot No. Twenty-five (25) of the subdivision of the west one-half of the S. M. Williams Survey, in the City of Houston, Harris County, Texas;

(2) The premises conveyed by Leon Settegast, et al, to Daniel and Edith Ripley Foundation by deed dated April 8, 1950, recorded in Volume 2075 at page 246 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering 20,350 square feet of land, a part of the S. M. Williams Survey in the City of Houston, Harris County, Texas;

(3) The premises conveyed by J. M. Frost and M. D. Bailey to Daniel and Edith Ripley Foundation by quitclaim dated August 11, 1950, recorded in Volume 2167 at page 106 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering all their right, title and interest in the premises described in the deed from Leon Settegast et al next above mentioned;

(4) The premises conveyed by the City of Houston to Daniel and Edith Ripley Foundation by deed dated December 3, 1963, recorded in Volume 5354 at page 619 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering 4,397 square feet of land out of Lot 25 of the west one-half of the S. M. Williams Survey in the City of Houston, Harris County, Texas;

Save and except that portion of the property conveyed by The Daniel & Edith Ripley Foundation, Inc. to the City of Houston by deed dated November 6, 1963, recorded in Volume 5332 at page 226 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering a tract of land containing 3.466 square feet of land off the east side of the Daniel and Edith Ripley Foundation tract out of Lot 25 of the west one-half of the S. M. Williams Survey in the City of Houston, Harris County, Texas.

(c) The premises described in the lease as Harbach - Ripley Neighborhood Center, building and grounds, are further described as consisting of the following:

(1) The premises conveyed by Robert C. Stuart to Daniel and Edith Ripley Foundation by deed dated December 1, 1959, recorded in Volume 3874 at page 597 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering Blocks Four (4), Five (5), and Twelve (12) of Fairlawn Place, in the City of Houston, Harris County, Texas;

(2) The premises sold and quitclaimed by the City of Houston to Daniel and Edith Ripley Foundation by conveyance dated October 15, 1960, recorded in Volume 4227 at page 98 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering portions of Hogue Street and Ledbetter Street, being two tracts each containing 24,500 square feet of land, in Fairlawn Place Addition in the H. B. Prentiss Survey in the City of Houston, Harris County, Texas;

Save and except the portion of said property across which Daniel and Edith Ripley Foundation has granted to the City of Houston an easement for street purposes by deed dated October 6, 1960, recorded in Volume 4307 at page 268 of the Deed Records of Harris County, Texas, (Film Code number 049-14-0831), to which reference is made for further description, covering 9,950 square feet out of Blocks 4, 5, and 12 of Fairlawn Place Addition in the City of Houston, Harris County, Texas.

(d) The premises described in the lease as W. D. Cleveland, Jr. - Ripley Building, and grounds, are further described as consisting of the following:

(1) The premises conveyed by L. R. Thompson and wife, Grace Thompson, to The Daniel & Edith Ripley Foundation by deed dated April 8, 1965, recorded in Volume 5888 at page 487 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering Tract No. Seventy-three (73) of Highland Acres, a subdivision in Harris County, Texas;

(2) The premises conveyed by C. K. Mogab and M. S. Spolane to The Daniel & Edith Ripley Foundation by deed dated April 8, 1965, recorded in Volume 5889 at page 410 of the Deed Records of Harris County, Texas, to which reference is made for further description, covering Tract No. Seventy-Four (74) of Highland Acres, a subdivision in Harris County, Texas;

Save and except that portion of the property conveyed by Daniel and Edith Ripley Foundation, Inc. to City of Pasadena, Texas, for park purposes, by deed dated November 24, 1971 recorded in the office of the County Clerk of Harris County, Texas, under Film Code number 137-26-0874, covering 6.047 acres out of Lots 73 and 74 of Highland Acres Subdivision, in Harris County, Texas;

And subject to the right-of-way for electric distribution and communication lines across a portion of Lot 73 of said Highland Acres Subdivision, granted by The Daniel and Edith Ripley Foundation, Inc. by conveyance dated February 11, 1974 recorded in the office of the County Clerk of Harris County, Texas under Film Code number 101-06-1917.

EXHIBIT II

CONSTRUCTION AND MAINTENANCE OF THE LEASED PREMISES

The Ripley Foundation (the "Foundation") and Neighborhood Centers, Inc. ("NCI") are engaged in a cooperative program to furnish certain services and facilities to the community at large.

The Foundation provides support in the form of physical facilities, and in addition, at its discretion from time to time, certain funds for the maintenance of those facilities. NCI operates and maintains the facilities, and provides the funds for the maintenance of these (and other) facilities in its annual maintenance and operation appropriations.

In making additions to its facilities, renovating them, replacing them, or disposing of some of them, the Foundation seeks recommendations from NCI as to the desirability of such changes. Since the Foundation's primary contribution to the program is its capital investment, it seeks to assure a good return on that investment in terms of program effectiveness. The Foundation is also concerned to see that adequate provisions are made to keep its physical facilities in good condition at all times.

The construction and subsequent maintenance of a large facility, such as the Ripley House complex is a considerable undertaking. In this connection it is useful to describe in general terms the scope of the work. The schedule below lists some of the component parts.

Facilities to be Maintained

Grounds:	Landscaping	- trees, planting, fences, etc.
	Playgrounds	- fields, bleachers, lighting, etc.
	Roadways	- roads, parking, sidewalks, etc.
	Drainage	- storm drains, catch basins, etc.
Buildings:	Structures	- frames, decks, fire exits, etc.
	Roofs	- roofs, drains, hatches, etc.
	Exterior	- facings, windows, doors, etc.
	Access	- steps, ramps, docks, etc.
Systems:	Elevators	- doors, cabs, machinery, etc.
	Mechanical	- heating, cooling, ventilating, etc.
	Plumbing	- water, sanitary, gas, etc.
	Electrical	- normal voltage, high-voltage, distribution, fixtures, etc.
Interiors:	Partitions	- walls, doors, hardware, etc.
	Ceilings	- panels, vents, lamps, etc.
	Floors	- wood, tile, hard-surface, etc.
	Special	- restrooms, food-handling, theater, etc.

The maintenance function has three different but interrelated aspects: continuous maintenance, ordinary maintenance, and major maintenance. Each is partly preventive and partly corrective. Each may be performed in whole or part by contractors or by in-house personnel. Each affects the others.

Continuous maintenance is performed by NCI. Though it adds little to the cost of operations, its neglect leads to excessive wear and tear on the property. Continuous maintenance includes, without limitation, implementation of adequate security for the property and its occupants, reasonable regulation of the use of the property, and thorough cleaning of the property on a regular basis so that the property is at all times maintained in a good and orderly condition. Adequate security protects against vandalism, broken windows, forced locks, etc. Reasonable regulation discourages abuse, such as electrical overloads, nails in the walls, blocked air vents, etc. Proper cleaning materials and equipment avoid damage to walls, floors, and fixtures. In other words, all concerned should exercise due care to prevent unnecessary damage to the premises and assure competent maintenance.

Ordinary maintenance covers most of the maintenance function. Much of the work is typically done according to scheduled routines, either at set intervals (as for mechanical systems) or on a rotating basis (as in repainting interior partitions). Some is done to repair damage or breakdowns, and some is done at the convenience of the occupants. It includes inspection, servicing, repairs, and replacements. Some is done under contract and some by maintenance personnel. Expenses are relatively constant from year-to-year (with adjustment for inflation and for increases in the use of the facilities maintained).

Major maintenance takes the form of special projects. Some special projects are planned deliberately, as when it becomes evident that minor repairs and replacements will not prolong the useful life of a part of the facility, or when there is a major change in occupancy requiring changes in the layout. These and other special projects that may arise unexpectedly may be relatively expensive, and their occurrence is hard to predict.

Because the three kinds of maintenance are interrelated, there may be a tendency to shift costs from one to the other. Thus, when windows frequently are broken, more effort on security may reduce the number to be repaired. More costly windowpanes may reduce breakage but require more effort in cleaning. A single maintenance and operation provides better control and coordination.

Given the cooperative relationship between the Foundation and NCI, NCI has been and shall be responsible for all routine repairs and maintenance, including continuous and ordinary maintenance, and shall be accountable to the Foundation for the upkeep of the Ripley facilities.

The Foundation has and does assume the expenses of major maintenance projects, usually on the basis of specific requests from NCI, involving additions, replacements, or renovations of Ripley facilities as the Foundation's budget might allow, in the sole discretion of the Foundation.

The Foundation and NCI have worked amicably together for years. The following schedules attempt to outline in general the division of responsibilities.

RIPLEY FOUNDATION FACILITIES

In general, the Foundation is responsible for all capital additions; major capital replacements, and major maintenance projects:

- I. Relating to the grounds
 - Fences
 - Roadways
 - Parking areas
 - Sidewalks, ramps, stairs and docks

2. Buildings, additions and renovations
 - Roofs
 - Exterior walls
 - Exterior door and window frames
 - Gutters and downspouts
 - Electric power distribution
 - Water, heating, air conditioning and ventilating equipment including cooling towers

Examples of Major Capital Replacements

An expansion of facilities, major renovations or redesign as required by applicable law, code or ordinance or otherwise imposed by governmental entity with appropriate jurisdiction.

Replacement of:

- Obsolete Utility equipment
- Obsolete Electrical equipment
- Sanitary and storm sewer
- Steam boilers
- Sidewalks, parking areas

Examples of Major Repair Projects

- Roof repair
- Sidewalk and Parking Area Repair
- Replace section of fence
- Repaint exterior
- Replacement of major components of hot water, heating, and cooling systems

In general, NCI is responsible for routine repairs and maintenance.

Examples of Routine Repairs and Maintenance

1. Normal maintenance, cleaning and minor repairs of the property, including, without limitation, doors, windows, restrooms and all interior areas.
 - a) Light bulbs, fixtures
 - b) Repainting of interior
 - c) Plumbing
 - d) Broken glass, windows, doors, locks, gates.
2. Normal maintenance, cleaning and minor repairs to heating and cooling systems.
 - a) Spring cooling system inspection and start-up.
 - b) Winter cooling system shutdown.
 - c) Fall heating system inspection and start-up.
 - d) Spring heating system shutdown.
 - e) Boiler and cooling tower treatment.
 - f) Fan belts.
 - g) Filters.
 - h) Small pumps.
 - i) Relay and control elements.
 - j) Fan motor replacements.
 - k) Thermostat replacements.
 - l) Freon compressor servicing.
3. Exterior normal maintenance, cleaning, and minor repairs to lighting, fences, roadways, parking areas, sidewalks, ramps, stairs and docks.

APPENDIX

- M -



Board of Directors

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August 17, 2000

Lawrence Marshall, President of the Board of Trustees
Dr. Rod Paige, Superintendent
Houston Independent School District
3830 Richmond Av.
Houston, Texas 77027

Dear Mr. Marshall and Dr. Paige:

This is to inform you that Neighborhood Centers Inc. intends to submit an application to the State Board of Education for consideration for approval of an open-enrollment charter school. As part of the application process, entities applying for approval are required to notify any districts that are likely to be affected by the establishment or amendment of an open-enrollment charter school.

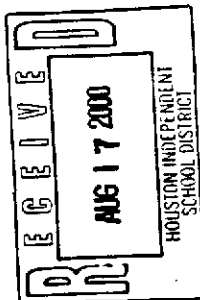
Specifically, the guidelines approved by the State Board of Education require that the enclosed form, entitled *Statement of Impact*, and a copy of the application for the proposed open-enrollment charter school be sent to each district that may be affected. Information is requested if the proposed open-enrollment charter may adversely impact a district financially, or if the proposed charter may impact the student enrollment of a district in a manner that impairs the district's ability to comply with a court order. The enclosed form may be completed by any district that may be affected, signed by the district's board president and superintendent, and returned to the Texas Education Agency, Document Control Center, Room 6-108, 1701 North Congress Avenue, Austin, Texas 78701. It should be received no later November 1, 2000 for the information to be considered by the State Board of Education.

It is requested that you review the enclosed application, complete the *Statement of Impact* form, and submit it to the Texas Education Agency. If you have questions about the process for approval of open-enrollment charter schools please contact Robert Muller in the Division of Charter Schools at (512) 463-9575. If you have questions about the enclosed application for approval of an open-enrollment charter school affecting your school district, please contact Angela Blanchard at (713) 669-5258.

Sincerely,


Angela Blanchard
President & CEO

AB/me



Copy of Charter
School Application
S. Holt
1:40 pm

*Wage and Salary
Administration*

Mission Statement

To enhance the development and full potential of individuals, families, and neighborhoods through effective human service systems, responsive programs and appropriate facilities in adherence with our core values.

To: Dave Detcher

From: Glenda Bates

Subject: H.R. Information for Proposal

Date: July 31, 2000

Dave:

Please find attached the Human Resources policies that apply to wage and salary administration; employee separation; employee benefits and services; employment selection; and agreements signed by the employee.

This statement regarding NCI taken from the Employee Handbook could be used followed by the above attachments. Please let me know if I could be of further assistance.

At Neighborhood Centers Inc. we recruit, hire, train, promote and reward the employees based on ability, without consideration of their race, color, religion, sex, age, physical disability, veteran's status or national origin. We comply with all federal, state and local EEO requirements in all of our personnel actions--from recruitment and training to compensation and benefits.


Glenda Bates

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 110
Page 1 of 1

SECTION: Wage and Salary Administration
SUBJECT: Exempt/Non-Exempt Employee Status

Effective Date: 01/01/96
Supersedes Policy No. 401

PURPOSE

To define exempt and non exempt employee status and to provide guidelines for determining this status according to law.

SCOPE

This policy applies to all employees of the Agency.

POLICY

All positions in the Agency will be classified by the Human Resources department as either exempt or non exempt in compliance with the law and for pay administration purposes.

DEFINITIONS

Definitions of exempt and non-exempt employee status are based on provisions of the Fair Labor Standards Act (FLSA) and state law. These definitions are summarized as follows.

Exempt Management, supervisory, professional, administrative and other employee whose positions meet specific tests established by the FLSA and state law and who are exempt from overtime pay requirements.

Non-Exempt Employees whose positions do not meet FLSA exemption tests and who are paid on and one half times their regular rate of pay for hours worked in excess of 40 in one week. Employees classifies as non exempt generally occupy non supervisory or non professional positions.

PROCEDURE

In cases where the exempt/non-exempt status of an employee is in doubt, the Human Resources Department will review position duties and responsibilities against FLSA exemption tests, and reach a decision.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 120
Page 1 of 4

SECTION: Wage and Salary Administration
SUBJECT: Hours of Work and Paydays

Effective Date: 01/01/96
Revision Date: 01/01/97
Supersedes Policy No. 401

PURPOSE

To establish the hours of employment in the Agency's basic workday and workweek and to establish pay period and paydays to administer the payment of wages, salaries and overtime.

SCOPE

This policy applies to all regular employees of the Agency.

POLICY

- A. Hours of Work. The Agency follows a normal work schedule of 40 hours per week, eight (8) hours per day, for five (5) consecutive days per week. As program needs require coverage beyond the usual working hours, each employee shall be given a work schedule consistent with these needs and the 40 hour week. For these purposes, the work week is considered to be Monday through Sunday.
- B. 9/80 Schedule. If approved by the President and CEO, certain departments or locations may work a 9/80 work schedule. Availability of the 9/80 work schedule is solely at the discretion of the Agency.

The 9/80 schedule will arrange 40 regular hours in each work week by positioning an eight hour work day in the middle of the two week period and defining the midpoint of the eight hour day as the beginning and ending point of the work week. The following example illustrates the work hours in the first two weeks of a 9/80 schedule with every other Friday being the swing day. The work week in this schedule is therefore defined as Friday noon through the following Friday, 11:59 a.m.

M T W TH F//F M T W TH
Reg hrs - WK 1///Reg hrs WK 2
9 9 9 9 4 //4 9 9 9 9

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 120
Page 2 of 4

If the swing day is to be Monday, the work week is defined as Monday noon through the following Monday 11:59 a.m.

T W TH F M/M T W TH F
9 9 9 9 4// 4 9 9 9 9

Eligibility All Neighborhood Centers Inc. employees remain on a 5/40 work schedule unless the 9/80 work schedule is approved by the President and CEO. Employees who work the 9/80 should note the following: (i) service level/performance must not be reduced; (ii) personal matters such as doctor's or dentist's appointments must be scheduled during non work hours except for emergencies; and (iii) employees may be required to work on their scheduled days off when business needs dictate;

Days Off To retain five day coverage in any given week, employees will work the swing day (Friday or Monday in the previous examples) while other employees will be off that day and work the swing day that falls the following calendar week. Management may assign swing days/days off based on business necessity. Only in emergencies, for illness or for scheduled vacations may an employee be off on any day other than the assigned swing day.

Core Hours Coverage Scheduling of daily work hours will provide for staffing during the core hours of 6:30 a.m. to 6:00 p.m. The work day will start no earlier than 6:30 a.m. for the 9/80 schedule.

Vacations Vacation eligibility will still be counted in hours. A vacation day taken on a scheduled nine hour day will use nine hours of vacation time. A vacation day taken on a scheduled eight hour day will use eight hours of vacation time.

Holidays Each regular employee working 80 hours each two weeks has 80 hours of paid holiday time per calendar year. When an Agency-observed holiday falls on an employee's scheduled day off (swing day), the employee will be allowed to schedule an alternative eight hour holiday (floater). When an Agency-observed holiday occurs on a scheduled nine (9) hour workday, eight (8) hours will be charged against the employee's holiday allotment. The employee will need to work an additional hour at another time or charge the hour to vacation time. In the case of non-exempt employees, the additional hour will need to be worked within the same work week as the holiday.

Absences Absences for illness for non-exempt employees are reported in minimum ½ hour increments. All full day absences are to be reported according to the number of regularly scheduled work hours for that day.

Required Work on Scheduled Days Off Exempt employees who work on scheduled days off may not reschedule the time off unless approved by the center manager.

Lunch Periods In the absence of unusual circumstances, lunch periods will not be altered from the customary one hour length.

Converting Schedules Employees will not be allowed to convert from the alternate schedule to a regular 5/40 schedule unless there are unusual or emergency circumstances. An employee will be expected to maintain the established schedule unless the Director of the employee's approves a change in advance or requires a change.

Time Sheets Participating employees will receive revised time sheets to use to record their hours.

Tracking Supervisors are responsible for ensuring the attendance and punctuality of participating employees. Employees who fail to arrive or depart as scheduled or who have excessive absenteeism will be subject to disciplinary action and, at the discretion of the supervisor, may be required to return to a five day 40 hour week.

- C. Paydays. Paydays for Executive Staff (defined as Directors, Vice Presidents and the President and CEO) shall be on the first and the fifteenth of each month. Pay received on the first is for the period worked from the sixteenth through the last day of the preceding month. Pay received on the fifteenth is based on the period worked from the first through the fifteenth of the month.

Paydays for non-executive employees shall be on the fifth and the twentieth of each month. Pay received on the fifth is based on the period worked from the sixteenth through the last day of the preceding month. Pay received on the twentieth is based on the period worked from the first through the fifteenth of the month.

If pay day falls on a Saturday, payroll checks will be distributed on Friday. If pay day falls on a Sunday, payroll checks may be distributed either the preceding Friday or the following Monday.

PROCEDURES

1. Salary. Salaries for regular, full time employees shall be defined on an annual basis assuming 2080 hours per year (52 weeks times 40 hours per week). One day off is counted as eight hours (unless the employee is working the 9/80 schedule; see above).
2. Time Sheets. Time sheets are to be completed and signed by each employee and submitted to their supervisor for approval. Instructions for completing time sheets are available from the Payroll Department. Supervisors shall approve, sign and submit time sheets to the Payroll Department by the fifteenth and last day of the month (for non-Executive employees). If an employee is unable or unavailable to complete his/her time sheet, the employee's supervisor may complete and submit the time sheet for the employee, noting thereon that the employee is unavailable or unable to sign same. At such time as the employee becomes available to do so, the employee will be required to sign the original time sheet completed by the supervisor in the employee's absence. Under no circumstances should an employee ask any other employee (other than the employee's supervisor) to complete the employee's time sheet in the employee's absence. Doing so may subject both the employee making the request and the employee completing the timesheet to disciplinary action up to and including termination.
3. Payroll Check Distribution. Employee payroll checks may be distributed to friends or relatives with the approval of the employee. Such distribution must be designated in writing for each pay period by the employee and submitted to the Human Resources Department.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 121
Page 1 of 1

SECTION: Wage and Salary Administration
SUBJECT: Overtime, Non-Exempt Employees

Effective Date: 01/01/96
Supersedes Policy No. 401

PURPOSE

To provide guidelines to administer overtime pay to comply with applicable federal and state wage and hour regulations.

SCOPE

This policy applies to all non-exempt employees of the Agency.

POLICY

The Agency overtime pay policy conforms to overtime provisions of the Fair Labor Standards Act (FLSA) and applicable state laws. Exemption from these provisions should be claimed for an employee only if it can clearly be established that the employee's duties and responsibilities meet the requirements for such exemption. (See Policy No. 110, "Exempt/Non-Exempt Employee status.")

Overtime pay policy for employee includes the following principal elements:

- A. Overtime shall be approved in advance by the employee's supervisor, except in cases of emergency. Non exempt employees who work unapproved overtime in non-emergency situations shall receive pay for same but may be subject to disciplinary action for failing to obtain supervisory approval. Non- exempt employees are not authorized to begin work prior to the scheduled start of their regular shift and they are not allowed to work through their lunch break unless previously approved by the supervisor.
- B. Overtime shall be paid at a rate of one and one half times the employee's regular rate (as defined under the FLSA) for hours worked in excess of 40 hours per week during the Agency's defined work week. (See Policy No. 120, "Hours of Work and Pay Days.")

PROCEDURES

Only hours actually worked are used to calculate overtime pay. Paid time off for holidays, jury duty, vacation, sick leave or any leave of absence are not considered "hours worked" for purposes of calculating overtime pay.

*Employee
Separation*

SECTION: Separation
SUBJECT: Employee Separation

Effective Date: 01/01/96
Revision Date: 00/01/97
Supersedes Policy Nos. 207 and 208

PURPOSE

To ensure timely and accurate processing of employees who are being removed from the Agency payroll.

POLICY

Employment at the Agency is at-will and may be terminated by either the employee or the Agency at any time, with or without notice and with or without cause.

DEFINITIONS

The categories of separation and their definitions are:

A. Resignation: a voluntary separation, including:

1. Resignation (employees should attempt to give two weeks notice.)
2. An absence of one full working day without notice to the Agency (except where such failure to notify resulted from an emergency or circumstances outside of employee's control). (See Policy No. 313, "Attendance Control.")
3. Failure to return from leave of absence as arranged with Agency.
4. Seeking or accepting other employment while on leave of absence from the Agency.
5. Refusal to comply with terms and conditions of employment.

B. Release. A separation in which the employee is not qualified or adapted for the type of work assigned and no other assignment for which the employee qualifies is available. New

employees who are unable to perform satisfactorily during their initial six month introductory period ordinarily will be released.

- C. Deceased. The death of an employee in active or inactive employment with the Agency.
- D. Retirement. Voluntary separation which usually includes qualification for benefits under the retirement plan administered by the United Way of the Texas Gulf Coast. For further information, refer to the Summary Plan Description for such plan.
- E. Lay-off. Work is no longer available. Such lay-offs may occur as a result of job elimination, contract or funding expiration, department closure or other unforeseen circumstances which, in the opinion of the Agency, may require reductions in the work force.
- F. Termination: A separation in which an employee is involuntarily removed from the Agency payroll for cause.

PROCEDURES

- A. Notice to Employees: Employees who are terminated (as defined above) shall not be given advance notice of same. Unless otherwise required by law or contract, no advance notice will be given to employees upon layoff or separation.
- B. Severance Pay. Regular employees who separate from employment because of lay-off or reduction in force shall receive two weeks severance pay. Temporary and part-time employees are ineligible for severance pay.
- C. Management Approval: All terminations as defined above must first be approved in writing by the President and CEO or designee before becoming effective.
- D. Resignation: If an employee resigns for any reason, he or she should attempt to give two weeks notice to their immediate supervisor.
- E. Return of Equipment and Keys: Prior to departure on the last day of work, the supervisor shall obtain all Agency owned equipment and keys from the separated employee.
- F. Exit Interview: Separated employees should be referred to the Human Resources Department for an exit interview on or before their last day of work.
- G. Employment References for Separated Employees: Refer to Policy No. 050, "Personnel Records and Privacy."

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 810
Page 3 of 3

Refer to the relevant Summary Plan Descriptions for health and welfare, life, long term disability, retirement and savings plans for information regarding status of benefits upon separation from employment.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 830
Page 1 of 2

SECTION: Separation
SUBJECT: Exit Interviews

Effective Date: 01/01/96
New Policy

PURPOSE

To document the reasons employees leave the Agency and provide the employees an opportunity to comment on constructive ways to improve the Agency.

SCOPE

This policy applies to all employees of the Agency.

POLICY

Employees shall have an exit interview with a representative from the Human Resources Department prior to separation from the Agency, if possible.

PROCEDURES

- A. Supervisors shall refer employees scheduled to separate from the Agency to the Human Resources Department for an exit interview.
- B. The Human Resources representative shall discuss the following points with the separating employee:
 1. Agency Benefits. Hospitalization including the continuation of coverage, retirement, thrift plan, sick leave, vacation, credit union, and others shall be discussed if applicable. Employees enrolled in the hospitalization plan shall be advised regarding the date their coverage ends. Additionally, they shall be informed of the extended coverage and conversion privileges of the health benefit that are available in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), and any other relevant legislation. Generally, all other benefit credits shall be discussed, such as those provisions described in the Summary Plan Description for the Savings Plan and the Pension Plan, if applicable. Credit union membership may continue beyond termination if the employee desires it. (If an exit interview is not conducted, legally required information will be mailed or hand delivered to the employee.)

2. Job Duties and Work Content. The separating employee shall be asked to comment on their feelings toward the Agency., their perception of the job and its expectations, the match of the job with their interests and abilities, and the quality of training received from the Agency.
3. Agency's Personnel Policies and Procedures. The separating employee shall be asked to comment on Agency policies, the working environment, perceived opportunities for advancement, salary and benefits.
4. Quality of Supervision. The separating employee shall be asked to rate the quality of supervision they received, and comment regarding the fairness and supportiveness of their immediate supervisor.
5. Reasons for Leaving. The separating employee shall be asked to comment on their reasons for leaving the Agency for another job, if applicable, their attitude toward the Agency and what the Agency could have done to prevent the employee from leaving, if appropriate.

The Human Resources Department representative shall ask the employee to sign the exit interview form. The employee may be given a copy of the exit interview form upon request. Additionally, a copy will be forwarded to the employee's supervisor.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 310
Page 1 of 4

SECTION: Standards of Conduct
SUBJECT: Rules of Employee Conduct

Effective Date: 01/01/96
Revision Date: 01/01/97
Supersedes Policy No. 204

PURPOSE

To assure safe, efficient and harmonious operations of the Agency and to inform employees of their responsibilities in this regard.

SCOPE

This policy applies to all employees of the Agency.

POLICY

The Agency's rules of employee conduct are established for the guidance of employees. Every employee is expected to agree to and accept, as a condition of employment, the responsibilities and rules of employee conduct as set forth below. Failure to comply with these expectations may result in disciplinary action up to and including termination of employment.

Every employee shall be required to read and sign an Acknowledgment of Receipt of the Employee Handbook which contains the list of the Rules of Employee Conduct. The receipt shall be kept in the employee's personnel file.

PROCEDURES

Standards of conduct are set forth below and provide behavioral standards and examples of some types of behaviors that are unacceptable. The following represents only a partial list of the rules of employee conduct as a complete list of all possible rules and standards would be impossible to write.

1. Employees shall treat individuals served by the Agency with the dignity and respect owed to all fellow human beings.
2. Employees shall not, under any circumstances, physically, sexually or verbally abuse individuals we serve, fellow employees or visitors.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 310
Page 2 of 4

3. Employees shall perform their duties to meet the standards of quality and quantity maintained by the Agency.
4. Employees shall comply with all safety and health rules of the Agency. Employees shall exercise the utmost care and utilize all safety precautions in carrying out their duties to avoid injury. All accidents shall be reported immediately whether they result in injury or damage.
5. Employees shall hold in the strictest confidence information regarding employees and individuals served by the Agency and their families. Such information shall be used for professional and service purposes only. Records or documents shall not be falsified under any circumstances. Confidential information may be shared with other Agency employees in a professional capacity only.
6. Employees shall follow the directions of their supervisors and cooperate with fellow employees.
7. Employees shall report promptly to their supervisors or other designated staff when they are unable to be on the job. Failure to report such absences in a reasonable time period will be considered abandonment of the job.
8. Employees shall not bring to or use alcohol on Agency work sites and shall not use narcotics or other controlled substances while on duty, unless prescribed by a physician. Possession, sale or use of illegal or controlled substances, or conspiracy to influence others to do the same, or reporting to work under the influence of alcohol, hallucinogens, depressants, stimulants or any illegal drug, chemical or substance is expressly prohibited.
9. Employees shall not bring firearms or other weapons to Agency work sites. Agency work sites include parking areas adjacent to Agency buildings, centers or work locations.
10. Employees shall not, under any circumstances, sleep while on duty.
11. Employees shall keep personal telephone calls and non-Agency related business to a minimum during work hours. Except for emergencies, personal calls should be made during breaks so as not to interfere with the performance of the employee's job responsibilities. Excessive or lengthy personal calls will not be tolerated.
12. Employees shall exercise care in the operation of Agency property and equipment.
13. Employees are responsible for the safe operation of Agency vehicles and payment of any fine incurred while the vehicle is assigned to them.

14. Employees shall dress in an appropriate manner while on duty.
15. Employees shall not lend to or borrow money from the individuals served by the Agency. Borrowing from or lending money to fellow employees is strongly discouraged. Employees shall not borrow personal items from individuals served by the Agency, and employees shall not ask clients to run personal errands for them.
16. Employees shall conduct themselves in compliance with behavior commonly recognized as acceptable employment conduct, whether or not it is herein stated in writing.
17. Employees shall distinguish clearly in public between statements and actions as an individual and those made as a representative of the Agency.
18. Employees shall be constantly mindful of the obligation the Agency and its staff have for the welfare and well-being of the clients and groups served by the Agency.
19. Employees shall not undertake any political activity on behalf of the Agency without prior approval of the President & CEO or designee.
20. Employees shall avoid circumstances which may be interpreted as causing a conflict of interest between the employee and the Agency. Employees shall not have a financial interest in or receive any compensation from any Agency vendor or supplier.
21. Employees authorized to use Agency credit cards must submit appropriate documentation to support charges and purchases. Agency credit cards shall not be used for personal reasons. Any unauthorized purchase or purchases for which there is no supporting documentation must be reimbursed to the Agency by the employee within 30 days.
22. Employees shall not, under any circumstances, falsify documents for clients, themselves or other employees of the Agency.
23. Each employee shall report to work on time in a condition to work. Employees are also expected to report back to work promptly from scheduled breaks. If you report to work late, you may be relieved of duty that day without pay.
24. Unacceptable conduct that may also be grounds for disciplinary action, up to and including termination of employment, includes, but is not limited to the following:

- a. Unauthorized taking, selling, concealing or use of Agency property, or the property of another employee, a client or member of the public;
- b. Unauthorized use of an Agency vehicle;
- c. Conduct inconsistent with disability while claiming disability;
- d. Initiation, encouragement or participation in a slowdown or work stoppage;
- e. Fighting with another employee, a client or other member of the public on Agency time or Agency property;
- f. Detention by police authorities in a situation where return to the work force might be disruptive;
- g. Any conduct or activity which results in a severe disruption of Agency business;
- h. Distribution of literature or solicitation of employees to sign petitions, applications or membership cards to any organization in a work area or during work time;
- I. Organizing, participating in, operating or conducting gambling activities.

If an employee's conduct or performance is unsatisfactory, the employee may be subject to disciplinary action which could include warning, reprimand, probation, suspension or termination. These actions are independent and need not follow in this sequence. Management may choose to begin corrective action at any step including termination. Further, employment with the Agency is at-will which means that employment may be terminated either by the employee or the Agency at any time with or without notice and with or without cause.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 311
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SECTION: Standards of Conduct
SUBJECT: Business Ethics

Effective Date: 01/01/96
Revision Date: 03/01/97

PURPOSE

To inform employees of the business standards to be observed when conducting Agency business so that the Agency will continue to operate in a manner that reflects the highest ethical and legal standards.

SCOPE

This policy applies to all employees of the Agency.

POLICY

In all situations, the Agency's business shall be conducted in accordance with applicable laws and regulations and in such a manner that neither the Agency nor any of its Directors, officers or employees would be placed at risk by disclosure of full facts.

- A. Conflicts of Interest. Employees should devote their best efforts to the interests of the Agency and the conduct of its business. The Agency recognizes the right of employees to engage in activities outside of their employment which are of a private nature; however, full disclosure of such activities may be necessary to prevent potential conflicts of interest. As such, employees shall follow the guidelines for such instances as set forth below.
1. Employees are obligated to devote their full time during working hours to their duties with the Agency and shall not engage in any outside work during this time.
 2. No employee shall have any relationships or engage in any activities which might conflict or give the appearance of conflicting with the proper performance of the employee's Agency duties or responsibilities, or which might affect the employee's independence or judgment with respect to transactions between the Agency and the employee's other activities.

3. No employee shall have a significant financial interest (10% or more), either directly or indirectly, in any business organization which deals with the Agency without the prior written consent of the President and CEO or designee.
 4. No employee shall lease, rent or sell any kind of facility or equipment, material, service or other resource to the Agency or to any company or individual doing business with the Agency as a supplier or contractor without the prior written approval of the President and CEO or designee.
 5. No employee shall propose to cause, either directly or indirectly, the Agency to enter into a business transaction with a relative or an associate, or the enterprise of such relative or associate, without the prior written consent of the President and CEO or designee.
 6. No employee shall provide any managerial, consulting, or similar service to any outside concern which does business with the Agency unless prior written approval is obtained from the President and CEO or designee.
 7. No employee shall engage in any type of outside employment, including self employment, that may embarrass or discredit the Agency or that may in any way affect the employee's independence, objectivity and efficiency in performing the employee's duties. No employee, while on the job or as an Agency representative, may solicit clients to hire or contract with the employee for outside work of any kind.
 8. No employee shall trade upon the employee's affiliation with the Agency in the conduct of personal affairs. This policy does not affect an employee's ability to identify the employee's Agency affiliation in a situation such as credit references where employment affirmation is both proper and normal.
- B. Payments. No employee shall use Agency funds or assets for any unlawful or unapproved purpose. No payments shall be made using Agency funds for any purpose other than that which is approved by the appropriate supervisor and supported by the source document(s) justifying the payment. No undisclosed, unrecorded or unapproved fund or asset of the Agency shall be established for any purpose. All books and records shall be maintained in reasonable detail so as to accurately and fairly reflect the transaction and disposition of assets. No false or misleading entries shall be made in the books and records of the Agency for any purpose.

- C. Gifts Given. No employee shall offer any direct or indirect bribe, kickback or any other payment or transfer of value. Gifts shall be given only to the extent that they are properly authorized by the President and CEO and are not contrary to applicable law and generally accepted ethical standards.
- D. Donations Received. It is critical to the continued operation of the Agency that all donors and contributions be appropriately targeted and appropriately and timely acknowledged. It is also critical that these development functions be centrally coordinated within the Agency. Therefore, no employee may: (1) seek or accept on behalf of the Agency any gift or donation (monetary or otherwise); (2) initiate fund raising activities *of any kind*; (3) accept private discount or preferential treatment from suppliers or donors; or (4) accept payments, privileges or favors from any group, person or organization without first contacting the Agency's Development Department and receiving permission directly from the President and CEO or designee.

It is acknowledged in connection with this policy that certain common courtesies and remembrances of nominal value, occasional meals, reasonable entertainment appropriate to the business relationship and associated with business decisions are widely accepted as common business practices and may be accepted as such by employees and their families.

- E. Government Agencies/Officials. No Agency employee or anyone acting on behalf of the Agency shall provide money or any other thing of value to, or for the benefit of, a government official or employee individually for the procurement of action or consideration by that employee or his or her governmental entity. This prohibition is applicable to employees of all governmental entities, state, local and federal, domestic and foreign.
- F. Professional Associations. The Agency encourages employee participation in professional, civic and public affairs activities which benefit themselves and the Agency.¹ However, no employee shall accept an appointment to membership on the board of directors, standing committee or similar body of any outside company, professional organization or government agency, or file for election to a public office that has or might have significant business or regulatory relationship with the Agency, unless prior specific written approval is obtained from the President and CEO or designee. An appointment to a position in a religious, charitable, professional, trade or civic organization does not necessarily require approval unless the duties of the position may interfere or conflict with the employee's duties with the Agency.
- G. Confidential Information. No employee shall sell, use or disclose confidential information of the Agency, technical or otherwise, for the private benefit of self, associate or any other person, business, firm or entity. Confidential information shall include, but not be limited

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to, decisions, plans, procedures, personal data on employees, client records, bid prices, program evaluations, contractual terms, prospective real estate purchases or sales or financial or business forecasts.

SECTION: Standards of Conduct
SUBJECT: Harassment, Including Sexual Harassment

Effective Date: 01/01/96
Revision Date: 01/01/97
Supersedes Policy No. 305

PURPOSE

To establish the Agency's position on the subject of harassment including sexual harassment, to set forth guidelines for handling violations of the policy and to specify the related complaint-handling procedure.

SCOPE

This policy applies to all employees of the Agency. Furthermore, appropriate procedures will be established at all Agency locations to insure that non-employees (clients, vendors, contractors, etc.) on Agency premises are also made aware of the intent of this policy.

POLICY

Harassment, including sexual harassment, is contrary to basic standards of conduct between individuals and is prohibited by Title VII of the Civil Rights Act of 1964. It will therefore constitute a violation of Agency policy for any employee to engage in any of the acts or behavior defined below by the Equal Employment Opportunity Commission, and such misconduct will subject an employee to corrective action up to and including termination.

All employees are entitled to a work place free of harassment, including sexual harassment, from fellow employees, supervisors, or others conducting business with the Agency. Employees who feel that they have been harassed on the basis of sex or in any other manner, should immediately report such incidents following the procedures described below without fear of reprisal. Confidentiality will be maintained to the extent permitted by the circumstances.

DEFINITIONS

- A. **Harassment.** Verbal, physical or visual conduct of a racial, ethnic or other nature which, in the employee's opinion, impairs his or her ability to perform the job.
- B. **Sexual Harassment.** The Equal Employment Opportunity Commission defines sexual harassment as follows: "unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when submission to the conduct enters into

employment decisions and/or the conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive working environment."

PROCEDURES

Any employee who has a complaint of harassment of any type shall bring the complaint to the attention of any of the following: their immediate supervisor; any other supervisor; the next highest level of management above the immediate or any other supervisor; the Human Resources Department; any Director; any Vice President; or the President and CEO.

Any supervisor or member of management who receives a complaint of harassment or sexual harassment shall immediately report the complaint to Human Resources. Failure to do so will lead to disciplinary action against the supervisor or member of management up to and including termination.

All complaints shall be promptly investigated by the Human Resources Department and the Director and/or Vice President in charge of the department where the complainant works. The investigation will commence as soon as practical after the report of the complaint has been received by Human Resources. Human Resources will present the results of the investigation to the appropriate Director(s) or executive(s) who, in consultation with Human Resources, will determine the appropriate course of action. The complainant shall be informed of the results of the investigation as soon as practical after such decision has been made. In no event may any retaliatory action be taken against the complainant as a result of having brought the complaint in good faith or any participant (who is not the subject of the complaint) in the investigation who participates in good faith provided, however, that any participant in the investigation who reveals confidential information involving the investigation, including the existence of the investigation itself, may be subject to disciplinary action up to and including termination.

Human Resources will retain confidential documentation of all allegations and investigations.

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SECTION: Standards of Conduct
SUBJECT: Attendance Control

Effective Date: 01/01/96
Revision Date: 01/01/97
Supersedes Policy No. 302

PURPOSE

To provide a method to control attendance to maintain efficient operations of the Agency.

SCOPE

This policy applies to all employees of the Agency.

POLICY

- A. Attendance Goal. Regular attendance is an essential function of every non-exempt employee's job. This means that employees shall be at their appointed work station on time each regularly scheduled work period in a condition fully able and ready to work.
- B. Supervisor's Responsibility. Supervisors will exercise the primary management responsibility to control employee attendance. Excessive employee absences or lateness are undesirable performance factors and will be managed by supervisors.

PROCEDURES

The Agency recognizes that there are justifiable causes for absences and tardiness and it follows a policy of granting reasonable requests for excused absences and tardiness. However, even employees who have justifiable cause for absences or tardiness may be subject to disciplinary action up to and including termination if such absences or tardiness are deemed excessive such that they are interfering with the reasonable performance of the employee's job or the function of the department in which the employee works.

Supervisors will administer the attendance standards and procedures outlined below.

- A. Notification.
 1. Advance Notice. Supervisors will require employees to give advance notice (generally defined as prior to the start of the employee's regular shift), when

possible, of lateness or absence. If advance notice is not possible, notification by phone shall be given by employee to his or her immediate supervisor. Supervisors should instruct employees not to leave such messages on the supervisor's voice mail as the only form of notification. If the employee calls to give notice and receives the supervisor's voice mail, the employee should leave the message regarding absence or lateness, but the employee should continue to call until the employee reaches the supervisor, or the supervisor's supervisor, personally.

2. Timing of Notice. Notification calls shall be made prior to the start of the employee's regular shift but in no event later than one hour following the start of the employee's regular shift.
 3. Employee to Maintain Contact. Supervisors will require employees to maintain reasonable contact for any period of absence beyond one day, unless the employee has provided a doctor's certificate covering a specified period.
 4. Notice to Human Resources. If a supervisor becomes aware of an employee's schedule or unscheduled absence of three or more days, the supervisor must notify Human Resources of this fact no later than the third day of the absence.
- B. Absence Without Notice: After one day of absence without notice, employee will be considered as having abandoned his or her job and employment will be terminated on that basis. The employee may be reinstated only if exceptional circumstances explain why the employee could not have called in as required by this policy.
- C. Scheduling Absences. Employees who must be absent for personal reasons or medical appointments shall notify their supervisor in advance, if possible. Failure to do so may result in denial of the time off or time off without pay.
- D. Reports. The Payroll Department will maintain records of employee attendance using Employee Time Sheets. Supervisors are encouraged to keep their own records of employee's attendance, absences and late arrivals by retaining copies of employee's Time Sheets or some other appropriate method. Supervisors shall monitor attendance records of employees in their department and review them to identify critical and chronic attendance problems requiring corrective action.
- E. Performance Appraisal. Employee attendance shall be evaluated by each supervisor in connection with employee performance appraisals. The records of employees with attendance problems should be reviewed more frequently. NOTE: Absences resulting from Family and Medical Leave, Medical Leave (if for a reason protected by the Americans with Disabilities Act) or workers' compensation related injuries or illnesses

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shall not be considered in evaluating an employee's performance or in determining disciplinary action, except that such absences may be used to calculate the maximum allowable absences for any reason (52 weeks in any two year period).

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SECTION: Standards of Conduct
SUBJECT: Dress and Personal Appearance

Effective Date: 01/01/96
Revision Date: 01/01/97
Supersedes Policy No. 302

PURPOSE

To establish guidelines for appropriate dress and appearance during normal business hours at the Agency.

SCOPE

This policy applies to all employees of the Agency.

POLICY

Employees are expected to maintain an appropriate appearance that is business like, neat and clean as determined by the requirement of the area in which the employee works. When attending meetings outside the Agency or attending meetings at Central Administration (4500 Bissonnet), appropriate business attire shall be worn. Appropriate appearance includes:

- A. Apparel. Generally, employees shall wear appropriate, clean, pressed business attire. The following are some examples of inappropriate dress, as a complete list would be impossible to write.
 - 1. After five, party dresses, sun dresses without jackets, shorts, halter tops, exercise clothing and jeans are not permissible.
 - 2. Any clothing that reveals bare backs, midriffs, or any revealing or provocative clothing.
 - 3. No bare feet or legs.
 - 4. Hemlines shall be appropriate length when both sitting and standing.
- B. Hair. Hair shall be clean, combed and neatly trimmed or arranged. This includes sideburns, moustaches and beards.
- C. Personal Hygiene. Good personal hygiene habits shall be maintained.

- D. Uniforms. Employees working in certain departments or locations may be required to wear uniforms. The employee is expected to wear a clean, neat designated uniform at all times while on duty or on Agency business, unless otherwise instructed by his or her supervisor. The initial cost of the uniform(s) (up to a maximum of two) will be paid by the Agency. One replacement uniform may be purchased by the Agency per year if necessitated by normal wear and tear. Maintenance, cleaning, repair and replacement necessitated by loss, misuse, excessive wear, change in size, avoidable damage or theft of the uniform(s) are the responsibility of the employee.

Special events such as Go Texan Week and Casual Fridays allow for different type of clothing to be worn, as specified in Agency memoranda or notice.

PROCEDURES

Each supervisor shall have the authority and discretion to determine appropriate dress for his or her department. Each supervisor shall evaluate the dress and appearance of employees under his or her supervision and institute disciplinary action up to and including termination for violations of these standards.

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SECTION: Standards of Conduct
SUBJECT: Smoking in the Workplace

Effective Date: 01/01/96
Revision Date: 01/01/97
New Policy

PURPOSE

To provide and maintain a healthful and clean working environment for Agency employees.

SCOPE

This policy applies to all employees, volunteers and visitors of the Agency.

POLICY

The Agency respects the individual preferences of smoking and non-smoking employees at our facilities. Managers at all Agency locations shall establish appropriate procedures to ensure that designated smoking areas are provided to employees and non-employees on Agency premises. For reasons of safety, public relations and other concerns, smoking is not permitted inside any Agency facility.

DEFINITION

"Smoking" means inhaling, exhaling, burning or carrying any lighted smoking equipment or tobacco.

PROCEDURE

- A. Prohibited Areas. All common areas, inclusive of restrooms, conference rooms, lunchrooms, hallways, stairways, elevators and other areas not specifically designated as a smoking area.
- B. Smoking Areas. The area designated for smoking at the facility. Please refer to guidelines established by the facility to determine the area so designated.
- C. Visitors/Volunteers. Visitors or volunteers at any of the Agency's facilities are expected to observe smoking and non-smoking designations.
- D. Breaks. Employees who smoke shall not be permitted to take breaks in excess of those normally allowed for non-smokers.

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SECTION: Standards of Conduct
SUBJECT: Telephone Use

Effective Date: 01/01/96
Revision Date: 01/01/97

PURPOSE

To provide guidelines for using Agency telephones.

SCOPE

This policy applies to all employees of the Agency.

POLICY

Efficient telephone service is vital to Agency business. Employees shall adhere to the following guidelines:

- A. Answer all calls promptly and courteously. If instructed by a supervisor to use a specific greeting when answering calls, the employee must do so.
- B. Hold personal calls, both incoming and outgoing, to emergencies or essential personal business and keep them as brief as possible. Excessive personal calls on Agency time may subject the employee to disciplinary action up to and including termination. Employees who work in areas where business phone calls are monitored for quality control purposes should not use business phones for personal calls but will be provided with private phones restricted to personal use only.
- C. Reimburse the Agency for all personal toll and long distance calls made from Agency telephones.

As noted in Policy No. 051, "Agency Access/Right to Search," the Agency retains the right to monitor phone conversations for business purposes and to ensure compliance with the foregoing guidelines.

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SECTION: Standards of Conduct
SUBJECT: Substance Abuse

Effective Date: 06/01/96
Revision Date: 01/01/97

PURPOSE

To prohibit the use, possession, sale, purchase or transfer of alcoholic beverages, illegal drugs or other intoxicants (drugs) or being under the influence of drugs at any time on Agency premises or while on Agency business.

SCOPE

This policy applies to all employees and subcontractors of the Agency.

POLICY

Refer to the separate "Neighborhood Centers Inc. Substance Abuse Policy" which is incorporated herein by reference.

A copy of the complete policy shall be provided to all employees of the Agency. Each employee shall be required to sign an acknowledgment indicating that they have received the policy and agree to comply with its terms as a condition of employment with the Agency. This acknowledgment shall be maintained in each employee's personnel file.

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POLICY NO. 350
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SECTION: Standards of Conduct
SUBJECT: Corrective Action

Effective Date: 01/01/96
Revision Date: 01/01/97
Supersedes Policy No. 301

PURPOSE

To set forth general supervisory guidelines for a corrective action process aimed to correct and document unsatisfactory employee conduct or job performance.

SCOPE

This policy applies to all departments, supervisors and employees of the Agency.

POLICY

The Agency seeks to establish and maintain standards of employee conduct and supervisory practices which will, in the interest of the Agency and its employees, support and promote effective business operations. Such supervisory practices include corrective action for unsatisfactory employee conduct or job performance. Major elements of this policy generally include:

- A. Constructive effort by the supervisor to help employees achieve satisfactory standards of conduct and job performance.
- B. Correction of negative conduct or unsatisfactory job performance to the extent required.
- C. Communication to employees that termination may result from continued or gross violation of employee standards of conduct or unsatisfactory job performance.
- D. Documentation in writing of disciplinary warnings given and corrective measures taken that will become part of an employee's personnel record.

OPTIONS FOR CORRECTIVE ACTION

Corrective action may include one or more of the following:

1. Warning
2. Reprimand
3. Probation
4. Suspension
5. Termination

These actions are independent and need not follow in the sequence listed above. For example, an employee may be suspended without first being placed on probation. Depending on the facts and circumstances involved in each situation, management may choose to begin corrective action at any step up to and including termination. Further, employment with the Agency is at will which means that employment may be terminated by the Agency or by the employee at any time with or without notice and with or without cause.

Guidelines related to each of the aforementioned actions are presented below. Consult with Human Resources for any questions regarding interpretation or implementation of these actions:

- A. Warning: A warning may be given to an employee who has violated Agency policies or job performance standards. This warning may be verbal or written.
- B. Reprimand: A reprimand may be issued for singular or repeat occurrences of matters that an employee was previously warned about, or for matters that are, in the opinion of the supervisor, more serious violations of employee conduct.

A supervisor may initiate a reprimand only with the concurrence of either their immediate supervisor or the Director of Human Resources.

- C. Probation: An employee may be placed on probation for an action that is, in the opinion of the supervisor, a gross violation of the Agency's standards of conduct, or for repeated violations of one or more of the Agency's standards of conduct or job performance standards, or as a result of an unsatisfactory performance appraisal.

Employees who receive two reprimands or warnings in a twelve month period will ordinarily be placed on probation.

The terms of probation may be in writing and should include the specific conduct for which the employee is being placed on probation; the specific criteria that must be met to be removed from probation; the length of time of the probation.

Probation may not exceed 90 days. Absent extenuating circumstances, an employee who fails to meet the terms of the probation within that time frame will be terminated.

Exceptions or extensions of probation must be approved by the Director of Human Resources or the President and CEO or designee.

D. Suspension: Employees may be placed on suspension when they:

1. Violate Agency standards of conduct.
2. Violate Agency Personnel Policies and Procedures.
3. Engage in activity that is viewed to be contrary or detrimental to Agency goals.
4. Pose a threat to the safety of themselves, other employees or clients.

Prior to initiating a suspension, the supervisor must consult with and obtain the approval of the Director of Human Resources or the President and CEO or designees. The suspension will provide the Agency opportunity to investigate the allegation made against the employee to determine whether and what further corrective action is necessary. However, if in the supervisor's judgment it would be prudent to require an employee to leave the premises immediately, the supervisor may initiate the suspension prior to receiving formal approval to do so. Supervisors who take such action must inform the Director of Human Resources or the President and CEO or designee of same as soon as possible and prepare appropriate documentation of the decision and recommendation for suspension.

Employees who are suspended will be notified either verbally or in writing by the employee's supervisor, the Director of Human Resources or the President and CEO or designees.

Employees who are suspended will be required to vacate Agency premises immediately. The suspension may be without pay and will last no longer than 10 working days. Following the investigation, the employee will be informed either verbally or in writing of the Agency's decision to reinstate the employee, take further disciplinary action or terminate employment.

Should the investigation reveal no violation of Agency policy or need for disciplinary action, the employee will be reinstated and will receive pay for the days the employee was suspended if the suspension was unpaid.

- E. **Termination:** An employee who fails to respond appropriately to prior corrective action or who commits infractions of a serious nature may be terminated. Terminated employees will be informed of this decision either verbally or in writing by the employee's supervisor, the Director of Human Resources or the President and CEO.

Terminations must first be discussed with the Director of Human Resources and require the written approval of the Agency's President and CEO. In most cases, suspension should precede termination to allow time for investigation of the termination decision and events leading up to it.

PROCEDURES

- A. **Documentation:** All disciplinary actions, including verbal warnings/reprimands, should be documented in writing either on the Employee Warning Notice (copy attached) or in a form satisfactory to or approved by the Director of Human Resources. All documentation should include employee's name, supervisor's name, date, time and place of the specific event(s), behavior(s) or policy violation(s) for which the disciplinary action was initiated. Copies must be placed in the employee's personnel file. Employees who receive written reprimands or warnings should be given the opportunity to read and sign same to acknowledge receipt. If the employee refuses to sign, the supervisor should note that on the written document.

The employee may respond to any disciplinary action in writing. Such writing shall become part of the employee's personnel file.

- B. **Terminations:** No employee termination may be initiated without the written approval of the President and CEO. Supervisors considering or recommending termination must first consult with Human Resources. If appropriate, the employee will be placed on suspension to allow for investigation of the allegations or events leading to the termination recommendation. Once the investigation has been completed or the recommendation has been reviewed by the Director of Human Resources, the Director of Human Resources will complete a Termination Notice (copy attached), attach appropriate documentation if necessary and forward same to the President and CEO for review and approval. Once signed, the Termination Notice will be returned to Human Resources who will inform the

supervisor. The supervisor or Human Resources will then notify the employee either verbally or in writing and arrange for an exit interview if possible.

- C. **Appeal:** During active employment, an employee may appeal any disciplinary action to the next level of management or the Director of Human Resources or the President and CEO. Refer to Policy No. 430, Complaint and Grievance Procedure.

*Employee Benefits
and
Services*

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POLICY NO. 211
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SECTION: Employee Benefits and Services
SUBJECT: Vacation

Effective Date: 01/01/96
Revision Date: 01/01/98
Supersedes Policy No. 601 and 602

PURPOSE

To provide a vacation benefit to employees for services performed in order to support the Agency's goals to attract and retain quality employees.

SCOPE

This policy applies to all regular employees of the Agency.

POLICY

Each employee shall take an annual vacation as paid time off away from work in accordance with the vacation accrual schedule adopted by the Agency. Vacation shall be taken during the Agency's fiscal year or, if specified by contract, during the contract period of the particular program in which the employee works. Unused vacation will expire at the end of the Agency's fiscal year or the contract period if applicable, and be lost. Exceptions to this policy must be approved in writing by the President and CEO or a designee.

Employees shall not be compensated for accrued vacation time unless such time is actually taken as time off from work, or if the employee separates from the Agency. All vacation schedules shall be approved in advance by the appropriate supervisor and/or Director or Supervisor by using the Vacation Request Form, attached. Program and department needs, seniority and position will be considered when authorizing vacation requests.

PROCEDURES AND DEFINITIONS

- A. Employees do not accrue vacation leave during their first six months of employment with the Agency.
- B. The Payroll Department maintains all records pertaining to vacation time accrual and usage. Inquiries about vacation matters are to be made to supervisors who may contact the Payroll Department for clarification if necessary.

- C. At the employee's request, vacation time may be taken as sick leave. If an employee becomes ill during vacation, accrued sick leave may be used in place of vacation time.
- D. Vacation time for non-exempt employees may not be taken for less than half a day (four hours) at any one time. Vacation time for exempt employees may not be taken for less than one full day (eight hours) at any one time.
- E. Vacation is accrued based on full months of employment. For example, if an employee begins work on February 14, vacation will begin to accrue on September 1. The accrual schedule outlines how vacation is computed using length of service as a basis.
- F. Unused vacation will be paid to employees upon separation from the Agency. Pay will be computed based on vacation earned through the last full month of employment in accordance with the vacation accrual schedule. Vacation time that was used but not accrued at the time of separation may be withheld from an employee's final paycheck, provided employee has executed a payroll deduction authorization release.
- G. If an employee takes a Medical Leave of Absence or a Family and Medical Leave of Absence, the employee will be required to use all but one week of the vacation time they have accrued up to the inception of the leave while on leave prior to the leave becoming unpaid. Employees will not accrue additional vacation while on unpaid leaves of absence.
- H. If an employee terminates employment for any reason and is re-employed within six (6) months of the employee's termination date, vacation time will accrue at the rate in effect as of the employee's termination date though the employee will not accrue any time for the period during which the employee was not employed by the Agency. If the employee's re-employment date is more than six (6) months after the employee's termination date, the employee will accrue vacation time at the same rate as a new employee.

VACATION ACCRUAL SCHEDULE

The following schedule has been adopted to determine the amount of vacation time to which eligible employees are entitled based on length of their continuous employment with the Agency or as defined under paragraph H, above.

1. No vacation is accrued during the first six months of employment.
2. Five (5) working days of vacation are accrued during the last six months of the first year of employment (computed at .83 days per full month of employment).

3. Ten (10) working days of vacation are accrued during the second through fifth year of employment (computed at .83 days per full month of employment).
4. Fifteen (15) working days of vacation are accrued during the sixth through tenth year of employment (computed at 1.25 days per full month of employment).
5. Twenty (20) working days of vacation are accrued during the eleventh through the fifteenth year of employment (computed at 1.67) days per full month of employment).
6. Twenty-two (22) working days of vacation are accrued during the sixteenth through the twenty-fifth year of employment (computed at 1.83 days per full month of employment).
7. Twenty-seven (27) working days of vacation are accrued during the twenty-sixth year of employment and beyond (computed at 2.25 days per full month of employment).

IMPLEMENTATION

The vacation accrual schedule has been changed from the one in effect prior to June 30, 1982. It will apply as stated to all employees hired after June 30, 1982. Employees hired before July 1, 1982 will not lose the vacation accrual level they had achieved. However, such employees will not proceed to the next vacation level until they achieve the specified length of employment, according to the current vacation accrual schedule.

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POLICY NO. 212
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SECTION: Employment Benefits and Services
SUBJECT: Holidays

Effective Date: 01/01/96
Revision Date: 01/01/97
Supersedes Policy No. 600

PURPOSE

To provide a paid holiday benefit to employees in recognition of traditional holidays.

SCOPE

This policy applies to all regular employees of the Agency.

POLICY

The Agency observes ten (10) holidays with pay each year. Employees required to work on a holiday will be given another day off at a time mutually convenient to the employee and the Agency. If an employee works at a location that is closed for a holiday not listed below and, as a result, the employee is not able to report to work at such location, the employee shall contact his or her supervisor to determine if the employee will be required to report to another work location on that holiday. If reporting to another work location is not feasible, the employee may, with his or her supervisor's approval: (1) take the non-listed holiday off as a Floating Holiday; (2) take the non-listed holiday off as a vacation day; (3) take the non-listed holiday off as an unpaid excused absence; or (4) substitute the non-listed holiday for a listed holiday (e.g., Martin Luther King day for Good Friday) provided that the employee's work location is open on the substituted holiday and the employee reports to work on that day.

A. The following days are recognized as Agency-paid holidays:

- | | |
|---------------------|---------------------------|
| 1. New Year's Day | 6. Thanksgiving Day |
| 2. Good Friday | 7. Day after Thanksgiving |
| 3. Memorial Day | 8. Christmas Eve |
| 4. Independence Day | 9. Christmas Day |
| 5. Labor Day | 10. Floating Holiday |

- B. Agency-paid holidays falling on a Saturday will be observed on the preceding Friday and those falling on a Sunday will be observed on Monday.
- C. If an Agency paid holiday falls during an employee's scheduled vacation, the holiday will not be counted as vacation taken.
- D. Floating Holidays are to be scheduled with the approval of the employee's supervisor. If an employee fails to use his/her floating holiday during the course of the calendar year, the employee may not carry it over to the next year. If the employee terminates employment prior to using his/her floating holiday, the floating holiday will not be paid to the employee.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 213
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SECTION: Employee Benefits and Services
SUBJECT: Sick Leave

Effective Date: 01/01/96
Revision Date: 01/01/98
Supersedes Policy No. 603

PURPOSE

To provide sick leave for employees who, because of illness or accident, are temporarily disabled and absent from work for limited periods.

SCOPE

This policy applies to all regular employees of the Agency.

POLICY

The nature of the Agency's operations requires that staff members be physically able to fulfill the duties of their positions. The Agency recognizes that, from time to time, staff members may be temporarily unable to perform their duties because of sickness. Accordingly, regular employees shall be granted sick leave in accordance with the terms of this Policy.

If any employee's health causes them to be unable to regularly fulfill the requirements of the position, Human Resources must be notified as soon as possible. Excessive absenteeism under this Policy may be grounds for disciplinary action up to and including termination except where such absence is because of leave taken under the Family and Medical Leave Act, is as a result of a Workers' Compensation injury or illness, or is protected under certain provisions of the Americans with Disabilities Act.

If an employee is ill or involved in a medical emergency or is unable to come to work because of an illness in the employee's immediate family (as defined herein) it is the employee's responsibility to notify their supervisor or department head prior to the start of the employee's regular shift or within one hour of the start of same (Refer to Policy No. 313 "Attendance Control"). Failure to properly notify the Agency (except in cases of medical emergencies) may make the employee ineligible for paid sick leave and/or subject the employee to disciplinary action up to and including termination.

DEFINITIONS

For the purposes of this policy, the following definitions will apply:

- A. Immediate Family - mother, father, spouse, son, daughter, mother-in-law, father-in-law, sister, brother, grandparent, or relative residing in the employee's home.
- B. Dependent - minor child or other person for whom the employee is the legal guardian or for whom the employee is the primary responsible caretaker.
- C. Spouse - someone with whom the employee has a legal marital relationship or a relationship which in the Agency's judgment is equivalent to marriage.

PROCEDURES

- A. Employees accrue sick leave during the first six months of employment with the Agency.
- B. The Payroll Department maintains all records pertaining to sick leave accrual and usage. Inquiries about sick leave matters shall be made to supervisors who may contact the Payroll Department for clarification if necessary.
- C. For non-exempt employees, all absences because of illness of the employee or a member of the employee's immediate family will be charged on a basis of actual hours away from work in increments of no less than one-half (1/2) hour. For exempt employees, absences because of illness of the employee or a member of the employee's immediate family will be charged in increments of no less than eight (8) hours. If an exempt employee reports to work and then leaves work because of the employee's own illness or the illness of a member of the employee's immediate family, the exempt employee will be paid for the full day at his or her regular rate and no time will be charged against the employee's sick time, unless such exempt employee is taking the time off as intermittent leave under the Family and Medical Leave Act. (Consult Human Resources for details as to the effect of FMLA on an exempt employee's sick time deductions.)
- D. Unused sick leave may be accumulated (carried over) from year to year up to a maximum of 132 days.
- E. Sick leave is accrued based on full months of employment. For example, if an employee begins work on March 3, sick leave will begin to accrue on April 1.
- F. Sick leave may be used under the following circumstances:
 - 1. Illness of employee;
 - 2. Illness of a minor child residing in the employee's house;

3. Doctor's appointment for an employee or member of the employee's immediate family;
 4. Illness of a dependent or spouse that requires the presence of the employee in the home or hospital;
 5. Absences incident to pregnancy, childbirth or adoption;
 6. Up to three (3) days of an employee's earned sick leave may be taken in the event of a serious illness in the immediate family. This is not intended to limit the sick leave allowed in #4 above;
 7. Employees may request up to three (3) days sick leave to attend their spouse during child birth or adoption. Requests for such leave must be approved by the employee's supervisor.
- G. The Agency may require a statement from the employee's health care provider after three (3) consecutive days of absence, in cases of excessive absenteeism or at the Agency's discretion. (Supervisors must notify Human Resources of any employee who has three consecutive days of absence no later than the third day of the absence.) Any staff member who has been absent from work for five (5) consecutive days may be required to furnish the Agency with a fitness for duty certificate from a health care provider prior to being allowed to return to work.
- H. If an employee takes a Medical Leave of Absence or a Family and Medical Leave of Absence, the employee will be required to use all but one week of the vacation time they have accrued up to the inception of the leave while on leave prior to the leave becoming unpaid. Employees will not accrue additional vacation while on unpaid leaves of absence.
- I. Time taken off for reasons listed in this policy will only be paid to the extent the employee has accrued time available for such purpose. Accrued but unused sick leave will not be paid to employees upon separation from the Agency.
- J. If an employee terminates employment for any reason and is re-employed within six (6) months of the employee's termination date, sick time will accrue at the rate in effect as of the employee's termination date though the employee will not accrue any time for the period during which the employee was not employed by the Agency. If the employee's re-employment date is more than six (6) months after the employee's termination date, the employee will accrue sick time at the same rate as a new employee.

SICK LEAVE ACCRUAL SCHEDULE

The following schedule has been adopted to determine the amount of sick leave to which eligible employees are entitled, based on their continuous employment with the Agency or as defined under Paragraph J, above:

1. Five (5) working days of sick leave are accrued in the first year of employment (computed at .4167 days per full month of employment, at eight (8) hours per day).
2. Ten (10) working days of sick leave are accrued during the second through fourth year of employment (computed at .8333 days per full month of employment, at eight (8) hours per day).
3. Twelve (12) days of sick leave are accrued during the fifth year of employment and beyond (computed at one (1) day per full month of employment at eight (8) hours per day).

IMPLEMENTATION

The sick leave accrual schedule has been changed from the one in effect prior to June 30, 1992. Employees hired before July 1, 1982 will retain any unused accrued sick leave earned prior to the end of the fiscal or contract year of their program or department. However, their future accruals will be based on the new schedule effective with the beginning of the next contract fiscal year.

SECTION: Wage and Salary Administration

SUBJECT: Paid Personal Time Off: Bereavement, Jury Duty, Voting, Serving as Witness

Effective Date: 01/01/96

Revision Date: 01/01/98

Supersedes Policies 603,604,609,610

PURPOSE

To provide a means for employees to secure limited time off when such time is needed for bereavement, jury duty, time off to vote and serving as a witness in court.

SCOPE

This policy applies to all regular employees (as to bereavement) and to all employees as to jury duty, attendance at administrative hearings, time off to vote and serving as a witness.

POLICY

Bereavement. Regular employees may take up to three (3) days of paid time off in the event of a death in the employee's immediate family. Immediate family is defined as father, mother (or any relative who acted as the employee's parent), husband, wife, son, daughter, brother, sister, grandparent, father-in-law, mother-in-law, or relative residing in the employee's home.

Jury Duty/Attendance at Administrative Hearings. Full time and part-time employees who are required to serve on a jury or who are required to attend hearing (s) (defined as a summons to testify, assist or participate in a hearing) conducted by a federal or state administrative agency shall be granted such time off as is necessary to complete jury service or attend such hearings. Regular non-exempt employees will be paid for the first three days of jury service or attendance at a hearing. After the first three days, the regular, non-exempt employee may substitute vacation or personal holiday time, if available, or take the time as unpaid time. Regular exempt employees shall be paid their regular salary for *any* absences of less than one full work week (as defined in Policy No. 120 - Hours of Work and Pay Days) related to jury service or attendance at a hearing. Where a regular exempt employee is required to be absent for one full work week or more related to jury service or attendance at a hearing, the regular exempt employee will be paid their regular salary for the first full work week, but thereafter may substitute vacation or personal holiday time, if available for additional absences of one full work week, or take the time as unpaid. (Again, for regular exempt employees whose absences related to jury duty or attendance at a hearing are for less than one full work week, the employee will be paid his or her regular salary for that portion of the regular work

week.) The Agency may credit any jury fees the employee receives for a particular work week against the salary due to the employee for that work week.

Employees called to jury duty shall show a "J" on their time sheets on the days they serve. The certificate of dates of jury duty provided by the county and city shall be attached to the time sheet. Employees are expected to return to work if they are released from jury duty during normal business hours.

Time Off To Vote. Any employee who is registered to vote and who is scheduled to work on election day during the hours the polls are open is eligible to receive paid time off for the time necessary to vote, unless the polling place hours permit the worker reasonable time to vote either before or after work. The maximum time off allowed for voting is two hours. Prior approval must be granted by the Supervisor, Director or Vice President.

Serving as a Witness in Court. An employee who is subpoenaed to serve as a witness on the Agency's behalf shall be paid for lost work time. Employees who are subpoenaed to serve as a witness in a matter unrelated to the Agency may be allowed paid time off if approved by the President and CEO or a designee.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 215
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SECTION: Employee Benefits and Services
SUBJECT: Compensatory Time for Exempt Staff

Effective Date: 01/01/96
Supersedes Policy No. 607

PURPOSE

To provide compensatory time for blocks of time worked in excess of 40 hours per week, when required by circumstances of the job.

SCOPE

This policy applies to all exempt employees of the Agency.

POLICY

Exempt employees are paid for the quantity of the work they produce, not the amount of hours worked to produce that work. However, it can generally be assumed that exempt staff members will work time in excess of 40 hours per week to produce the required work. Should this occur excessively, an exempt employee may be granted compensatory time off with pay, but not necessarily on an hour for hour basis.

The following guidelines shall be used to administer compensatory time:

- A. Compensatory time is not appropriate for accumulations of excessive hours on an irregular basis or for short periods of time.
- B. Compensatory time is not appropriate for accumulations of small amounts of time in excess of 40 hours per week (1 to 2 hours per week) over a long period of time.
- C. Compensatory time may be given for blocks of time worked in excess of 40 hours per week.
- D. Compensatory time off shall have prior approval by the Director or Vice President.
- E. No exempt employee is automatically entitled to compensatory time off.

Compensatory time, if approved, should be taken by the staff member within three (3) months of approval.

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PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 216
Page 1 of 1

SECTION: Employee Benefits and Services
SUBJECT: Absences Because of Emergency Closings

Effective Date: 01/01/96
Supersedes Policy No. 608

POLICY

The President and CEO or a designee shall determine whether to close the Agency or any of its locations during emergencies such as sever weather, lack of electricity or similar conditions. Unless employees receive specific notification of closure, they should assume that the Agency is open for business and are expected to make every effort to report to work.

The Agency recognizes that personal safety, both on and off the job, is a serious consideration, and that employees must decide for themselves whether to attempt to report to work because of inclement weather or other potentially hazardous situations. Employees who do not report to work because of such considerations shall notify their immediate supervisor promptly. Failure to notify the employee's supervisor may result in the time off being taken without pay. Should the Agency or the employee's work location within in Agency remain open despite such conditions, the lost work time may be charged against the employee's accrued sick leave, if available, or to vacation or personal holiday if no sick leave is available or be unpaid if the employee has none of the above.

In the event that inclement weather develops during office hours, and the President and CEO or a designee closes the Agency, the resulting time off will be viewed as an excused absence and all employees who are present will be paid for the lost work time that day.

PROCEDURES

The President and CEO or a designee will notify senior staff of an emergency closing prior to regular working hours if possible. It is the responsibility of each employee to contact their supervisor in a timely manner to determine if the Agency or its locations will be open for operation.

SECTION: Employee Benefits and Services
SUBJECT: Personal Leaves of Absence without Pay

Effective Date: 01/01/96
Revision Date: 05/01/97
Supersedes Policy No. 605

PURPOSE

To enable employee to receive extended unpaid time away from work for purposes other than military leave, leave under the Agency's Medical Leave of Absence Policy or leave under the Family and Medical Leave Act.

SCOPE

This policy applies to all regular employee of the Agency who have worked at least one (1) year or more prior to the onset of the Personal Leave of Absence.

POLICY

Personal leaves of absence require the approval of the President and CEO or designee. Personal Leaves of Absence may not be taken intermittently and may not exceed six (6) months inclusive of any time taken for FMLA or Medical Leave of Absence in the twelve month period prior to the requested start date of the Personal Leave of Absence.

PROCEDURES AND DEFINITIONS

- A. An employee shall submit a request for a personal leave of absence in writing to the employee's immediate supervisor. The supervisor shall submit the request to the Human Resources Department along with a recommended action. The request shall state the reason for the leave, the desired start date and the desired return date. The Human Resources Department shall forward the request to the President and CEO or a designee for consideration. Such requests should be made in a reasonable time prior to the beginning of the requested leave.
- B. The President and CEO or designee shall inform the Human Resources Department of the approval or disapproval of the personal leave of absence request. The Human Resources Department will in turn inform the employee in writing of the response. If granted, the Human Resources Department will also inform the employee of the terms under which the personal leave of absence is granted.

- C. The Human Resources Department will generate the appropriate Change of Status form and forward same to the Payroll Department.
- D. All personal leaves of absence are without pay and are granted with the understanding that the employee's return to employment upon completion of the leave is not guaranteed. Two weeks prior to the end of the personal leave of absence, the employee should inform the Human Resources Department of his/her intent to return to work. The employee will be returned to work if a position is available for which the employee is qualified. Should no such position be available within two weeks of the receipt of the notice of the employee's intent to return to work (or at the expiration of the leave if the employee has not provided notice of intent to return to work), the employee will be terminated.
- E. While an employee is on unpaid personal leave of absence, service time is accrued only for those benefits governed by ERISA.
- F. If an employee is enrolled in the medical, dental or long term disability group insurance plans prior to the personal leave of absence and he/she elects to continue in these plans, he/she must pay both the employer and the employee contribution during the leave to retain these benefits while on an unpaid personal leave of absence. (Life insurance coverage ceases while the employee is on an unpaid personal leave of absence.) To retain coverage, the employee must remit the payment for both the employer and employee portion to the Human Resources Department, payable to Neighborhood Centers Inc. by the 10th of each month or coverage will be canceled.
- G. Employees who are granted personal leaves of absence will be paid any accrued vacation time in a lump sum at the inception of the leave. Employees cannot accrue additional vacation or sick leave time while on personal leave of absence. An employee must have returned to work and been on the job for 30 calendar days before vacation and sick leave time will begin to accrue again.
- H. During the personal leave of absence, the employee will not be eligible for unemployment benefits or compensation from the Agency. The employee may neither solicit nor accept other employment while on personal leave of absence. The Agency will consider any evidence of outside employment as the employee's voluntary termination/resignation.
- I. If an employee's cumulative leaves for any reasons extend beyond 52 weeks in any two year period, the employee will be deemed automatically terminated.
- J. If an employee is under any type of disciplinary action at the beginning of the personal leave of absence, the employee will return to work at the completion of the leave at the same level of discipline.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 223
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SECTION: Employee Benefits and Services
SUBJECT: Family and Medical Leave

Effective Date: 08/01/93
Revision Date: 00/01/97

PURPOSE

To provide employees with unpaid, job protected leaves of absence in accordance with federal law.

SCOPE

This policy applies to all employees of the Agency who have: (1) worked for the Agency for at least 12 months; and (2) had at least 1,250 hours worked in the twelve month period prior to requesting the leave.

POLICY

The Family and Medical Leave Act of 1993 (FMLA) allows employees to take time off for one or more of the following reasons:

1. The birth of the employee's child or to care for such child.
2. A child's placement with the employee for adoption or foster care.
3. Care for a spouse, son or daughter, or parent (but not parent-in-law) who has a serious health condition.
4. The employee's own serious health condition.

Under the law, employees may take up to a total of 12 weeks of paid and/or unpaid time off in a 12-month period upon request for the reasons stated above.

An employee who applies for and obtains FMLA leave by falsifying or wilfully misrepresenting his/her reasons for the leave will be subject to discharge. An employee who applies for or obtains other employment while on FMLA leave will be considered to have voluntarily resigned.

PROCEDURES

- A. Determining Eligibility: To be eligible for FMLA time off, an employee must have worked for the Agency for at least 12 months and have been employed by the Agency for at least 1,250 hours of service during the 12-month period before the beginning of the absence period. (Full-time and part-time employees may qualify.) However, an employee is not eligible if there are less than 50 Agency employees within 75 miles of the employee's assigned work location. Additionally, an employee is not eligible if the employee has had 12 weeks of time off under the FMLA during the preceding 12 months.
- B. Time Frames: Eligible employees may take no more than 12 weeks of FMLA time off in a "rolling" 12-month period measured backward from the date an employee uses any FMLA time off. Therefore each time an employee takes FMLA time off, the remaining allowable FMLA entitlement would be any balance of the 12 weeks which has not been used during the immediately preceding 12 months.

Birth, Adoption, or Foster Care: When taking time off for a newborn child or for adoption or foster care placement of a child, the employee must complete the FMLA absence within 12 months of the birth or placement. The Agency requires the employee to take the time off all at one time. When two Agency employees are married to each other, their combined total time off must not exceed 12 weeks for care after a birth or placement.

Serious Health Condition: Employees may take FMLA time off on an intermittent or reduced time basis for the serious health condition of their spouse, son or daughter, or parent (but not parent-in-law) or their own serious health condition. When doing so, employees must substantiate that such a schedule is medically necessary. When two Agency employees are married to each other, their combined total time off must not exceed 12 weeks for parental care.

- C. Advance Notice Requirements: Before taking time off for an FMLA covered reason, the employee must submit written notice to the supervisor. If this is not possible because of unforeseen conditions, the employee will need to report the absence to the supervisor as soon as possible. Additionally, Human Resources will complete the necessary paperwork whenever an employee who is eligible for FMLA time off refuses to complete the form.

Whenever practical, the employee must give at least 30 days' advance notice for any FMLA absence.

If time off is for planned medical treatment on an intermittent or reduced schedule basis, the employee will need to schedule the treatment so as to create minimum disruption for the department.

- D. Paid and Unpaid Absences: Employees must substitute all their paid sick time, their floating holiday and all but one week of paid vacation time for which they are eligible while taking FMLA leave and before taking any FMLA time off in an unpaid status. However, the Agency will not provide pay in any situation that it would not normally do so. Both paid and unpaid time off covered by the FMLA counts toward the 12-week per year maximum. (Therefore, supervisors will need to make sure the appropriate payroll code is used to report any paid or unpaid time off for FMLA reasons).

While on continuous FMLA time off, employees will need to make periodic reports to their immediate supervisors about their status and intent to return to work. Normally, such reporting should occur every 30 days. However, the Agency may make requests for more frequent reporting.

- E. Partial-day Absences: Partial-day absences taken by an employee under the FMLA, whether paid or unpaid, must be reported to Human Resources and appropriately recorded on the employee's time sheet.

- F. Certification for "serious health condition": The Agency may require certification from a health care provider when an employee plans to take FMLA time off for a serious health condition. This includes certification that the employee is needed to care for a family member or that the employee is unable to perform the functions of her or his job. Additionally, the health care provider will need to specify on the certification form an estimate of the time needed for care of a serious health condition. An employee who plans to take FMLA time off for a serious health condition will need to have the health care provider complete the required certification form or provide the information in a form satisfactory to the Agency.

If time off is foreseeable, the employee needs to submit the completed certification form to her or his supervisor at least 30 days before the absence, or within 15 days of the Agency's request for same. If the employee fails to provide timely certification, time off may be delayed until the employee provides the required certification. In case of a medical emergency or other unforeseen situation, the employee must provide the certification form as soon as reasonably possible under the particular facts and circumstances. If the employee fails to provide the necessary certification form within a reasonable time under the pertinent circumstances, continuation of the time off may be denied. Medical

certification is subject to second and third opinions at Agency expense. Recertification may be required every 30 days.

- G. Returning From Leave: Before returning to work from leave for employee's own serious health condition, the Agency requires the employee to submit certification of fitness to return to work in a form satisfactory to the Agency. The employee will not be permitted to resume work until it is provided.
- H. Employment Status and Continuation of Benefits: Employees who take FMLA time off will remain on active status with the Agency for the duration of the absence. During the FMLA absence, benefit coverage will continue at current rates. However, employees can elect not to continue benefit coverage during the absence.

So long as the employee is receiving a paycheck, premiums will be deducted from the employee's paycheck. If not, the employee may pay for premiums at current rates in a lump sum covering the duration of the absence or in installments due at the same time the contributions would have been due if paid by payroll deduction. The employee has a 30-day grace period in which to make payment after the due date without affecting benefit coverage. Benefits' coverage will cease after the 30-day grace period if payment is not received. Employees will receive advance written notice of the terms and conditions under which payments must be made.

If an employee does not return to work after an unpaid FMLA absence for reasons other than health conditions or some other reason beyond the employee's control, the employee will be charged retroactively for the Agency's portion of the health care premium cost paid during the unpaid absence.

There are no new qualification requirements for any benefits upon the employee's return to work - this includes benefit coverage that the employee elected not to continue during the absence.

- I. Savings Plan: When an employee is on unpaid leave of absence, Savings Plan contributions by the employee cease, as do Agency contributions. The account will continue to participate in gains/losses of the investment funds. An employee may make changes in investment options or take out a loan according to plan guidelines during the leave. Payments for outstanding loans must be as specified in the Summary Plan Description for the Savings Plan.

- J. **Retirement Plan:** An employee's calculation of service will continue to accrue uninterrupted during FMLA leave.
- K. **Flexible Spending Accounts:** When an employee is on unpaid leave of absence, Flexible Spending Account (FSA) contributions cease. An employee may make requests for reimbursement from the FSA while on leave but not in excess of the total amount contributed as of the date of the inception of the unpaid leave. (If, at the inception of leave, the employee has made withdrawals from the FSA in excess of employee's contributions to that date, upon return from leave the employee may be subject to additional payroll withholding to reimburse the FSA for the overdrawn amount.) Because FMLA leave (except for intermittent FMLA leave) is considered a change in family status, upon returning to work, employee contributions to the FSA may be adjusted by the employee upon completion of the appropriate form. If the employee does not elect to change his/her contribution to the FSA as a result of the change in family status, contributions to the FSA will resume at the pre-leave rate. The total amount available for reimbursement will be affected by the amounts not contributed during the unpaid leave. Corporate Benefits **must** be notified of any FSA participant who is on extended (not intermittent) FMLA leave.
- L. **Transfer During Intermittent or Reduced Schedule Absences:** If time off is on an intermittent or reduced schedule basis due to foreseeable, planned medical treatment, the Agency may require the employee to transfer temporarily to an available position that better accommodates the schedule than does the employee's regular position. The temporary position must provide the employee with equivalent pay and benefits.
- M. **Restoration to Equivalent Position Upon Completion of Leave:** At the conclusion of the FMLA absence, the Agency will return the employee to the same position the employee held when the FMLA absence began, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. Ordinarily, an employee will be restored to the same position the employee held before the FMLA absence if the position remains available and there is an approved Job Announcement Form. However, there is no guarantee an employee will return to the same position. In addition, the Agency may deny job restoration (a) if the Agency shows that an employee would not otherwise have been employed at the time reinstatement is requested (e.g., due to a layoff) or (b) if an employee was hired for a specific term or only to perform work on a discrete project and the employment term or project is over; (c) an employee is a key employee (defined as a salaried FMLA eligible employee who is among the highest paid ten percent of all employees employed by the Agency within 75 miles of the employee's worksite) if such denial is necessary to prevent substantial and grievous economic injury to the operations

of the Agency or (d) if the employee fails to provide a fitness for duty certificate to return to work.

- N. Vacation and Sick Leave Accrual: An employee cannot accrue additional vacation time or sick leave while on unpaid leave of absence. These benefits are reinstated when the employee is returned to work. An employee must be back at work for at least 30 calendar days to begin to reaccrue vacation time or sick leave.
- O. Extended Leave for Serious Health Condition: Leave taken because of an employee's own serious health condition may be eligible for extension under the Agency's Medical Leave Policy. (See Medical Leave of Absence Policy, No. 224). If the employee does not return to work on the originally scheduled date or request in advance an extension of the agreed upon leave with appropriate documentation, the employee will be deemed to have voluntarily terminated. Reinstatement is not guaranteed on an extended leave and will depend on Agency needs. If the employee's cumulative leave for any reason extends beyond 52 weeks in any two year period, the employee will be deemed automatically terminated.

DEFINITIONS

Spouse means a husband or wife. This definition includes common-law spouses in states where it is recognized.

In Loco Parentis describes a person who has day-to-day responsibilities to care for and financially support a child or, in the case of an employee, who had such responsibility for the employee when the employee was a child. A biological or legal relationship is not necessary.

Parent means a biological parent or an individual who stands or stood in loco parentis to an employee when the employee was a child. This term does not include parents "in law".

Son or Daughter means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is either under age 18, or age 18 or older and "incapable of self-care because of a mental or physical disability."

Incapable of Self-Care means that the individual requires active assistance or supervision to provide daily self-care in several of the activities of daily living. Activities of daily living include adaptive activities such as caring appropriately for one's grooming and hygiene, bathing, dressing, eating, cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, using telephones and directories, using a post office, etc.

Physical or Mental Disability means a physical or mental impairment that substantially limits one or more of the major life activities of an individual.

A Serious Health Condition must involve either inpatient care in a hospital, hospice, or residential medical care facility or continuing treatment by a health care provider. If the condition involves continuing treatment or supervision by a health care provider:

1. The treatment must be for prenatal care, or
2. The condition must require an absence of more than three days from work, school, or other regular daily activities, or
3. The condition must be incurable or so serious that, if not treated, would likely result in a period of incapacity of more than three days.

Continuing Treatment requires the employee or family member to be treated by (or under orders of) a health care provider two or more times for an injury or illness or to be under continuing supervision for a chronic condition or disability that cannot be cured. A serious health condition does not include routine preventive physical exams or voluntary or cosmetic treatment done on an outpatient basis that is not medically necessary.

Health Care Providers include doctor of medicine, osteopathic doctor, podiatrist, dentist, clinical psychologist, optometrist, chiropractor (only for certain conditions), nurse practitioner or nurse midwife, and certain Christian Scientist practitioners.

RECORD KEEPING

FMLA regulations require the Agency to maintain the following information, with a three-year history: (1) Basic payroll and identifying employee data; (2) dates that the employee took FMLA time off; (3) hours of FMLA absences, if taken in less than full day increments; (4) copies of any written notices from employees requesting time off, and notices given to employees as required under FMLA; (5) documents describing employee benefits or employer policies and practices about the taking of paid and unpaid FMLA time off; (6) premium payments for employee benefits; (7) records of any dispute between employer and employee regarding designation of time off as FMLA time off, including any written statement about the reasons for the designation and for disagreement.

If requested, the Agency will need to make such information available for review by the Department of Labor.

RESPONSIBILITIES

The Supervisor is responsible for:

1. Notifying Human Resources whenever an employee takes three or more consecutive days off work for illness of employee, employee's family member or birth or adoption of a child.
2. Notifying Human Resources when an employee requests extended time off for the employee's own illness, the illness of a member of the employee's immediate family or the birth or adoption of a child. An employee requesting time off does not have to refer to the FMLA to be eligible for FMLA leave. However, it is extremely important for the supervisor to follow this procedure each time an employee requests time off to ensure that the Company is credited with all time off granted under FMLA-qualifying circumstances.

The Human Resources Department is responsible for:

1. Determining if the employee's request for time off is eligible for time off under FMLA.
2. Determining if the employee is eligible for FMLA based on length of service, hours worked and previous FMLA leave taken.
3. If the employee's request is not for one of the above reasons, determining whether or not any paid (or unpaid) absence eligibility exists under Agency policy and handle as usual.
4. If the employee has neither FMLA entitlement, nor appropriate paid absence, vacation, or floating holiday eligibility, advising the employee of the Personal Leave of Absence policy. If unpaid absence may carry consequences, such as loss of employee's position, Human Resources will so inform the employee.
5. If the employee has FMLA entitlement, instructing the employee on the completion of the appropriate paperwork. If the employee is unable or unwilling to complete the form, the Human Resources department will complete the form, based on information from the employee and the supervisor. Human Resources will give the employee a complete copy of the request form, which instructs the employee that if the absence is due to the "serious health condition" of the employee or his/her spouse, son, daughter, or parent, medical certification on a Certification Form is required. The Human Resources Department will all furnish the employee with other required information. Human Resources will tell the

employee that any time off for an FMLA-qualifying reason is being charged against his or her FMLA entitlement.

6. Reviewing the employee's benefit situation. The employee may choose whether to continue in the Agency's health and welfare benefit programs while on leave. (They WILL NOT accrue additional vacation or sick leave while on leave.) If they choose to continue, tell them they will still need to pay the employee portion of those benefits. If they are using paid time off for part or all of the FMLA leave (vacation, personal holiday, sick leave), the cost of the benefits will continue to be deducted from their checks. Once paid time off stops, the employee must send a check to Human Resources each month to cover the cost of the employee's portion of the benefits.
7. Contacting the employee's supervisor and informing him/her that the employee has been granted FMLA leave and instructing the supervisor to report all time off taken under the FMLA to Payroll on the employee's bi-weekly time sheet, as applicable. Even if the FMLA time off may be paid absence (vacation, holiday or sick leave) it must be additionally annotated as FMLA-covered on the bi-weekly Payroll Record. Human Resources should keep a separate record of time taken for FMLA leave and how much of that time will include paid time off and the source of the paid time off.

Frequent review of time off for FMLA purposes should be exercised. Employees may request time off for situations not covered by the FMLA but for which excused absence may be granted under Company policy. Additionally, eligibility for FMLA leave is based on a "rolling" 12-month period measured backward from the date any FMLA leave is taken, while paid absence, vacation and floating holiday eligibility are normally on a calendar year basis. The interaction of the FMLA and these policies is complex and creates difficulty in administration. The supervisor is required to consult with Human Resources, as appropriate, for assistance in handling requests for time off under FMLA or other Company leaves of absence.

SECTION: Employee Benefits and Services
SUBJECT: Medical Leave of Absence

Effective Date: 01/01/96
Revised: 05/01/97

PURPOSE

To provide guidelines for medical leaves of absence for employees who are ineligible for or who have exhausted FMLA leave for the employee's own serious health condition or pregnancy.

SCOPE

This policy applies to all full and part time employees of the Agency.

POLICY

Medical leaves of absence require the approval of the Human Resources Department and the Vice President or Director of the department in which the employee works. A medical leave of absence may be granted for a period of up to one (1) year *inclusive* of any FMLA leave for the employee's own serious health condition or pregnancy which was taken in the twelve month period prior to the requested start date of the Medical Leave of Absence. An employee who applies for and/or obtains any type of leave of absence by falsifying or wilfully misrepresenting his/her reasons for the leave will be subject to discharge.

PROCEDURES AND DEFINITIONS

- A. An employee may apply for a medical leave of absence for extended absences because of the employee's own serious health condition or pregnancy if the employee is not eligible for or has exceeded the limits for FMLA Leave. If eligible, FMLA leave must be used and exhausted prior to an employee applying for a medical leave of absence. The following provisions are not applicable to extended absences due to serious medical conditions or pregnancy of employees who are eligible for FMLA leave. See Policy No. 223 for provisions applicable to FMLA leave.
- B. An employee unable to work for medical reasons should request a leave of absence in writing. The memorandum containing the request for leave should be signed by the employee and the employee's supervisor and forwarded to Human Resources along with certificate(s) from the employee's physician(s) verifying the reason for medical leave, in a form approved by the Agency, and indicating the probable recovery date. (In situations where the employee is unable to complete the form, the information may be completed by the employee's supervisor or Human Resources. The physician's certificate will still be

- required) . At the Agency's sole option and at the Agency's expense, the Agency may request certification from a second medical authority of the Agency's choosing. Should this second opinion differ from the first, either the Agency or the employee may request a third opinion from a medical authority of the Agency's choosing at the Agency's expense. The opinion of the third medical authority will be final.
- C. The supervisor shall submit or Human Resources will generate a Change of Status form that documents the request for medical leave of absence. Human Resources will obtain the necessary approval signatures.
- D. Where the employee decides not to take a medical leave of absence, management reserves the right at any time to request the employee submit a doctor's statement as to the employee's health and ability to continue working if the employee poses a safety hazard to himself or to others. A decision to allow the employee to continue working will be based on this statement.
- E. An expiration date for the medical leave of absence shall be established in accordance with the physician's certificate. Any extension of the leave must be supported by further verification from the employee's physician. Additionally, the Agency may require that the employee be examined by an Agency selected physician at Agency expense. An employee who fails to request an extension of the medical leave of absence prior to the expiration of the current leave or who fails to provide timely medical verification in support of the leave request will be deemed to have voluntarily terminated.
- F. Prior to returning to work from a medical leave of absence, the employee must submit a physician's release stating that the employee is fully able to resume his/her regular job without risk to the employee or other employees. Employees should notify their supervisors of their intent to return to work two weeks prior to the expiration of the leave. Following receipt of notice of intent to return to work, the Agency will make every effort to return the employee to his/her former position or classification if it exists, or to a lower position or classification for which the employee qualifies and is willing to accept. If no suitable position is found within two weeks of notice of intent to return to work (or at the end of the medical leave of absence if the employee has not provided either notice of intent to return to work or the physician's release by that time), the employee will be terminated. Return to work is not guaranteed under this Medical Leave of Absence Policy.
- G. If the employee does return to work, the supervisor or Human Resources shall complete a Change of Status form indicating the employee's return to work date. If the employee is reinstated in a different position from the pre-leave position, the employee's salary will be determined with the Human Resources Department, based on such factors as the employee's qualifications, relevant experience and job requirements.

- H. During the medical leave of absence, the employee will not be eligible for unemployment benefits or compensation from the Agency. The employee may neither solicit nor accept other employment while on a medical leave of absence. The Agency will consider evidence of any outside employment as the employee's voluntary termination/resignation.
- I. The employee must submit written notification to the Agency of requests for any changes in the medical leave of absence's terms.
- J. Medical leaves of absence will be unpaid for employees who are not eligible for or who have exceeded their allotted sick time. Employees who have accrued sick time or vacation time will be required to use both sick leave and all but one week of accrued vacation during the medical leave of absence. Employees who are on medical leaves of absence because of Workers Compensation injury or illness may receive supplemental payments under Workers Compensation coverage; any sick time available to employee may be used to supplement these payments.
- K. If an employee is enrolled in the medical, dental or long term disability group insurance plans prior to the leave and he/she elects to continue in these plans, he/she must pay both the employer and the employee contribution during the leave to retain these benefits while on *unpaid* medical leave of absence. (If leave is unpaid, life insurance coverage ceases.) If the employee is using paid sick leave or vacation as part of the medical leave of absence, the employee's insurance contribution will be deducted from the employee's paycheck. If the medical leave of absence is unpaid, the employee must remit the payment for both the employer and employee portion to Human Resources, payable to Neighborhood Centers, Inc. by the 10th of each month or coverage will be lost.
- L. If an employee cancels his/her insurance at any time during the medical leave of absence, the employee may elect to enroll in the group insurance program within 30 days of the date he/she returns to active employment. Insurance will become effective the first day of the month following the election. If an employee elects not to enroll within this 30 day period and the employee will have to wait until the next annual enrollment period to enroll and will be required to satisfy the eligibility requirements specified by the Agency or its insurance carrier.
- M. An employee cannot accrue additional vacation or sick leave time while on unpaid medical leave of absence. An employee must have returned to work and been on the job for 30 calendar days before vacation and sick leave time will begin to accrue.
- N. While an employee is on unpaid medical leave of absence, service time is accrued only for those benefits governed by ERISA. (Contact the Human Resources Department for details.)

- O. When an employee is on unpaid medical leave of absence, Medical Reimbursement and Dependent Care Reimbursement Account ("FSA") contributions cease. An employee may make requests for reimbursement from the FSA while on a medical leave of absence but not in excess of the total amount contributed as of the date of the inception of the unpaid medical leave of absence. (If, at the inception of the medical leave of absence, the employee has made withdrawals from the medical reimbursement account in excess of employee's contributions to that date, upon return from the medical leave of absence the employee may be subject to additional payroll withholding to reimburse the account for the overdrawn amount.) Upon return from the medical leave of absence, contributions to the FSA will resume at the pre-leave rate. The total amount available for reimbursement will be affected by the amounts not contributed during the unpaid medical leave of absence.

- P. An *unpaid* medical leave of absence is considered a change in family status for purposes of participation in the FLEXCOMP plan. If an employee needs to alter FLEXCOMP participation because of this change in family status, the change must be made in writing within 30 days of the change in family status and the change must be consistent with the change in family status. Contact Human Resources for details.

- Q. If an employee's cumulative leave(s) for any reason extend(s) beyond 52 weeks in any two year period, the employee will be deemed automatically terminated.

- R. If an employee is under any type of disciplinary action at the beginning of the medical leave of absence, e.g., verbal or written warning, the employee will return to work at the completion of the leave at the same level of discipline.

- S. If an employee is in his or her introductory period and takes a medical leave of absence, the employee will have the introductory period extended by the length of the medical leave of absence.

- T. If an employee carries and qualifies for elective Long Term Disability Coverage while on medical leave of absence, the employee will no longer be considered to be on leave of absence; such employee's status will be converted to terminated and the employee will be offered COBRA coverage.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 225
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SECTION: Employee Benefits and Services
SUBJECT: Military Leave

Effective Date: 01/01/98

PURPOSE

To provide leaves of absence to employees who need to satisfy military obligations in accordance with federal law.

SCOPE

This policy applies to all part time and regular employees of the Agency.

POLICY

The Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994 allows part time and regular employees to be absent from work due to service (voluntary or involuntary) in the uniformed services (Army, Navy, Air Force, Marine Corps or Coast Guard; the Reserve units of the Army, Navy, Air Force, Marine Corps or Coast Guard; Army National Guard and Air National Guard; Commissioned Corps of the Public Health Service and any other categories designated by the President of the United States in time of war or emergency) to take Military Leaves of Absence for the following reasons:

1. Active duty;
2. Active duty for training;
3. Initial active duty for training;
4. Inactive duty training;
5. Full time National Guard duty;
6. Absence from work for an examination to determine fitness for any of the listed types of duties.

An employee who applies for and obtains Military Leave by falsifying or wilfully misrepresenting his/her reasons for the leave will be subject to discharge. An employee who applies for or obtains other employment while on Military Leave will be considered to have voluntarily resigned.

PROCEDURES

- A. Duration and Timing of Leaves: An employee's cumulative absences from employment for Military Leave cannot exceed five (5) years. Eight categories of service are exempt from the five (5) year limitation:
1. Service required beyond five (5) years to complete an initial period of military service.
 2. Service from which an individual, through no fault of his or her own, is unable to obtain release within the five (5) year limit (such as being involuntarily retained on active duty).
 3. Required training for Reservist and National Guard members. The two-week annual training sessions and monthly weekend drills mandated by statute for Reservists and National Guard members are exempt from the five (5) year limitation. Also excluded are additional training requirements, certified in writing by the secretary of the branch of service concerned, to be necessary for professional development or for completion of skills training or retraining.
 4. Service under an involuntary order to, or retention on, active duty during domestic emergency or national security related situations.
 5. Service under an order to, or retention on, active duty (other than for training) during a war or national emergency declared by the President of the United States or Congress. This includes service by persons involuntarily ordered to active duty and service by volunteers who receive orders to active duty.
 6. Active duty (other than for training) by volunteers supporting operational missions in which selected reservists have been ordered to active duty without their consent. Operational missions involved circumstances other than war or national emergency for which, under presidential authorization, members of the Selected Reserves can be involuntarily ordered to active duty for no more than 270 days. (Operations Desert Shield and Desert Storm are examples of operational missions.) This exemption from the five-year limitation covers persons who are called to active duty after volunteering to support operational missions. Persons involuntarily ordered to active duty for operational missions would also be covered by the fourth exemption, above.

7. Service by volunteers who are ordered to active duty in support of a "critical mission or requirement" in times other than war or national emergency and when no involuntary call up is in effect. The secretaries of the various military branches each have authority to designate a military operation as a critical mission or requirement.
 8. Federal service by members of the National Guard called into action by the President of the United States to suppress an insurrection, repel an invasion or execute the laws of the United States.
- B. Advance Notice Requirements: Employees must provide employers with advance notice of military service obligations. This notice may be oral or in writing and may be provided by the employee or by an officer of the employee's military branch. No advance notice is required if military necessity (as defined under the regulations of the Secretary of Defense) prevents it or if, under the circumstances, giving notice is otherwise impossible or unreasonable.
- C. Paid and Unpaid Absences: For non-exempt employees, Military Leaves of absence will be unpaid. However, non-exempt employees may, at the employee's option, substitute accrued vacation time or personal holiday time to the extent available. Exempt employees will not receive any reduction in salary if the exempt employee misses a part of a work week (as defined in Policy No. 120 - Hours of Work and Pay Days) due to Military Leave. The Agency may credit any compensation received from the military for the work week in question against the exempt employee's pay for that work week. The exempt employee will not be paid for military leave for absences involving a full work week unless such employee chooses, at the employee's option, to substitute accrued vacation time or personal holiday time, if available.
- D. Reinstatement to Employment Following Military Leave - Employee's Obligations: To be eligible for reemployment at completion of a Military Leave, an employee must provide notice of his or her Military Leave (as described in Paragraph B, above) and serve for a period not exceeding five (5) years (subject to the exceptions noted in Paragraph A, above). Further, an employee must complete his or her military service under honorable conditions to be eligible for reemployment. An employee's reemployment rights will be terminated if:
1. The employee separated from service with a dishonorable or bad conduct discharge;
 2. The employee was a commissioned officer who was dismissed in certain situations involving a court martial or by order of the President of the United States in time of war;

3. The employee was a commissioned officer who was dropped from the rolls when the officer had been absent without authority for more than three (3) months or who was imprisoned by a civilian court;
4. The employee separated from service under other than honorable conditions (as specified by the regulations for the employee's branch of service).

An employee must reapply for employment within the time frame specified by the duration of the employee's military service:

1. If the military service was for less than 31 days, or is for the purpose of taking an examination to determine fitness for service, the employee must report for reemployment at the beginning of the first regularly scheduled work day that falls eight (8) hours after the return home. If, through no fault of the employee, reporting within that period is impossible or unreasonable, the employee must report back to work as soon as possible.
2. If the military service was for 31 to 180 days, the employee must submit an application to the Agency no later than 14 days following the completion of service. If submission of a timely application is impossible or unreasonable through not fault of the employee, the application must be submitted as soon as possible.
3. If the military service was greater than 180 days, the employee must submit an application with the Agency no later than 90 days after the completion of service.

The above time limits may be extended for up to two (2) years if the employee is hospitalized or recovering from a service-related illness or injury. This two (2) year period may be further extended by the minimum time period required to accommodate a circumstance, beyond the employee's control, that makes reporting within the two (2) year extension period impossible or unreasonable.

If an employee fails to report to work or to reapply for employment within the appropriate time frame, the employee will be considered to have voluntarily resigned employment with the Agency.

The Agency may request that an employee who is on Military Leave for a period of 31 days or more provide documentation that establishes the timeliness of his or her application for

reemployment and the length and character of military service. If documentation is unavailable, the Agency will reemploy the individual until the documentation becomes available. If, after reemployment, the Agency receives documentation showing that any of the reemployment requirements have not been met, the Agency may discharge the employee effective no earlier than the date the documents are provided.

E. Reinstatement to Employment Following Military Leave - Agency's Obligations: If an employee meets the requirements for reinstatement, the Agency will reemploy the employee, subject to the exceptions noted herein, so long as the employee's service does not exceed the time limitations and the applicable notice requirements are met. The position to which the employee will be reinstated is based upon the individual's length of military service:

1. An individual with fewer than 91 days of military service will be promptly reemployed in the position that he or she would have attained if continuously employed, so long as the employee is qualified for the job or can become qualified after reasonable efforts by the Agency to qualify the employee. If unqualified, or if the employee's position would not have changed if continuously employed, the individual will be reemployed in the position he or she held before leaving for Military Leave. If the employee is not qualified for the position he or she would have attained if continuously employed (and the employee cannot become qualified after reasonable efforts) or if the employee is not qualified for the position he or she previously held, the Agency will reemploy the employee in any other position of lesser status and pay for which the employee is qualified with full seniority.
2. For employees who have served 91 or more days of military service, the employee will be promptly reemployed in the position that he or she would have attained if continuously employed, so long as the employee is qualified for the job or can become qualified after reasonable efforts by the Agency to qualify the employee. If unqualified, or if the employee's position would not have changed if continuously employed, the individual will be reemployed in the position he or she held before leaving for Military Leave or in a position of equivalent seniority, status and pay so long as the individual is qualified for the job or could become qualified after reasonable efforts by the Agency to qualify the employee. If the employee cannot qualify for the position they would have attained, their former position or a position of equivalent seniority, status and pay, the employee will be placed in a position

of lesser status and pay for which they are qualified to perform, with full seniority.

Prompt reinstatement will depend on the circumstances of each employee's individual case. Generally, an employee returning after short periods of duty will be reinstated on the next regularly schedule working day following the termination of the Military Leave (e.g., weekend reserve duty). Reinstatement following long periods of Military Leave might require additional time, for example, to give notice to an incumbent who is occupying the returning employee's position and who must now leave that position.

In cases of conflicting reemployment claims where two or more individuals are entitled to reemployment in the same position, the employee who went on Military Leave first has first right to the position. Other returning employees will be reemployed with full seniority in any other position that provides similar status and pay or in a position which is the nearest approximation consistent with the circumstances of the employee's individual case.

- F. **Benefits:** Returning employees are entitled to seniority and any other rights and benefits determined by seniority (those that accrue based on years of service) that they would have attained (with reasonable certainty) had the employee been continuously employed. Employees on Military Leave are entitled to any nonseniority-based rights and benefits in effect at the beginning of their Military Leave or implemented during their Military Leave. A right or benefit is considered nonseniority-based if it is compensation for work performed or is subject to a significant contingency.

Employees returning from Military Leave are required to pay the employee cost, if any, of any funded benefit to the extent that other employees on leave of absence would be required to pay. An employee may waive these nonseniority benefits if the employee knowingly provides a written notice of an intent not to return to employment after Military Leave.

For health insurance, an employee is entitled to continuous coverage for a period of up to 18 months. If an employee's period of Military Leave does not exceed 31 days, the employee will be required to contribute the employee's share of any premium. If Military Leave exceeds 31 days, the employee may be required to contribute both the employer and employee portion of health insurance premiums. No waiting period or exclusion period will be imposed upon reinstatement if health coverage would have been provided to an employee had that employee not been absent for Military Leave.

For any noncontributory pension plan (if offered) an employee returning to employment from Military Leave will not be considered to have had a break in service. Periods of military service will be considered as service with the Agency for vesting and benefit accrual purposes. For employees returning to employment from Military Leave, the Agency shall make contributions that would have been made if the employee had not been absent due to military leave.

For contributory plans, an employee returning from Military Leave will have three (3) times the period of his or her absence (not to exceed five years) to make up missed contributions. The Agency will only make matching contributions to the extent that a returning employee makes the required contributions to the plan.

- H. Protection of Reinstated Veterans Against Discharge or Discrimination: An employee who is reemployed after a Military Leave of 181 days or more may not be discharged without cause for one (1) year after the date of reemployment. An employee who is reemployed after a military leave of 30 days but less than 180 days may not be discharged without cause for six (6) months after the date of reemployment. Employees who are reemployed after military leaves of less than 30 days are not protected from discharge without cause.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 230
Page 1 of 2

SECTION: Employee Benefits and Services
SUBJECT: Employee Assistance Program

Effective Date: 01/01/96
New Policy

PURPOSE

To provide employees and their families with counseling services.

SCOPE

This policy applies to all employees of the Agency.

POLICY

The Agency provides counseling services to its employees through an independent counseling service. All employees of the Agency and their families may obtain confidential counseling from this service in the following areas.

Personal/Emotional Problems	Depression
Persistent Anxiety, Stress, Worries, Fears	Children
Marriage	Family
Adolescent Emotional/Drug Abuse	Alcohol-Personal or Family
Sexual Addiction	Eating Disorders
Grief/Loss	Loneliness
Sleep Problems	Rape or Battered Spouse
Aging	Financial

For purposes of this policy, family is defined as mother, father, husband, wife, son, daughter, mother-in-law, father-in-law, sister, brother, grandparent, or anyone residing in the employee's home.

PROCEDURES

The company that currently provides these services is staffed by medical specialists, experienced psychologists and trained counselors who will provide information, immediate treatment or referral to other sources. All contact with the counseling service will remain confidential unless the employee requests or consents in writing to the release of this information.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 230
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Employees or their families who are interested in this service should contact the Human Resources Department.

Recommendations for an administrative referral shall be made by the supervisor to the Director. The Director will contact the Director of Human Resources who will contact the EAP. When such a referral is made, the EAP will advise the Director of Human Resources if: (a) the employee attended the session; (b) EAP personnel believe there is a problem; (c) the EAP has made any recommendations; and (d) the employee has agreed to the recommendations. The details of any problem will not be released unless the employee, in the EAP counselor's opinion, is a physical danger to self or others.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 240
Page 1 of 2

SECTION: Employee Benefits and Services
SUBJECT: Education Assistance Program

Effective Date: 01/01/96
Revision Date: 01/01/97
Supersedes Policy No. 903

PURPOSE

To provide tuition assistance where possible to eligible employees who desire to further their professional education in job related fields.

SCOPE

This policy applies to all regular employees of the Agency who have been employed for a minimum of six (6) months.

POLICY

Depending upon available resources, the Agency may reimburse the cost of tuition and fees for courses which eligible employees take. Because of funding limitations, the Agency cannot guarantee availability of educational assistance.

PROCEDURE

- A. Employee Eligibility. Regular employees who have worked for the Agency for six (6) months and who are actively working are eligible to apply. Courses must be taken on the employee's own time and should be scheduled so as not to interfere with the job. Reimbursement will not be available to employees who have left employment voluntarily or who withdraw from course work.
- B. Course or Study Eligibility. Selected courses or courses of study must be in one of the following categories: direct job relationship or career development. Continuing education courses are eligible if job related and taken at an accredited college or university. Continuing education workshops or seminars are not covered under the Educational Assistance Program.
- C. Application for Educational Assistance. Applicants should provide the following information in their request for educational assistance:

1. Name of college or university where course work will be taken. (Must be an accredited college or university; determination of whether the college or university is accredited will be the responsibility of Human Resources.)
2. Number and name of course and a brief description of the subject. (Employees may use descriptions from college catalogs for this purpose.)
3. An explanation detailing why/how the course is job related or for career development.
4. Cost of tuition and fees.
5. Signature of employee, employee's supervisor and the recommendation of the director of employee's department.

Completed requests should be turned in to Human Resources which will forward them to the appropriate executive for approval/denial. The decision will be relayed to the employee by Human Resources. If approved, a copy of the approval will be sent to the employee to be retained for use in requesting reimbursement.

A separate request must be completed for each semester of study (not for each course taken within a single semester, however).

- D. Reimbursement Parameters. Only tuition and fees will be eligible for reimbursement. Books, supplies, lab fees, etc., are not eligible. Any government or institutional financial support must be deducted to arrive at the net cost subject to reimbursement. Employee must obtain a grade of "B" or better for course work. 100% of eligible tuition and fees will be reimbursed up to a maximum of \$500 per employee per calendar year.

To receive reimbursement, employee must provide a copy of the approval memo along with a copy of the grade report and a receipt for tuition and fees to Human Resources.

Participation in the Educational Assistance Program is voluntary and time devoted to the course of study or course work shall not be considered time worked for the Agency. The Agency cannot guarantee promotion or transfer to employees who participate in the Program. Additionally, because of funding limitations, the Agency cannot guarantee that educational assistance will be available to any employee at any time. However, if an employee has received approval for educational assistance for a particular course or courses in a particular semester and the employee satisfies all requirements related thereto, the employee will receive educational assistance in the approved amount.

**NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES**

**POLICY NO. 252
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**SECTION: Employee Benefits and Services
SUBJECT: Health and Welfare Plans**

**Effective Date: 01/01/96
Revision Date: 01/01/97
Supersedes Policy No. 502**

PURPOSE

To provide eligible employees with group health and welfare plans that include medical, dental, life and long term disability insurance.

Detailed information related to Medical, Dental, Life and Long Term Disability insurance benefits are available in the Summary Plan Descriptions for each plan. Refer to such documents for information regarding these plans and their administration.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 253
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SECTION: Employee Benefits and Services
SUBJECT: Social Security

Effective Date: 01/01/96
Supersedes Policy No. 503

PURPOSE

To provide employees protection under the Federal Social Security Act.

SCOPE

This policy applies to all employees of the Agency.

POLICY

All employees are covered by the Federal Social Security Act. A required percentage of an employee's salary is deducted to pay the employee's portion of this protection, and the Agency matches this deduction dollar for dollar. The Federal Social Security Act was designed for an employee's future security and that of his or her dependents by providing retirement, disability, death survivor and Medicare benefits.

PROCEDURES

Social Security benefits are intended to replace part of the earnings employees and their families were receiving before the employee's retirement, disability or death. Benefits are based on earnings averaged over most of a worker's lifetime. It is the responsibility of the employee to verify their Social Security benefits on a periodic basis by contacting the Social Security Administration. The employee should verify their benefits to insure that they are getting full credit for their contribution and that portion paid by the Agency on their behalf.

The Human Resources Department should be contacted for assistance in verifying Social Security Benefits.

NEIGHBORHOOD CENTERS INC.
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POLICY NO. 255
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SECTION: Employee Benefits and Services
SUBJECT: Unemployment Compensation

Effective Date: 01/01/96
Supersedes Policy No. 505

PURPOSE

To provide employees insurance protection under State Unemployment Tax laws.

SCOPE

This policy applies to all employees of the Agency.

POLICY

All employees are covered by State Unemployment Tax laws. This coverage provides weekly benefits to employees who become unemployed through no fault of their own or circumstances described in the law.

The Agency pays a state unemployment insurance tax as required by state law.

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 260
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SECTION: Employee Benefits and Services
SUBJECT: Health and Welfare Plans

Effective Date: 01/01/96
Revision Date: 01/01/97

PURPOSE

To provide eligible employees with a Flexible Benefits Plan.

Detailed information related to the Flexible Benefits Plan is available in the Summary Plan Descriptions for the plan. Refer to such document for information regarding this plan and its administration.

NEIGHBORHOOD CENTERS INC.
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POLICY NO. 280
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SECTION: Employee Benefits and Services
SUBJECT: Pension Plan

Effective Date: 01/01/96
Revision Date: 01/01/97

PURPOSE

To provide eligible employees with a Pension Plan fully funded by the Agency and administered by the United Way of the Texas Gulf Coast.

Detailed information related to the Pension Plan is available in the Summary Plan Description for the Plan. Refer to such document for information regarding this plan and its administration.

**NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES**

**POLICY NO.281
Page 1 of 1**

**SECTION: Miscellaneous Payroll Deductions
SUBJECT: Optional Term Life Insurance Plan**

**Effective Date: 01/01/96
Revision Date: 01/01/97
Supersedes Policy No. 702**

PURPOSE

To provide eligible employees with the opportunity to purchase additional term life insurance.

Detailed information related to the Optional Term Life Insurance is available in the Summary Plan Descriptions for the plan. Refer to such document for information regarding this plan and its administration.

**NCI BENEFIT PACKAGES
(REGULAR STAFF)**

BENEFITS	PLAN CARRIER	PLAN TYPE	COVERAGE	MONTHLY PREMIUM	START DATE
Medical(1)	Cigna Health Care	Cigna 20	Employee EE + Child(ren) EE + Spouse EE + Family	\$54.62 \$108.15 \$117.35 \$175.12	First day of the month following 30 days of active employment.
Medical(2)	Cigna Health Care	Cigna 15	Employee EE + Child(ren) EE + Spouse EE + Family	\$76.55 \$144.48 \$156.77 \$233.95	First day of the month following 30 days of active employment.
Medical(3)	Cigna Health Care	Cigna(POS)	Employee EE + Child(ren) EE + Spouse EE + Family	\$157.55 \$269.59 \$292.53 \$516.09	First day of the month following 30 days of active employment.
Dental	Cigna Dental Plan	DHMO / Traditional	Employee EE + Child(ren) EE + Spouse EE + Family	<u>DHMO / Trad</u> \$3.79 \$20.18 \$8.23 \$42.76 \$8.11 \$42.19 \$12.39 \$64.50	First day of the month following 30 days of active employment.
Vision	VMI / INPROS Advantages	Vision Care Plan	Employee EE + Child(ren) EE + Spouse EE + Family	No additional cost.	First day of the month following 30 days of active employment.
Long Term Disability	Cigna Disability Plan	Disability Plan	Employee Only	Based on rate chart.	First day of the month following 6 months of active employment.
Basic Life/AD&D Insurance	Cigna Life/AD&D Insurance Plan	Term Life/AD&D Policy	Employee Only	No additional cost.	First day of the month following 30 days of active employment.
Optional Life/AD&D Insurance	Cigna Life/AD&D Insurance Plan	Term Life/AD&D Policy	Employee Only	Based on rate chart.	First day of the month following 30 days of active employment.
Thrift Plan	Mutual of America	403(b) Thrift Plan	Employee Only	Based on percentage of employee contribution.	First day of the month following enrollment.
Cash Balance	United Way Agency	Pension Plan	Employee Only	Based on percentage of employer contribution.	After completion of one year of service.

Plan Year 2000

**NCI BENEFIT PACKAGES
(HEAD START 10 MONTH PAY SCHEDULE)**

BENEFITS	PLAN CARRIER	PLAN TYPE	COVERAGE	MONTHLY PREMIUM	START DATE
Medical(1)	Cigna Health Care	Cigna 20	Employee EE + Child(ren) EE + Spouse EE + Family	\$65.55 \$129.78 \$140.82 \$210.14	First day of the month following 30 days of active employment.
Medical(2)	Cigna Health Care	Cigna 15	Employee EE + Child(ren) EE + Spouse EE + Family	\$91.87 \$173.37 \$188.13 \$280.73	First day of the month following 30 days of active employment.
Medical(3)	Cigna Health Care	Cigna(POS)	Employee EE + Child(ren) EE + Spouse EE + Family	\$189.07 \$323.50 \$351.04 \$619.30	First day of the month following 30 days of active employment.
Dental	Cigna Dental Plan	DHMO / Traditional	Employee EE + Child(ren) EE + Spouse EE + Family	<u>DHMO / Trad.</u> \$4.55 \$24.22 \$9.87 \$51.31 \$9.74 \$50.63 \$14.87 \$77.40	First day of the month following 30 days of active employment.
Vision	VMI / INPROS Advantages	Vision Care Plan	Employee EE + Child(ren) EE + Spouse EE + Family	No additional cost.	First day of the month following 30 days of active employment.
Long Term Disability	Cigna Disability Plan	Disability Plan	Employee Only	Based on rate chart.	First day of the month following 6 months of active employment.
Basic Life/AD&D Insurance	Cigna Life/AD&D Insurance Plan	Term Life/AD&D Policy	Employee Only	No additional cost.	First day of the month following 30 days of active employment.
Optional Life/AD&D Insurance	Cigna Life/AD&D Insurance Plan	Term Life/AD&D Policy	Employee Only	Based on rate chart.	First day of the month following 30 days of active employment.
Thrift Plan	Mutual of America	403(b) Thrift Plan	Employee Only	Based on percentage of employee contribution.	First day of the month following enrollment.
Cash Balance	United Way Agency	Pension Plan	Employee Only	Based on percentage of employer contribution.	After completion of one year of service.

Plan Year 2000

**NCI BENEFIT PACKAGES
(EXECUTIVE STAFF)**

BENEFITS	PLAN CARRIER	PLAN TYPE	COVERAGE	MONTHLY PREMIUM	START DATE
Medical(1)	Cigna Health Care	Cigna 20	Employee EE + Child(ren) EE + Spouse EE + Family	\$70.23 \$139.05 \$150.88 \$225.15	First day of the month following 30 days of active employment.
Medical(2)	Cigna Health Care	Cigna 15	Employee EE + Child(ren) EE + Spouse EE + Family	\$92.16 \$175.38 \$190.30 \$283.98	First day of the month following 30 days of active employment.
Medical(3)	Cigna Health Care	Cigna(POS)	Employee EE + Child(ren) EE + Spouse EE + Family	\$173.16 \$300.49 \$326.06 \$566.12	First day of the month following 30 days of active employment.
Dental	Cigna Dental Plan	DHMO / Traditional	Employee EE + Child(ren) EE + Spouse EE + Family	<u>DHMO / Trad.</u> \$4.87 \$21.26 \$10.58 \$45.11 \$10.43 \$44.51 \$15.93 \$68.04	First day of the month following 30 days of active employment.
Vision	VMI / INPROS Advantages	Vision Care Plan	Employee EE + Child(ren) EE + Spouse EE + Family	No additional cost.	First day of the month following 30 days of active employment.
Long Term Disability	Cigna Disability Plan	Disability Plan	Employee Only	Based on rate chart.	First day of the month following 6 months of active employment.
Basic Life/AD&D Insurance	Cigna Life/AD&D Insurance Plan	Term Life/AD&D Policy	Employee Only	No additional cost.	First day of the month following 30 days of active employment.
Optional Life/AD&D Insurance	Cigna Life/AD&D Insurance Plan	Term Life/AD&D Policy	Employee Only	Based on rate chart.	First day of the month following 30 days of active employment.
Thrift Plan	Mutual of America	403(b) Thrift Plan	Employee Only	Based on percentage of employee contribution.	First day of the month following enrollment.
Cash Balance	United Way Agency	Pension Plan	Employee Only	Based on percentage of employer contribution.	After completion of one year of service.

*Employment
Selection*

NEIGHBORHOOD CENTERS INC.
PERSONNEL POLICIES AND PROCEDURES

POLICY NO. 020
Page 1 of 3

SECTION: Employment
SUBJECT: Recruiting and Selection

Effective Date: 01/01/96
Revision Date: 01/01/98
Supersedes Policy No. 200

PURPOSE:

To establish the authority and responsibility of Agency personnel in the recruitment and selection of employees and to maximize Agency efforts and resources in selection of the best employees available. (Also see Policy No. 021, Equal Employment Opportunity and the Agency's Affirmative Action Policy)

SCOPE

This policy applies to the recruitment and selection of employees for all positions. For purposes of this and subsequent policies, Executive Staff positions shall be defined as Directors, Vice-Presidents and the President and CEO.

POLICY

When a personnel vacancy occurs, the appropriate supervisor and the Human Resources Department will conduct a joint recruitment and selection program designed to identify the most qualified individual for the position, if filling the position is deemed necessary.

PROCEDURE:

The following steps govern the recruitment and selection of employees:

A. The supervisor shall:

1. Complete the Job Announcement Form (copy following) when an approved opening arises, obtain the necessary approvals and forward it to Human Resources.
2. Attach the current job description (available from Human Resources).
3. Review applications and/or resumes from applicants forwarded by Human Resources. Identify generally qualified candidates to interview.

NOTE: Internal candidates who request transfers to or apply for a new position must have been in their present position for at least six (6) months before requesting or applying for such transfer. However, if Agency needs dictate, the Agency may transfer an employee to a new position at any time.

4. Interview candidates who are generally qualified for the position. For each qualified applicant determine whether there is: (a) no further interest; (b) possible further interest (hold pending interviews with other candidates); or (c) define interest: schedule interviews with appropriate department managers and others on selection panel.
5. Select candidate and complete Hiring Approval Form (copy following) and obtain necessary approvals. Forward completed Hiring Approval Form to Human Resources.

B. The Human Resources Department will:

1. Discuss with the supervisor possibilities of promotion or transfer from within the Agency, upon receipt of the Job Announcement Form.
2. Post the open position on the bulletin board located in the Human Resources Department and record same on the Job Line.
3. Coordinate outside recruiting, if applicable.
4. Pre-screen incoming applications or resumes to identify candidates who are generally qualified.
5. Conduct screening interviews, upon request by supervisor, and have applicants complete an application for employment.
6. Obtain the signature of the President and CEO on the Hiring Approval Form. Inform the supervisor when this approval has been obtained and ask the supervisor if they wish to make the conditional offer of employment or if Human Resources will make the offer. [NOTE: no offers of employment may be made to any applicant prior to the written approval of the President and CEO. Additionally, all offers of employment must state that the offer is conditional upon the successful completion of drug screening and any other pre-employment checks deemed necessary. Supervisors must use the statements as written in the approved Offer Letter (copy following).]

7. Arrange for drug screening, process all required paperwork, perform any pre-employment tests and background checks of selected candidates. Offers for employment will be withdrawn if the candidate does not successfully pass the drug screening test or if disqualifying information is obtained from the background check.

FOLLOW UP AND DOCUMENTATION

Supervisors are encouraged to send notification of non-selection to applicants who were interviewed in the form of the Rejection Letter (copy following). Solicited applications and related material of candidates who were selected for interviews will be maintained in the Human Resources Department for one year. Material on applicants who were not selected for interviews will not be kept.

Employee Agreements

NEIGHBORHOOD CENTERS INC.

ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK

Your signature indicates that you have received and will review the Neighborhood Centers Inc. Employee Handbook and that you agree to abide by the guidelines described within. *Your signature also indicates your understanding that employment with the Agency is at-will and may be terminated by either you or the Agency at any time, with or without notice and with or without cause.* You further acknowledge that you understand that this summary neither constitutes nor may be construed as an employment agreement between the Agency and you and that at-will status can only be modified if done expressly in writing by the President & CEO.

Employee Signature

Employee Name (Print)

Date

NEIGHBORHOOD CENTERS INC.

AUTHORIZATION FOR PAYROLL DEDUCTION

I understand that under Neighborhood Center Inc.'s (the "Agency's") vacation policy, I will accrue vacation according to the schedule set forth in the policy. I also understand that if I take vacation time before I have accrued it and if I terminate employment prior to accruing the full amount of vacation time I have taken, any used by not accrued vacation time will be deducted from my final check. I hereby authorize such deduction.

I also acknowledge that the Agency may, from time to time during the course of my employment with the Agency, provide me with Agency owned equipment (the "Equipment") as is necessary for the performance of my job with the Company. I accept full responsibility for the Equipment and will exercise reasonable care of and security for the Equipment. With the exception of ordinary wear and tear, the loss of, damage to, abuse of or failure to adequately account for any such Equipment may be grounds for disciplinary action, up to and including termination, and the cost of replacing, recovering or repairing lost, damaged, abused or unaccounted for Equipment may be deducted from my payroll check(s). If my employment with the Agency terminates for any reason, the replacement, recovery or repair cost(s) of lost/unreturned, damaged, abused or unaccounted for Equipment may be deducted from my final paycheck. This authorization for payroll deduction does not act as a waiver by the Agency of its right to utilize all lawful means to recover such cost(s) in the event that payroll deduction fails to cover the full amount of such cost(s).

Employee Signature

Employee Name (Print)/Social Security No.

Date

NEIGHBORHOOD CENTERS INC.

ELECTRONIC MAIL/COMPUTER RESOURCES ACKNOWLEDGMENT FORM

As an employee of Neighborhood Centers Inc. I recognize that the Agency's electronic mail ("e-mail") and computer network systems are to be used for conducting the Agency's business only. I understand that the use of this equipment for private purposes is strictly prohibited. I agree not to access a file or retrieve any stored information other than where authorized unless there has been prior clearance by an authorized Agency representative.

I am aware that the Agency reserves and will exercise the right to review, audit, intercept, access and disclose all matters on the Agency's e-mail and computer network at any time, with or without notice to me, and that such access may occur during or after working hours. I am aware that the use of an Agency provided password or code does not restrict the Agency's right to access electronic communications or documents in the computer network. I am aware that violations of this policy may subject me to disciplinary action up to and including termination.

I acknowledge that I have read and that I understand this notice.

Employee Signature

Employee Name (Print)

Date

NEIGHBORHOOD CENTERS INC.

ACKNOWLEDGMENT OF RECEIPT OF SUBSTANCE ABUSE POLICY

I believe that the employees of Neighborhood Centers Inc. have the right to work in a safe environment free of drugs and alcohol. By my signature I acknowledge that I have received and will review the Neighborhood Centers Inc. Substance Abuse Policy and that I agree to abide by the guidelines described within. *I understand that nothing in the Substance Abuse Policy alters the at-will nature of my employment with the Agency and that my employment with the Agency may be terminated by either myself or the Agency at any time, with or without notice and with or without cause.*

Employee Signature

Employee Name (PRINT)

Date

NEIGHBORHOOD CENTERS INC.

SUBSTANCE ABUSE CONSENT FORM

I voluntarily agree to provide a specimen of my urine so that it may be analyzed for the presence of drugs or alcohol. I understand that collection of the specimen may be witnessed.

I understand that this sample will be given at an appropriate location that has been approved by my employer or potential employer and that the analysis will be conducted by a quality laboratory approved by my employer or potential employer and only by qualified employees of the laboratory.

In addition, I understand that I may be asked to take a breath analysis test for the determination of alcohol. I voluntarily agree to such test.

I hereby authorize the officers, employees and agents of the collecting and testing agencies to disclose, both orally and in writing, any test results to the Medical Review Officer, if any, and if applicable, the Designated Representative of my employer or potential employer, of if a pre-employment alcohol or urine test(s), to the employer or potential employer to whom I have made an employment application.

I hereby and herewith release my employer or potential employer, American Drug Screening and any other approved collection facilities, and the approved laboratories from any liability whatsoever arising from this request to furnish this urine sample or breath sample, the testing of the urine sample or breath sample, and decisions made concerning my application for employment or continued employment based upon the results of the analysis.

I understand that a documented chain of specimen custody exists to ensure the identity and integrity of my urine sample and breath sample throughout the collection and testing process.

Donor: Applicant/Employee Name (PRINT)

Donor Signature

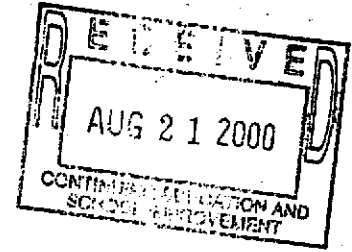
Witness Signature

Date

*Salary
Schedule*

NEIGHBORHOOD CENTERS INC.
SALARY GRADES FOR STAFF POSITIONS
PREPARED BY EXECUTIVES & DIRECTORS
OCTOBER 11, 1999

GRADE	GRADE DIF %	RANGE					RANGE SPREAD	CENTER PGMS	H&E	CCMS	ECD	Development	Administration	Head Start
		MINIMUM	MIN/MID	MIDPT	MID/MAX	MAXIMUM								
1		\$5.15 \$10,712.00	\$5.60 \$11,849.30	\$6.05 \$12,686.60	\$6.50 \$13,523.90	\$6.95 \$14,461.20	0.35	Student Workers	Hbd. Meal Drivers					
2	0.150	\$6.15 \$12,789.27	\$6.60 \$13,906.33	\$7.22 \$15,027.39	\$7.76 \$16,146.45	\$8.30 \$17,266.52	0.35	Program Asst. Receptionist Intake Wrk. Food Server	Program Asst. Senior Cr. Sup. I Lead & Van Driver Nursing Asst.		Housekeeper Cook Asst Teacher Sube	Receptionist	Cook/Housekeeper Substitute Teacher	
3	0.148	\$7.04 \$14,843.72	\$7.66 \$16,026.04	\$8.27 \$17,206.37	\$8.89 \$18,487.69	\$9.50 \$19,769.02	0.35		Sr. Cr. Sup. II, III Monitor ECH		Asst. Teacher Program Asst.		Teacher Asst. I Receptionist Maint. Worker	
4	0.180	\$8.17 \$16,966.71	\$8.68 \$18,473.06	\$9.60 \$19,959.38	\$10.31 \$21,445.72	\$11.03 \$22,932.06	0.35	Youth Worker I	Intake Proc. THS Workers	Mail Clerk Record Mgmt. CSW Support VMS Support	Assoc. Teacher		Lead Receptionist Main/Custodian Intake Worker Teacher II	
5	0.160	\$9.47 \$19,704.58	\$10.30 \$21,428.73	\$11.13 \$23,152.88	\$11.96 \$24,877.04	\$12.79 \$26,601.19	0.35	Social Wrk I Youth Worker II	Phone Bk Sup Area Supervisor THS Supervisor	CSW I, II	Teacher		Teacher III Home Visitor Data Entry Clerk Intake Supervisor	
6	0.180	\$10.99 \$22,857.32	\$11.95 \$24,857.33	\$12.91 \$26,857.35	\$13.87 \$28,857.36	\$14.84 \$30,857.38	0.35	Admin. Asst. Social Wrk II Youth Supervisor	Superv. Monitors Admin. Asst.	CSW III VMS I Attend Spec. Billing Spec. Reconcl Spec.	Asst Manager/Tchr Lead Teacher	Admin. Asst. Contract Adm. Accounting Clerks Purchasing Asst. HR Assistant BRIDGE Asst	Mentor Teacher Family Serv Worker Asst Cr. Mgr. Lead Home Visitor Admin. Asst.	
7	0.175	\$12.91 \$26,857.35	\$14.04 \$29,207.36	\$15.17 \$31,557.36	\$16.30 \$33,907.40	\$17.43 \$36,257.42	0.35	Program Coord. Area Rec. Coord	SHARE Coord. DAHS Coord. Pgm Coord -Meals Outreach Coord	VMS II		Fund Dev. Spec. Resource Cr Spec	HR Specialist Benefits Coord. Trainer Asst. Facilities Mgr Executive Asst.	Lead Mentor Teach Admin Asst. to Dir. LYN
8	0.175	\$15.17 \$31,557.38	\$16.50 \$34,316.85	\$17.83 \$37,079.92	\$19.15 \$39,841.20	\$20.48 \$42,602.47	0.35	Center Admin. Lifeskills Coord Spec. Asst/VP Youth Manager	Pgm. Manager	CSW Supervisor VMS Supervisor Attend Supervisor Billing Supervisor Reconcl Supervisor Records Supervisor Monitoring Super.	ECD Center Mgr.	Volunteer Coord. Evaluation Coord. Communicat. Spec	Spec Asst Pres/VP Intern/Acad Liens Staff Accountant QA Accountant MIS Assistant	Center Manager Nutrition Mgr. Collab/Transit Mgr.
9	0.175	\$17.83 \$37,079.92	\$19.61 \$40,787.92	\$21.39 \$44,495.91	\$23.17 \$48,203.90	\$24.96 \$51,911.89	0.40			CSW Manager VMS Manager CCMS Finance Mgr		Mgr - R&D	MIS Manager Facilities Mgr. Accounting Mgrs. Purchasing Mgr.	Education Coord. Train/Prof. Devel. Area Supervisor Family/Comm Coord Disability Coord. Parent/Volun Coord
10	0.119	\$21.21 \$44,125.11	\$23.60 \$49,089.19	\$25.99 \$54,053.26	\$28.37 \$59,017.34	\$30.76 \$63,981.41	0.45			Asst. Director			Training Coord Contract Admin. Mgr	Health Coord (RN)
11	0.119	\$25.24 \$52,508.88	\$28.06 \$58,416.13	\$30.82 \$64,323.38	\$33.76 \$70,230.63	\$36.60 \$76,137.88	0.45	Director		Director	Director	Director	Director	



August 18, 2000

Mr. Robert Muller
Associate Commissioner for Continuing Education and
School Improvement Initiatives
Division of Charter Schools
Texas Education Agency
1701 North Congress Avenue
Austin, Texas 78701

Dear Mr. Muller:

Per instructions given by Ms. Cheryl Walton of TEA to Ms. Jo Carcedo, Neighborhood Centers Inc. Senior Vice President of Program Services, enclosed please find two additional copies of the cover sheet to the Ripley House Charter School application submitted today, August 18, 2000. The cover sheets include original signatures of both the President and CEO Angela Blanchard and Board Chair Ronald Lewis. Per communication with Ms. Sara Onyenaka of TEA, she will forward these documents to the TEA Charter School Document Control Center. Also please find enclosed two copies of the biographical affidavit of Mrs. Susan Baker.

Please address any questions or need for further information to Ms. Angela Blanchard, President and CEO of Neighborhood Centers Inc. at 713-669-5258 or
[REDACTED]

Sincerely,

Angela Blanchard
President and CEO

AB/yd

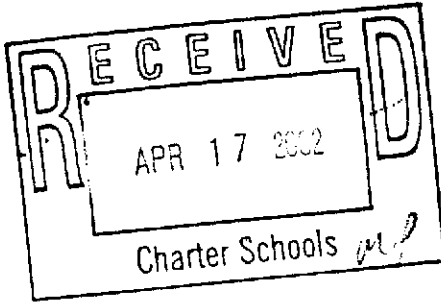
Enclosures

GENERATION 6 CHARTER SCHOOLS APPLICATION REVIEW

ISSUE(S)	REQUIRED INFORMATION	APPLICATION PROVIDED
Notice of Admission, Review, and Dismissal Committee Meetings 300.503; 300.345	Any reference to 34 CFR 300.503; 300.345 <ul style="list-style-type: none"> • Prior notice by agency; contents of notice • Parent participation 	Prior notice by agency
Assessment/ Evaluation of Children to Determine Eligibility 300.530-543	Any reference or assurance to follow 34 CFR 300.530-543 and TEC 29.004 <ul style="list-style-type: none"> • Initial evaluation • Evaluation Procedures • Determination of needed evaluation data • Determination of eligibility • Procedures for determining eligibility & placement • Reevaluation • Additional team members • Criteria for determining the existence of a specific learning disability • Observation • Written Report 	Applicant provided a vague response that did not address key components of this Special Education issue.
Development & Implementation of the IEP 300.342 – 300.350	Any reference or assurance to follow 34 CFR 300.342-350 and TAC 89.1050 <ul style="list-style-type: none"> • When IEPs must be in effect • IEP / ARD meetings • IEP / ARD team • Development, review and revision of IEP • Content of IEP • Agency responsibilities for transition services • IEP – accountability 	General information regarding the development, review and revision of IEPs.

Please list and explain any areas of concern that need to be raised before the State Board of Education.

CONCERN	ASSURANCE REQUESTED
Charter is at-risk for potential: <ul style="list-style-type: none"> • Due process hearing • FAPE violations • Compliance issues 	Will the proposed charter submit documentation of knowledge in the specific areas requested above?



FAX TRANSMITTAL

Date: April 16, 2002

Time: 11:00 a.m. *3 faxes*
1 at 10:00 am
1 at 11:00 am
1 at 2:00 pm

To: Maggie Baker
Division of Legal Services
Texas Education Agency

Phone: 512-463-9575

Fax: 512-475-3662

From: Cynthia Patton, Ph.D.
Neighborhood Centers Inc.
Ripley House Charter School

Phone: 713-273-3255

Fax: 713-273-3131

third second

Remarks: Attached please find the *third second* contingency clarification concerning admissions policy for Ripley House Charter School. I have faxed a copy to Mary Perry, too. Thanks so much,

Number of pages including cover sheet: 2

Mission Statement:
"NCI brings resources, education and connection to underserved neighborhoods."

4500 Bissonnet Suite 200 P.O. Box 271389 Houston, TX 77277-1389 (713) 667-9400 Fax (713) 669-5236

**Neighborhood Centers Inc.
Ripley House Charter School Contingency Response to
6th Generation Charter App. Review; Legal Services Division #3
Prepared by: Cynthia Patton, Ph.D.
April 15, 2002**

Admissions:

Ripley House Charter School will ensure that every student will have an equal opportunity to attend. The enrollment period will be from April 15 until June 15. If any classroom is oversubscribed a lottery will be used. A lottery is a random selection process by which applicants for admission to a public charter school are admitted to the charter school. If Ripley House Charter School has fewer applicants than spaces available in a classroom, then a lottery will not be conducted. Ripley House Charter School will exempt from the lottery only those students who are deemed to have been admitted to the charter school already and, therefore, do not need to reapply and siblings of students already admitted to or attending the same charter school. A new applicant for admission to the charter school will be subject to the lottery if, as of the application closing date, the total number of applicants exceeds the number of spaces available in a classroom.

The procedure for conducting a lottery will be as follows. If a classroom is over subscribed, then a lottery will be conducted. Names of students will be listed alphabetically. Using a list of random numbers, numbers will be assigned to students beginning with the first name listed alphabetically. Students will be selected in numerical order from lowest to highest. For example, if John Smith were assigned number 01 from the random number list, then he would be number one on the list of selected students.

In order to enroll, parents must fill out an application form available in English and Spanish during the enrollment period. As part of the application process, each family will be given a tour of the school, an explanation of the curriculum, and information on school hours and holidays.



FAX TRANSMITTAL

*to legal
special ed
4/19/02*

Date: April 16, 2002

Time: 10:00 a.m.

To: Mary Perry

Division of Charter Schools
Texas Education Agency

Phone: 512-463-9575

Fax: 512-463-9732

From: Cynthia Patton, Ph.D.

Neighborhood Centers Inc.
Ripley House Charter School

Phone: 713-273-3255

Fax: 713-273-3131

Remarks: Attached please find the Contingency Response for Special Education and Admission. I have spoken to Carolyn Dietrich and Maggie Baker concerning the Responses. Please review and forward these documents to Carolyn Dietrich and Maggie Baker. Thanks so much,

3

Number of pages including cover sheet: _____

Mission Statement:

"NCI brings resources, education and connection to underserved neighborhoods."

4500 Bissonnet Suite 200 P.O. Box 271389 Houston, TX 77277-1389 (713) 667-9400 Fax (713) 669-5236

**Neighborhood Centers Inc.
Ripley House Charter School Contingency Response to
6th Generation Charter App. Review; Legal Services Division
Prepared by: Cynthia Patton, Ph.D.
April 15, 2002**

Admissions:

Ripley House Charter School will ensure that every student will have an equal opportunity to attend. The enrollment period will be from April 15 until June 15. If the school is oversubscribed a lottery will be used. A lottery is a random selection process by which applicants for admission to a public charter school are admitted to the charter school. If Ripley House Charter School has fewer applicants than spaces available, then a lottery will not be conducted. Ripley House Charter School will exempt from the lottery only those students who are deemed to have been admitted to the charter school already and, therefore, do not need to reapply and siblings of students already admitted to or attending the same charter school. A new applicant for admission to the charter school will be subject to the lottery if, as of the application closing date, the total number of applicants exceeds the number of spaces available at the charter school. In the first year of operation there are fewer spaces available than applicants, all students who have applied will be subject to the lottery, since they have not been admitted already and they are not siblings of students already admitted.

The procedure for conducting a lottery will be as follows. Names of students will be listed alphabetically. Using a list of random numbers, numbers will be assigned to students beginning with the first name listed alphabetically. Students will be selected in numerical order from lowest to highest. For example, if John Smith were assigned number 01 from the random number list, then he would be number one on the list of selected students.

In order to enroll, parents must fill out an application form available in English and Spanish during the enrollment period. As part of the application process, each family will be given a tour of the school, an explanation of the curriculum, and information on school hours and holidays.

Neighborhood Centers Inc.

**Ripley House Charter School Contingency Response to Division of Special
Education Generation 6 Charter School Contingency Review**

Prepared by: Cynthia Patton, Ph.D.

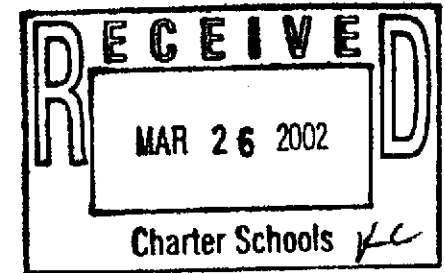
April 15, 2002

- II. ISSUE: Development and Implementation of the IEP
#2 Please replace "ARD committee will verify continued eligibility for students who are new (transfer) to Ripley House Charter School" with "ARD committee will verify eligibility for students who are new (transfer) to Ripley House Charter School."

- II. ISSUE: Assessment/Evaluation
#15 "...be not more than three years old."
Replacement: "Ripley House Charter School will use the most current versions of accepted instruments for assessments."

- II. ISSUE: Assessment/Evaluation
#3 "The CEO or principal will develop operating guidelines for the referral and tracking process of students identified with suspected disabilities who are applying for admission, already enrolled, or transferring from another program to Ripley House Charter School."
Replacement: "The CEO or principal of Ripley House Charter School will develop operating guidelines within the parameters of the Individuals with Disabilities Education Act (IDEA) for the referral and tracking process of students identified with suspected disabilities who are applying for admission, already enrolled or transferring from another program to Ripley House Charter School."

CHARTER AMENDMENT REQUEST



The governing board of Rise Academy Charter School,
county/district number 152802, submits the following amendments to its charter:

1. The charter is amended to adopt the provisions of Texas Education Code (TEC), Chapter 44, Subchapter B, as the charter holder's process for awarding a contract for the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property. Consequently, the provisions of TEC, Chapter 44, Subchapter B, control in lieu of Subchapter B, Chapter 271, Texas Local Government Code. Nothing in the charter requires the charter school or the charter holder to comply with Chapter 44, Education Code, except with regard to a contract described in this amendment.
2. The charter is amended to permit the charter school to incorporate a provision of Chapter 2253, Government Code, into its agreements with prime contractors. If a provision of Chapter 2253, Government Code is incorporated into an agreement with a prime contractor, the charter school is entitled to the benefit of that provision as if it were a governmental entity for purposes of that chapter.

Richard Baumgartner Richard Baumgartner
Typed Name of the Chief Operating Officer of School Signature
Date 3-22-02

Richard Baumgartner Richard Baumgartner
Typed Name of the Chief Operating Officer of Charter Holder Signature
Date 3-22-02

3-22-02

March 2002

54-02

**OPEN-ENROLLMENT CHARTER SCHOOLS
LOTTERY AMENDMENT REQUEST FORM**

Rise Academy

152802

Name of School

County-District Number

requests to amend its charter to include in its admission policy the use of a lottery for choosing potential students. School personnel understand that the term "lottery" used here means that when more students apply for admission than can be accommodated by the maximum enrollment, students must be chosen from the pool at random for all the available spots. Students already enrolled in the charter school do not have to reapply every year.

Exceptions to the policy are on these bases only: (a) students who are enrolled in a public school at the time it is converted into a public charter school; (b) siblings of students already admitted to or attending the same charter school; (c) children of a charter school's founders (so long as the total number of students allowed under this exemption constitutes only a small percentage of the school's total enrollment); and (d) children of employees in a work-site charter school (so long as the total number of students allowed under this exemption constitutes only as small percentage of the school's total enrollment).



Signature of Authorized Administrator

Director

Title/Position

3-25-02

Date

Richard Baumgartner

Printed Name of Authorized Administrator

806-744-0438

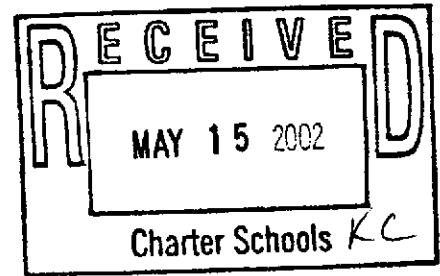
Phone

413-208-9563

Fax

April 26, 2002

The Ranch Academy and Life Skills Center
3120 VZCR 2318
Canton, Texas 75103



Dear Superintendent and President of the Board of Trustees: Of Martins Mill School District

This is to inform you that the following charter school intends to submit an amendment request to the commissioner of education:

The Ranch Academy and Life Skills Center
3120 VZCR 2318
Canton, Texas 75103

234-801 county district number

As part of the amendment process, charter schools are required to notify any districts that are likely to be affected by the change. The enclosed Statement of Impact form indicates the type of amendment request being made.

Specifically, Texas Education Agency guidelines require that the Statement of Impact form be sent to each district that may be affected. Information is requested if the proposed change may adversely impact a district financially or if the proposed change may impact the student enrollment of a district in a manner that impairs the district's ability to comply with a court order. The enclosed form may be completed by any district that may be affected, signed by the district's board president and superintendent, and returned to the Texas Education Agency, Charter Schools Division, 1701 North Congress Avenue, Austin, Texas 78701-1494.

Please review the enclosed form and notify the Texas Education Agency if your district will be impacted by the request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gloria Kerzee".

Gloria Kerzee
Board President
The Ranch Academy and Life Skills Center

Texas Education Agency
Division of Charter Schools
1701 North Congress Avenue
Austin, Texas 78701-1494
Phone (512) 463-9575 Fax (512) 463-9732
<http://www.tea.state.tx.us/charter>



**Statement of Impact
AMENDMENT**

The Ranch Academy and Life Skills Center
Charter School

234-801
County-District #

The charter school above plans to submit the following amendment or amendments to its open-enrollment charter for consideration by the commissioner of education:

1. Expand grade levels served
Currently approved grade levels: _____ Requested change: _____

2. Increase maximum enrollment
Currently approved maximum enrollment: 60 Requested change: increase to 74 maximum students

3. Add a campus
Proposed new address, if available _____
If the campus address has not yet been secured, the school districts within the currently approved geographic boundary are listed here: _____

4. Expand geographic boundary
The proposed new school districts/area to include are listed here: _____

District Staff: Check the appropriate response below:

- _____ The proposed change for the open-enrollment charter school is not expected to impact the school district to a significant degree.
- The proposed change for the open-enrollment charter school is expected to impact the school district in the following manner:
(Attach any supporting statement and/or documentation.)

Martin's mill ISD 234-905
District Name County-District #

301 Fm 1861 Ben Wheeler, Tx 75754 903/479-3872
District Address Phone Number

Jack Newbourn JACK NEWBOURN
Signature of Board President Print Board President's Name

Todd Williams TODD WILLIAMS
Signature of Superintendent Print Superintendent's Name

4/29/02
Date Received by District

Texas Education Agency
Division of Charter Schools
1701 North Congress Avenue
Austin, Texas 78701-1494
Phone (512) 463-9575 Fax (512) 463-9732
<http://www.tea.state.tx.us/charter/>



Board of Directors

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Ronald C. Lewis

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Stephen Kaufman

Second Vice Chair
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President and CEO
Angela Blanchard

August 17, 2000

Mr. Robert Muller
Associate Commissioner for Continuing Education and
School Improvement Initiatives
Division of Charter Schools
Texas Education Agency
1701 North Congress Avenue
Austin, Texas 78701

Dear Mr. Muller:

Neighborhood Centers Inc. (NCI) is pleased to submit this proposal to the Texas Board of Education for an Open-Enrollment Charter School. NCI has been present in the community for nearly 100 years, and is recognized as an expert in child development programs that support children of low-income families. If accepted, the school would begin operations in August 2001 and would serve children ages 5-12 through a micro-community approach, with a focus on building children's life skills. While currently under construction and slated for completion in October of this year, the school will be located within our new Ripley House facility located at 4410 Navigation in Houston's Secord Ward, a primarily Hispanic, low-income community.

Led by CEO Dr. Cynthia Patton, the Ripley House Charter School will utilize Integrated Thematic Instruction, Brain Compatible Components, the Seven Intelligences as described by Gardner, and the Lifeskills model. The school will function as a Micro-community with each class assuming the role of a business or service, such as the Bank or the Post Office. This real life experience serves the dual purposes of teaching children about the free enterprise system and providing an opportunity for every student to be part of the community of the school.

Since NCI is a large organization, the required documents to complete the Charter School Application, such as Personnel Policy and Business Plan, forced us to exceed the page limit. Per the instructions of Ms. Esther Murguia from the Charter School

Division Office, we have included all the documents requested in the Guidelines and Application.

Per instructions given to Ms. Cheryl Walton and communicated to Ms. Jo Carcedo, NCI Senior Vice President of Program Services, NCI is submitting a cover sheet with the original signature of the President and CEO with the completed application. Two additional copies of the cover sheet with original signatures of the President and CEO and Board Chair will be forwarded upon the Chair's return to Houston. Board Chair Ronald Lewis is aware of the application as evidenced by his notarized biographical affidavit.

Neighborhood Centers Inc. is very excited to be considered for the opportunity to be awarded a Charter. Please address any questions or need for further information to Ms. Angela Blanchard, President and CEO of Neighborhood Centers Inc. at 713-669-5258 or [REDACTED]

Sincerely,


Angela Blanchard
President and CEO

AB/cp

Enclosures

**FAX TRANSMITTAL**Date: 8/18/00Time: 4:45 p.m.To: Ms. Cheryl Walton
Texas Education Agency

Phone: _____

Fax: (512) 463-9732From: Angela BlanchardPhone: (713) 669-5394Fax: (713) 669-5236Remarks: _____

_____Number of pages including cover sheet: 10**Mission Statement:**

"To enhance the development and full potential of individuals, families, and neighborhoods through effective human service systems, responsive programs and appropriate facilities in adherence with our core values"

4500 Bissonnet Suite 200 P.O. Box 271389 Houston, TX 77277-1389 (713) 667-9400 Fax (713) 669-5236



August 18, 2000

Mr. Robert Muller
Associate Commissioner for Continuing Education and
School Improvement Initiatives
Division of Charter Schools
Texas Education Agency
1701 North Congress Avenue
Austin, Texas 78701

Dear Mr. Muller:

Per instructions given by Ms. Cheryl Walton of TEA to Ms. Jo Carcedo, Neighborhood Centers Inc. Senior Vice President of Program Services, enclosed please find two additional copies of the cover sheet to the Ripley House Charter School application submitted today, August 18, 2000. The cover sheets include original signatures of both the President and CEO Angela Blanchard and Board Chair Ronald Lewis. Per communication with Ms. Sara Onyenaka of TEA, she will forward these documents to the TEA Charter School Document Control Center. Also please find enclosed two copies of the biographical affidavit of Mrs. Susan Baker.

Please address any questions or need for further information to Ms. Angela Blanchard, President and CEO of Neighborhood Centers Inc. at 713-669-5258 or
[REDACTED]

Sincerely,

Angela Blanchard
President and CEO

AB/yd

Enclosures

TEXAS EDUCATION AGENCY
Application for an Open-Enrollment Charter School-Sixth Generation
Coversheet

Type:	Open Enrollment _____
(check one)	"75% Rule" <u> X </u>

Date of Submission: August 18, 2000
RFA#701-00-008

Name of Proposed School: Ripley House Charter School

Maximum Grade Levels to be served: Kindergarten through Fifth Grade

Estimated 1st Year Enrollment: 108 Max Enrollment: 216

Name of Sponsoring Entity: Neighborhood Centers Inc.

Chairperson of Board of Sponsoring Entity: Ronald C. Lewis

Chief Executive Officer of Sponsoring Entity: Angela Blanchard

Chief Executive Officer of School: Cynthia Patton, Ph.D.

Applicant Mailing Address: P.O. Box 271389, Houston, Texas 77277-1389

School Site Address: 4410 Navigation, Houston, Texas 77003
(If different from above)

Contact Phone# 713-669-5258 Fax# 713-669-5236

Contact Email Address: [REDACTED]

I certify that I have the authority as the Chief Executive Officer of the sponsoring entity designated above to make application for an open-enrollment charter school. I further certify all information contained in this application is complete and accurate, realizing that any misrepresentation could result in disqualification from the charter application process or revocation after award. I authorize the Texas Education Agency to investigate the references listed in this application.

Angela Blanchard 8/18/00
Signature of Chief Executive Officer Of Sponsoring Entity Date

Cynthia Patton
Signature of Application Preparer Was this person paid? Yes ___ No X

[Signature] 8/18/00
Signature of Chairperson of the Governing Board of the Sponsoring Entity Date

TEXAS EDUCATION AGENCY
Application for an Open-Enrollment Charter School-Sixth Generation
Coversheet

Type: (check one)	Open Enrollment _____ "75% Rule" <u> X </u>
----------------------	--

Date of Submission: August 18, 2000
RFA#701-00-008

Name of Proposed School: Ripley House Charter School

Maximum Grade Levels to be served: Kindergarten through Fifth Grade

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Name of Sponsoring Entity: Neighborhood Centers Inc.

Chairperson of Board of Sponsoring Entity: Ronald C. Lewis

Chief Executive Officer of Sponsoring Entity: Angela Blanchard

Chief Executive Officer of School: Cynthia Patton, Ph.D.

Applicant Mailing Address: P.O. Box 271389, Houston, Texas 77277-1389

School Site Address: 4410 Navigation, Houston, Texas 77003
(If different from above)

Contact Phone# 713-669-5258 Fax# 713-669-5236

Contact Email Address: [REDACTED]

I certify that I have the authority as the Chief Executive Officer of the sponsoring entity designated above to make application for an open-enrollment charter school. I further certify all information contained in this application is complete and accurate, realizing that any misrepresentation could result in disqualification from the charter application process or revocation after award. I authorize the Texas Education Agency to investigate the references listed in this application.

Angela Blanchard 8/18/00
Signature of Chief Executive Officer Of Sponsoring Entity Date

[Signature]
Signature of Application Preparer Was this person paid? Yes No X

[Signature] 8/18/00
Signature of Chairperson of the Governing Board of the Sponsoring Entity Date

AMENDMENTS TO NON-SCORED SECTION

Review Worksheets for Generation 6 Applications

Staff person completing review MARY PERRY

Charter school RIPLEY HOUSE CHARGE Fax number (713) 669-5236
SCHOOL

Date FAXED 9/1/00 To Whom ANGELA BLANCHARD

The following items need to be added and/or revised before your Generation 6 application can be sent for external review.

page 2 (questions 8-14) or Robert Alan Ambrose's
biographical affidavit
school policies regarding expulsion

PLEASE FAX ALL REVISION TO 512-463-9732 NO LATER THAN SEPTEMBER 11, 2000.



FAX TRANSMITTAL

Date: 9/11/00

Time: 2:10 pm

To: Ms. Mary Perry
TEA
Charter Schools

Phone: _____

Fax: (512) 463-9732

From: Angela Blanchard

Phone: (713) 669-5258

Fax: (713) 669-5236

Remarks: Enclosed please find the items you requested
for the Generation Six Neighborhood Centers Inc.
Ridley House charter school application.

Number of pages including cover sheet: 6

Mission Statement:

"To enhance the development and full potential of individuals, families, and neighborhoods through effective human service systems, responsive programs and appropriate facilities in adherence with our core values"



September 8, 2000

Ms. Mary Perry
Texas Education Agency
Charter Schools
1701 North Congress Avenue
Austin, Texas 78701

Dear Ms. Perry:

In response to the Review Worksheet for Texas Education Agency Application for an Open Enrollment Charter School-Sixth Generation, RFA # 7001-00-008; please find enclosed page 2 of Robert Ambrose's affidavit and section 5C2 Expulsion Procedures.

If you have any other concerns, please feel free to contact me at (713) 669-5258.

Sincerely,

Angela Blanchard
President and CEO

Dej
AB/cp

Others _____

8. List Membership in Professional Societies and Associations: TEXAS Society of Architects;
American Institute of Architects - Houston, Texas Chapter

9. Present or Proposed Position with the Proposed Charter School: None

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>1978-Present</u>	<u>Ambrose and McEneaney, Architects</u>	<u>2323 S. Shepherd #1014</u> <u>Houston, Texas 77019</u>	<u>Partner</u>

11. Present employer may be contacted: *p2250 Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): REGISTERED ARCHITECT - TEXAS - # 3663
REGISTERED INTERIOR DESIGNER - TEXAS - # 7484
NCARB BOARD CERTIFIED - ARCHITECT

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

**Neighborhood Centers Inc
Open-Enrollment Charter School Application
Expulsion Policy and Procedures Attachment**

V. C. 2.

Describe your school's policies regarding student expulsion and suspension. Include a description of procedures that satisfy due process requirements.

Mandatory Expulsion

A student must be expelled for any of the following offenses if committed on school property or while attending a school-sponsored or school-related activity on or off school property:

• A firearm violation, as defined by federal law, 18 U.S.C. Section 921 Firearm under federal law means:

1. any weapon (including a starter gun), which will or is designed to or which may readily be converted to expel a projectile by the action of an explosive;
2. the frame or receiver of any such weapon;
3. any firearm muffler or firearm silencer or;
4. any destructive device, which means any explosive, incendiary, or poison gas bomb, or grenade, rocket having a propellant charge of more than four ounces, missile having an explosive or incendiary charge of more than one-quarter ounce, mine or, device similar to any of the devices described in the preceding clauses.

- Use, exhibition, or possession of the following:

1. A firearm, as defined by Texas Penal Code Section 46.01(3).
2. An illegal knife, such as a knife with a blade over 5½ inches; hand instrument designed to cut or stab another by being thrown; dagger, including but not limited to a dirk, stiletto, and poniard; bowie knife; sword; or spear. Texas Penal Code Section 46.01(6).
3. A club as defined by Texas Penal Code Section 46.01(1),
4. A prohibited weapon, such as an explosive weapon; a machinegun; a short-barrel firearm; a firearm silencer; a switchblade knife; knuckles; armor-piercing ammunition; a chemical dispensing device; or a Zip gun. Texas Penal Code Sections 46.05 and 46.01(11).

• Behavior containing the elements of an offense of the Texas Penal Code:

1. Aggravated assault, sexual assault, or aggravated sexual assault. Texas Penal Code Sections 22.011, 22.02, 22.021
2. Arson. Texas Penal Code Section 28.02
3. Murder, capital murder, or criminal attempt to commit murder. Texas Penal Code Sections 19.02 and 19.03
4. Indecency with a child. Texas Penal Code Section 21.11

**Neighborhood Centers Inc
Open-Enrollment Charter School Application
Expulsion Policy and Procedures Attachment**

5. Aggravated kidnapping. Texas Penal Code Section 20.04
6. Behavior related to an alcohol or drug offense that could be punishable as a felony.
7. Retaliation against a school employee combined with one of the above-listed offenses on or off school property or at a school-related activity. Texas Penal Code Section 36.06

Discretionary Expulsion

At the Ripley Charter School's discretion, a student may be expelled if the student, while on school property or while attending a school-sponsored or school-related activity on or off of school property:

1. sells, gives, or delivers to another person or possesses, uses, or is under the influence of any amount of:
 - a. marijuana or a controlled substance, as defined by Texas Health and Safety Code Section 481 or by 21 U.S.C. Section 803.
 - b. a dangerous drug, as defined by Texas Health and Safety Code Section 483.001; or
 - c. an alcoholic beverage, as defined by Texas Alcoholic Beverage Code Section 1.04;
 or
2. engages in conduct that contains the elements of an offense relating to abusable glue or aerosol paint under Texas Health and Safety Code Section 485.031 or relating to delivery of a substance containing a volatile chemical as set forth in Texas Health and Safety Code Section 484.005
3. commits an assault on a staff member or volunteer.
4. criminal mischief, if punishable as a felony whether committed on or off school property or at a school-related event. Texas Penal Code Section 28.03

In an emergency, the principal or the principal's designee may order the immediate expulsion of a student if the principal or designee reasonably believes that action is necessary to protect persons or property from imminent harm. When an emergency expulsion occurs, the student will be given oral notice of the reasons for the action. Within a reasonable amount of time after the emergency expulsion, the student will be provided the appropriate due process as required by law. If the student subject to emergency expulsion is a student with disabilities who receives special education services, the term of the emergency expulsion is subject to federal law.

Expulsion Procedures

The Charter School Advisory Board delegates to the C.E.O. the authority to expel students. All expelled students will be assigned to an expulsion program. A student facing expulsion will be given appropriate due process as required by the federal constitution. The principal or other appropriate administrator will schedule a hearing within a reasonable time with the student's parents, the teacher, and the student. The student's parent or guardian will be invited in writing to attend the hearing. Until a hearing can be held, the principal may place the student in In-school suspension or Out-of-school suspension, up to 3 days. The student is also entitled to: 1. The right to an

**Neighborhood Centers Inc
Open-Enrollment Charter School Application
Expulsion Policy and Procedures Attachment**

adult representative who is not a Charter School employee or legal counsel who can provide guidance to the student. 2. An opportunity to testify and to present evidence and witnesses in the student's defense. 3. An opportunity to question the Charter School's witnesses. If the Charter School makes a good-faith effort to inform the student and the student's parent or guardian of the time and place of the hearing, the Charter School may hold the hearing regardless of whether the student, the student's parent or guardian, or another adult representing the student attends. Not later than the second business day after the hearing, the Charter School Advisory Board's designee will deliver to the parent or guardian and the juvenile court a copy of the order expelling the student. Expelled students are prohibited from being on school grounds or attending school-related activities during the period of expulsion. State and federal law requires a student to be expelled from the regular classroom for a period of at least one calendar year for bringing a firearm, as defined by federal law, to school. The C.E.O. or other appropriate administrator may modify the length of a non-firearm expulsion offense on a case-by-case basis. If an expelled student enrolls in another school district, Ripley Charter School will provide to the district in which the student enrolls, at the same time other records of the student are provided, a copy of the expulsion order and the referral to the authorized officer of the juvenile court. If the Charter School receives a request from a student who has been expelled from another school district, the Charter School may continue the expulsion under the terms of the order, may place the student in the AEP for the period specified by the expulsion order, or may allow the student to attend regular classes without completing the period of expulsion.

Removal to an Alternative School, A Juvenile Justice Alternative Education Program

Ripley Charter School will enter into an agreement with an appropriate entity for provision of a Juvenile Justice AEP as defined by the Texas Education Code Section 37.011.

Special Education and §504 Students

Alternative Education Program placement of a student with an IDEA disability, who receives special education services may be made only by a duly constituted admission, review and dismissal (ARD) committee when that placement will exceed 10 or more consecutive days. A student with a disability who receives special education services may not be placed in alternative education programs solely for educational purposes if the student does not also meet the criteria for alternative placement as set forth in Texas Education Code Sections 37.006(a) or 37.007(a). Any placement of a special education student which lasts more than 10 consecutive school days is considered as a change of placement. If a change of placement is to occur, the ARD/§504 committee must first determine if the inappropriate behavior of the student is linked to the disabling condition or inappropriate educational program of the student. Discipline of students with disabilities shall be in accordance with state and federal law.



RECEIVED

SEP 14 2000

CHARTER SCHOOLS

September 8, 2000

Ms. Mary Perry
Texas Education Agency
Charter Schools
1701 North Congress Avenue
Austin, Texas 78701

Dear Ms. Perry:

In response to the Review Worksheet for Texas Education Agency Application for an Open Enrollment Charter School-Sixth Generation, RFA # 7001-00-008; please find enclosed page 2 of Robert Ambrose's affidavit and section 5C2 Expulsion Procedures.

If you have any other concerns, please feel free to contact me at (713) 669-5258.

Sincerely,

Argela Blanchard
President and CEO

dy
AB/cp

Others _____

8. List Membership in Professional Societies and Associations: Texas Society of Architects;
American Institute of Architects - Houston, Texas Chapter

9. Present or Proposed Position with the Proposed Charter School: None

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>1978-present</u>	<u>Ambrose and McEneaney, Architects</u>	<u>2323 S. Shepherd #1014</u> <u>Houston, Texas 77019</u>	<u>Partner</u>

11. Present employer may be contacted: *p2250 Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): Registered Architect - Texas - # 3663
Registered Interior Designer - Texas - # 7484
NCAAB Board Certified Architect

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

**Neighborhood Centers Inc
Open-Enrollment Charter School Application
Expulsion Policy and Procedures Attachment**

V. C. 2.

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• A firearm violation, as defined by federal law. 18 U.S.C. Section 921 Firearm under federal law means:

1. any weapon (including a starter gun), which will or is designed to or which may readily be converted to expel a projectile by the action of an explosive;
2. the frame or receiver of any such weapon;
3. any firearm muffler or firearm silencer or;
4. any destructive device, which means any explosive, incendiary, or poison gas bomb, or grenade, rocket having a propellant charge of more than four ounces, missile having an explosive or incendiary charge of more than one-quarter ounce, mine or, device similar to any of the devices described in the preceding clauses.

• Use, exhibition, or possession of the following:

1. A firearm, as defined by Texas Penal Code Section 46.01(3).
2. An illegal knife, such as a knife with a blade over 5½ inches; hand instrument designed to cut or stab another by being thrown; dagger, including but not limited to a dirk, stiletto, and poniard; bowie knife; sword; or spear. Texas Penal Code Section 46.01(6).
3. A club as defined by Texas Penal Code Section 46.01(1),
4. A prohibited weapon, such as an explosive weapon; a machinegun; a short-barrel firearm; a firearm silencer; a switchblade knife; knuckles; armor-piercing ammunition; a chemical dispensing device; or a Zip gun. Texas Penal Code Sections 46.05 and 46.01(11).

• Behavior containing the elements of an offense of the Texas Penal Code:

1. Aggravated assault, sexual assault, or aggravated sexual assault. Texas Penal Code Sections 22.011, 22.02, 22.021
2. Arson. Texas Penal Code Section 28.02
3. Murder, capital murder, or criminal attempt to commit murder. Texas Penal Code Sections 19.02 and 19.03
4. Indecency with a child. Texas Penal Code Section 21.11

**Neighborhood Centers Inc
Open-Enrollment Charter School Application
Expulsion Policy and Procedures Attachment**

5. Aggravated kidnapping. Texas Penal Code Section 20.04
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7. Retaliation against a school employee combined with one of the above-listed offenses on or off school property or at a school-related activity. Texas Penal Code Section 36.06

Discretionary Expulsion

At the Ripley Charter School's discretion, a student may be expelled if the student, while on school property or while attending a school-sponsored or school-related activity on or off of school property:

1. sells, gives, or delivers to another person or possesses, uses, or is under the influence of any amount of:
 - a. marijuana or a controlled substance, as defined by Texas Health and Safety Code Section 481 or by 21 U.S.C. Section 803.
 - b. a dangerous drug, as defined by Texas Health and Safety Code Section 483.001; or
 - c. an alcoholic beverage, as defined by Texas Alcoholic Beverage Code Section 1.04;or
2. engages in conduct that contains the elements of an offense relating to abusable glue or aerosol paint under Texas Health and Safety Code Section 485.031 or relating to delivery of a substance containing a volatile chemical as set forth in Texas Health and Safety Code Section 484.005
3. commits an assault on a staff member or volunteer.
4. criminal mischief, if punishable as a felony whether committed on or off school property or at a school-related event. Texas Penal Code Section 28.03

In an emergency, the principal or the principal's designee may order the immediate expulsion of a student if the principal or designee reasonably believes that action is necessary to protect persons or property from imminent harm. When an emergency expulsion occurs, the student will be given oral notice of the reasons for the action. Within a reasonable amount of time after the emergency expulsion, the student will be provided the appropriate due process as required by law. If the student subject to emergency expulsion is a student with disabilities who receives special education services, the term of the emergency expulsion is subject to federal law.

Expulsion Procedures

The Charter School Advisory Board delegates to the C.E.O. the authority to expel students. All expelled students will be assigned to an expulsion program. A student facing expulsion will be given appropriate due process as required by the federal constitution. The principal or other appropriate administrator will schedule a hearing within a reasonable time with the student's parents, the teacher, and the student. The student's parent or guardian will be invited in writing to attend the hearing. Until a hearing can be held, the principal may place the student in In-school suspension or Out-of-school suspension, up to 3 days. The student is also entitled to: 1. The right to an

Neighborhood Centers Inc
Open-Enrollment Charter School Application
Expulsion Policy and Procedures Attachment

adult representative who is not a Charter School employee or legal counsel who can provide guidance to the student. 2. An opportunity to testify and to present evidence and witnesses in the student's defense. 3. An opportunity to question the Charter School's witnesses. If the Charter School makes a good-faith effort to inform the student and the student's parent or guardian of the time and place of the hearing, the Charter School may hold the hearing regardless of whether the student, the student's parent or guardian, or another adult representing the student attends. Not later than the second business day after the hearing, the Charter School Advisory Board's designee will deliver to the parent or guardian and the juvenile court a copy of the order expelling the student. Expelled students are prohibited from being on school grounds or attending school-related activities during the period of expulsion. State and federal law requires a student to be expelled from the regular classroom for a period of at least one calendar year for bringing a firearm, as defined by federal law, to school. The C.E.O. or other appropriate administrator may modify the length of a non-firearm expulsion offense on a case-by-case basis. If an expelled student enrolls in another school district, Ripley Charter School will provide to the district in which the student enrolls, at the same time other records of the student are provided, a copy of the expulsion order and the referral to the authorized officer of the juvenile court. If the Charter School receives a request from a student who has been expelled from another school district, the Charter School may continue the expulsion under the terms of the order, may place the student in the AEP for the period specified by the expulsion order, or may allow the student to attend regular classes without completing the period of expulsion.

Removal to an Alternative School, A Juvenile Justice Alternative Education Program

Ripley Charter School will enter into an agreement with an appropriate entity for provision of a Juvenile Justice AEP as defined by the Texas Education Code Section 37.011.

Special Education and §504 Students

Alternative Education Program placement of a student with an IDEA disability, who receives special education services may be made only by a duly constituted admission, review and dismissal (ARD) committee when that placement will exceed 10 or more consecutive days. A student with a disability who receives special education services may not be placed in alternative education programs solely for educational purposes if the student does not also meet the criteria for alternative placement as set forth in Texas Education Code Sections 37.006(a) or 37.007(a). Any placement of a special education student which lasts more than 10 consecutive school days is considered as a change of placement. If a change of placement is to occur, the ARD/§504 committee must first determine if the inappropriate behavior of the student is linked to the disabling condition or inappropriate educational program of the student. Discipline of students with disabilities shall be in accordance with state and federal law.

TEXAS EDUCATION AGENCY
Application for an Open-Enrollment Charter School-Sixth Generation
Coversheet

Type:	Open Enrollment _____
(check one)	"75% Rule" <input checked="" type="checkbox"/> _____

Date of Submission: August 18, 2000
RFA#701-00-008

Name of Proposed School: Ripley House Charter School

Maximum Grade Levels to be served: Kindergarten through Fifth Grade

Estimated 1st Year Enrollment: 108 Max Enrollment: 216

Name of Sponsoring Entity: Neighborhood Centers Inc.

Chairperson of Board of Sponsoring Entity: Ronald C. Lewis

Chief Executive Officer of Sponsoring Entity: Angela Blanchard

Chief Executive Officer of School: Cynthia Patton, Ph.D.

Applicant Mailing Address: P.O. Box 271389, Houston, Texas 77277-1389

School Site Address: 4410 Navigation, Houston, Texas 77003
(If different from above)

Contact Phone# 713-669-5258 Fax# 713-669-5236

Contact Email Address: [REDACTED]

I certify that I have the authority as the Chief Executive Officer of the sponsoring entity designated above to make application for an open-enrollment charter school. I further certify all information contained in this application is complete and accurate, realizing that any misrepresentation could result in disqualification from the charter application process or revocation after award. I authorize the Texas Education Agency to investigate the references listed in this application.

Angela Blanchard 8/18/00
Signature of Chief Executive Officer Of Sponsoring Entity Date

Cynthia Patton
Signature of Application Preparer Was this person paid? Yes ___ No X

[Signature] 8/18/00
Signature of Chairperson of the Governing Board of the Sponsoring Entity Date

TEXAS EDUCATION AGENCY
Application for an Open-Enrollment Charter School-Sixth Generation
Coversheet

Type:	Open Enrollment _____
(check one)	"75% Rule" <u> X </u>

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Angela Blanchard 8/18/00
Signature of Chief Executive Officer Of Sponsoring Entity Date

Cynthia Patton
Signature of Application Preparer Was this person paid? Yes ___ No X

[Signature] 8/18/00
Signature of Chairperson of the Governing Board of the Sponsoring Entity Date

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Neighborhood Centers Inc. Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Susan Garrett Baker

2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) Susan Blackshear Garrett

c. Other names used at any time Susan Garrett Winston
1960 - 1973 1st Marriage

3. Social Security Number: [REDACTED]

4. Date and Place of Birth: [REDACTED] Houston, Texas

5. Business Address: _____

Business Telephone: _____

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
1994 - Present	500 Little John Ln	Houston, TX	77024
1993 - 1994	5045 Cathedral Ave	Wash. DC	20016
1981 - 1993	2915 Foxhall Rd	Wash. DC	20007

7. Education: Dates, Names, Locations and Degrees

College University of Texas 1957 - 1960

Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: NA

9 Present or Proposed Position with the Proposed Charter School: None

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
	<i>I have been a homemaker and volunteer</i>		
	<i>Co-Founder</i>	<i>End Homelessness</i>	<i>1983 - President D.C.</i>
	<i>Parents Music Resource Center</i>		<i>1985-1995 D.C.</i>
	<i>Enterprise Foundation Bd.</i>		<i>Trustee 1990 - Present</i>
	<i>Columbia Maryland</i>		

11. Present employer may be contacted: *p2250X Yes No (Circle One) NA

Former employers may be contacted: Yes No (Circle One) NA

12. a Have you ever been in a position which required a fidelity bond? No
If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? No
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): None - NA

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? No if yes, give details: _____
NA

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No
If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? Yes If so, please furnish details: condemnation
Suite 101 Brazoria County Re gas pipeline
going across my property
Dated and signed this 18th day of August
2000 at San Francisco Calif

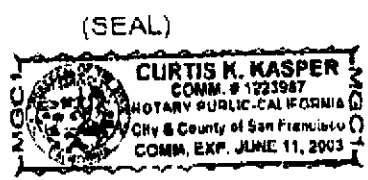
I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief
Miriam G. Baker
(Signature of Affiant)

State of CALIFORNIA
County of SAN FRANCISCO

Personally appeared before me the above named SUSAN G. BAKER
personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 18th day of AUGUST
2000

Curtis K. Kasper
(Notary Public)
My commission expires 6/11/03



*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 0471
CONNECTION TEL 917138695236
SUBADDRESS
CONNECTION ID
ST. TIME 04/12 07:03
USAGE T 01'33
PGS. SENT 5
RESULT OK

Texas Education Agency

CHARTER SCHOOLS DIVISION

William B. Travis Building
1701 N. Congress Avenue
Austin, TX 78701-1494
(512) 463-9575
FAX: (512) 463-9732

DATE: April 12, 2002
TO: Angela Blanchard/Cynthia Patton
FAX: 713-669-5236
Page(s): 5 (including cover sheet)
FROM: Mary Perry, Charter Schools Division, TEA

MESSAGE:

Following is the fax sent on February 20. You can see that there are issues still identified as concerns by Carolyn Dietrich in the Division of Special Education. If you have any questions, please contact Carolyn at 512-463-9362.

Texas Education Agency

CHARTER SCHOOLS DIVISION

William B. Travis Building
1701 N. Congress Avenue
Austin, TX 78701-1494
(512) 463-9575
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Texas Education Agency

CHARTER SCHOOLS DIVISION

William B. Travis Building
1701 N. Congress Avenue
Austin, TX 78701-1494
(512) 463-9575
FAX: (512) 463-9732

DATE: February 20, 2002
TO: Angela Blanchard/Cynthia Patton
FAX: 713-669-5236
Page(s): 4 (including cover sheet)
FROM: Mary Perry, Charter Schools Division, TEA

MESSAGE:

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I have also included a copy of the original legal review. You did not submit any documentation about your admissions policy. Please call Maggie Baker in the Division of Legal Services at 512-463-9720 if you have any questions about admissions.

GENERATION 6 CHARTER SCHOOLS CONTINGENCIES REVIEW

ISSUE(S)	APPLICATION PROVIDED
<p>Notice of Admission, Review, and Dismissal Committee Meetings</p>	<p><u>INFORMATION REQUESTED:</u></p> <p>NONE</p>
<p>Assessment/Evaluation of Children to Determine Eligibility</p>	<p><u>CLARIFICATIONS</u></p> <p>II. ISSUE: Assessment/Evaluation #1 "Ripley House Charter School will be responsible for identifying, locating, and evaluating students with suspected disabilities who are applying to, enrolled in, transferring to or transitioning from an ECI Program."</p> <p><u>NOTE:</u> The child find effort also extends to siblings of students applying to, enrolled in, or inquiring about the school.</p> <p>Children who are transitioning from an ECI program should not be included in the schools child find count.</p> <p>II. ISSUE: Assessment/Evaluation #6 "... (copies of completed SAS-A101-01, Schedule B)."</p> <p><u>NOTE:</u> The child find schedule is Schedule 5B.</p> <p>II. ISSUE: Assessment/Evaluation #22 ARD Committee Team - "At the discretion of the parent or the Ripley House Charter School..."</p> <p><u>NOTE:</u> Clarification that the parent can invite any one the ARD committee meetings. The above phrase would clarify the intent of the school by adding "...parent and/or the Ripley..."</p> <p>II. ISSUE: Assessment/Evaluation #28 Additional ARD team - "...or remedial reading teacher"</p> <p><u>NOTE:</u> In the state of Texas, a remedial reading teacher does not qualify as a person qualified to conduct individual diagnostic examinations for determining eligibility.</p> <p><u>FURTHER INFORMATION REQUESTED:</u></p> <p>II. ISSUE: Assessment/Evaluation #3 SEE Concerns on second table</p> <p style="text-align: center;">* * *</p> <p>II. ISSUE: Assessment/Evaluation #15 "... Be not more than three years old."</p> <p><u>RESPONSE REQUESTED:</u> Please clarify this statement since several acceptable standardized tests and/or other reevaluation materials are older than 3 years.</p>

<p>Development & Implementation of the IEP 300.342 – 300.350</p>	<p><u>FURTHER INFORMATION REQUESTED:</u></p> <p>I. ISSUE: Development and Implementation of the IEP #2 "ARD committee will verify continued eligibility for students who are new (transfer) to Ripley House charter School.</p> <p><u>RESPONSE REQUESTED:</u> Please clarify "continued eligibility" and how the ARD committee team could make that determination with previous school records</p>
--	--

<p>CONCERN</p>	<p>ASSURANCE REQUESTED</p>
<p>II. ISSUE: Assessment/Evaluation #3 "The CEO or principal will develop operating guidelines for the referral and tracking process of students identified with suspected disabilities who are applying for admission, already enrolled, or transferring from another program to Ripley House Charter School."</p> <p>CONCERN: The operating guidelines cannot be less than the requirements of the law.</p>	<p>Will the proposed charter submit a general assurance that the charter school will develop operating guidelines within the parameters of the Individuals with Disabilities Education Act (IDEA) not the policies of the charter school?</p>

RIPLEY HOUSE CHARTER SCHOOL

Impact Statement: OK - sent to Houston ISD (p. 48 & Appendix M).

Public Notice: OK (pp. 9-10).

Geographic Boundaries: OK (p. 47), although for admission purposes the applicant should clarify whether the official geographic service area includes the primary and secondary areas shown on page 46.

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Governance Structure: OK. NCI board (27 members, governing a \$100 million/year network of service providers) will appoint a Ripley House Charter School Advisory Board (currently 3 members). (p. 19, 49)

Evidence of Nonprofit Status: OK (page 3 & Appendices A & G).

Other: Page 3 discloses that the sponsoring entity NCI has been involved in litigation, and the cases are listed on page 5. We may wish to request details in the interview process.

Heart of Texas Black Chamber of Commerce
Mailing Address: P. O. Box 1485; Waco, Texas 76703-1485
Physical Address: 409 Turner St.; Waco, Texas 76704-2270
(Alternate Telephone (254) 799-6923/772-1297 / [fax] (254) 412-0988

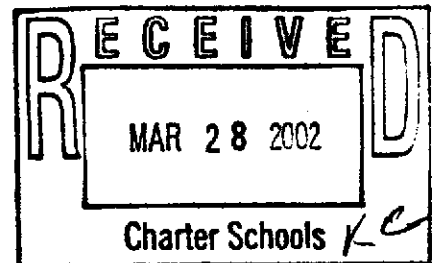
Memorandum

March/April, 2002

Please note the change of address enclosed.

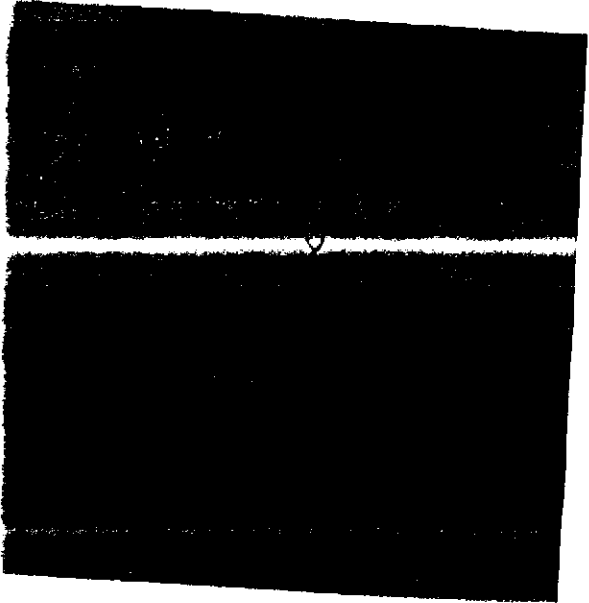
We still have our physical address at 409 Turner Street;
however, we ask that you send all mail addressed to:

- (1). Heart of Texas Black Chamber
- (2). East Waco Community Center
- (3). Emma L. Harrison Charter School



....To our Post Office Box.....

Heart of Texas Black Chamber
P. O. Box 1485
Waco, Texas 76703-1485



TEXAS EDUCATION AGENCY
W.B. TRAVIS BLDG.
1701 N. CONGRESS AVE
AUSTIN, TEXAS 78701-1494

RETURN SERVICE REQUESTED

211-009

161803

E L HARRISON CHARTER SCHOOL

BRENDA HAND

409 TURNER

WACO, TX 76704

HARR409 767042430 1C00 05 03/04/02
FORWARD TIME EXP RTN TO SEND
:EMMA L HARRISON SCHOOL
PO BOX 1485
WACO TX 76703-1485

RETURN TO SENDER

Texas Education Agency
CHARTER SCHOOLS DIVISION

*file
Ripley
House*

William B. Travis Building
1701 N. Congress Avenue
Austin, TX 78701-1494
(512) 463-9575
FAX: (512) 463-9732

DATE: November 26, 2001
TO: Angela Blanchard
FAX: 713-669-5236
Page(s): 3 (including cover sheet)
FROM: Mary Perry, Charter Schools Division, TEA

MESSAGE:

I was very glad to have the chance to speak to you this morning. Following are pages with the contingencies that were originally sited. As I mentioned in our conversation, you may want to review House Bill 6 and be prepared for any changes that legal now requests to bring your charter into compliance with current legislation.

I hope that you located the information on the grant application. If you have any questions about the grant, please call 512-463-9575 and ask for Esther Garcia.

RIPLEY HOUSE CHARTER SCHOOL

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Public Notice: OK (pp. 9-10).

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GENERATION 6 CHARTER SCHOOLS APPLICATION REVIEW

ISSUE(S)	REQUIRED INFORMATION	APPLICATION PROVIDED
<p>Notice of Admission, Review, and Dismissal Committee Meetings 300.503; 300.345</p>	<p>Any reference to 34 CFR 300.503; 300.345</p> <ul style="list-style-type: none"> • Prior notice by agency; contents of notice • Parent participation 	<p>Prior notice by agency</p>
<p>Assessment/ Evaluation of Children to Determine Eligibility 300.530-543</p>	<p>Any reference or assurance to follow 34 CFR 300.530-543 and TEC 29.004</p> <ul style="list-style-type: none"> • Initial evaluation • Evaluation Procedures • Determination of needed evaluation data • Determination of eligibility • Procedures for determining eligibility & placement • Reevaluation • Additional team members • Criteria for determining the existence of a specific learning disability • Observation • Written Report 	<p>Applicant provided a vague response that did not address key components of this Special Education issue.</p>
<p>Development & Implementation of the IEP 300.342 – 300.350</p>	<p>Any reference or assurance to follow 34 CFR 300.342-350 and TAC 89.1050</p> <ul style="list-style-type: none"> • When IEPs must be in effect • IEP / ARD meetings • IEP / ARD team • Development, review and revision of IEP • Content of IEP • Agency responsibilities for transition services • IEP – accountability 	<p>General information regarding the development, review and revision of IEPs.</p>

Please list and explain any areas of concern that need to be raised before the State Board of Education.

CONCERN	ASSURANCE REQUESTED
<p>Charter is at-risk for potential:</p> <ul style="list-style-type: none"> • Due process hearing • FAPE violations • Compliance issues 	<p>Will the proposed charter submit documentation of knowledge in the specific areas requested above?</p>

Ripley House

Texas Education Agency

CHARTER SCHOOLS DIVISION

William B. Travis Building
1701 N. Congress Avenue
Austin, TX 78701-1494
(512) 463-9575
FAX: (512) 463-9732

DATE: February 20, 2002
TO: Angela Blanchard/Cynthia Patton
FAX: 713-669-5236
Page(s): 4 (including cover sheet)
FROM: Mary Perry, Charter Schools Division, TEA

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*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 1377
CONNECTION TEL 97136695236
SUBADDRESS
CONNECTION ID
ST. TIME 02/20 08:00
USAGE T 01'16
PGS. SENT 4
RESULT OK

Texas Education Agency

CHARTER SCHOOLS DIVISION

William B. Travis Building
1701 N. Congress Avenue
Austin, TX 78701-1494
(512) 463-9575
FAX: (512) 463-9732

DATE: February 20, 2002

TO: Angela Blanchard/Cynthia Patton

FAX: 713-669-5236

Page(s): 4 (including cover sheet)

FROM: Mary Perry, Charter Schools Division, TEA

MESSAGE:

Following are the issues still identified as concerns by Carolyn Dietrich in the Division of Special Education. If you have any questions, please contact Carolyn at 512-463-9362.



mt ✓

December 10, 2001

Mary Perry
Manager, Division of Charter Schools
Texas Education Agency
1701 North Congress Ave.
Austin, Texas 78701-1494

Dear Ms. Perry:

Neighborhood Centers Inc. is looking forward with much anticipation to the opening of the Ripley House Charter School in August of 2002. This school will be of great benefit to the children to the East End of Houston and will extend the current programming for the community at the Ripley Campus.

In order to complete the work needed to attain Charter School status, attached please find the Neighborhood Centers Inc. response to contingencies identified by Texas Education Agency in their review of the charter application. It is hoped that all necessary components are included and a plan is provided that answers all areas of concern.

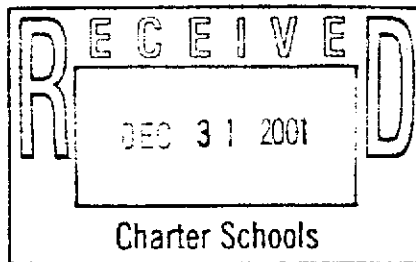
Please feel free to contact me at 713-669-5258, if you have any further questions or need further documentation. Thank you again for your patience as we begin this endeavor.

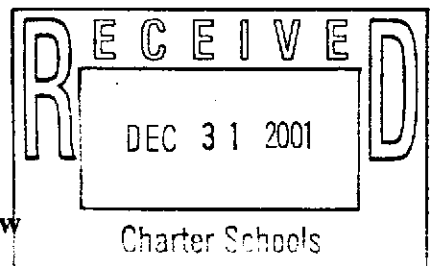
Sincerely,

AA

Angela Blanchard
President and CEO

AB/cp





Neighborhood Centers Inc.
Response to Generation 6 Charter School Application Review
Prepared by: Cynthia Patton, Ph.D.
December 10, 2001

I. ISSUE: Notice of Admission Review, and Dismissal Meetings 300.503; 300.345

REQUIRED INFORMATION: Any reference to 34 CFR 300.503; 300.345

Prior notice by agency; contents of notice

Parent participation

APPLICATION PROVIDED: Prior notice by agency

RESPONSE: In order to assure parent participation in Admission, Review, and Dismissal (ARD) Committee Meetings, the Ripley House Charter School will notify parents with a notice that includes:

- A description of action proposed or refused by the school;
- An explanation of why Ripley House Charter School proposes or refuses to take the action;
- Any other options that Ripley House Charter School considered and the reasons why those options were rejected;
- A description of each evaluation procedure, test, record or report the school used as a basis for the proposed or refused action;
- A description of other factors that are relevant to the school's proposal or refusal;
- Sources for parents to contact to obtain assistance in understanding the notice of ARD committee meeting provisions;
- The opportunity for parents to reschedule the meeting;
- A statement that ARD committee will discuss, at parent's request, provision of any educational or related service not proposed for discussion by the school;
- The date, time and place of the meeting and who will be in attendance;
- If the purpose of the ARD meeting is the consideration of transition services, the notice will also indicate this purpose, indicate that Ripley House Charter School will invite the student of any age, and identify any other agency that will be invited to send a representative.

The Ripley House Charter School principal or CEO will develop a form containing all the above information prior to the opening of the school.

The following will be the procedure used by the Ripley House Charter School to document attempts made to ensure parent participation in the ARD meetings.

1. The Ripley House Charter School will maintain a copy of legally correct ARD notices inviting parents to attend ARD meetings that have been sent to parents in their native language.
2. Ripley House Charter School will maintain a parent contact log to be utilized by special education and administrative personnel to document contact made with parents.
3. A copy of all correspondence sent to parents will be maintained in the student's

- eligibility folder.
4. Copies of documentation of receipt of notices and waivers will be maintained in students' eligibility folders.
 5. The notice of ARD meeting will be sent to a parent at least five school days prior to holding meeting, unless the parents have signed a waiver.
 6. If the purpose of the ARD meeting is the consideration of transition services, the notice will also indicate this purpose, indicate that Ripley House Charter School will invite the student of any age, and identify any other agency that will be invited to send a representative.
 7. The notice of the ARD meeting will be in the parent's native language or other mode of communication of the parent.

II. ISSUE: Assessment/Evaluation of Children to Determine Eligibility 300.530-543

REQUIRED INFORMATION: Any reference to 34 CFR 300.530-543; TEC 29.004

Initial evaluation

Evaluation Procedures

Determination of needed evaluation data

Procedures for determining eligibility & placement

Reevaluation

Additional team members

Criteria for determining the existence of a specific learning disability

Observation

Written Report

APPLICATION PROVIDED: Applicant provided a vague response that did not address key components of this Special Education issue.

RESPONSE:

1. Ripley House Charter School will be responsible for identifying, locating, and evaluating students with suspected disabilities who are applying to, enrolled in, transferring to or transitioning from an ECI program to Ripley House Charter School.
2. Ripley House Charter School will include a notification that "Ripley House Charter School serves students with disabilities" on all school-related documents.
3. The CEO or principal will develop operating guidelines for the referral and tracking process of students identified with suspected disabilities who are applying for admission, already enrolled, or transferring from another program to Ripley House Charter School.
4. An inservice for all staff describing the referral and tracking process will be conducted annually before the first day of students' attendance at school.
5. Part of all staff's annual performance review will specifically evaluate each staff member's adherence to the referral and tracking process.
6. A system will be developed before the opening of Ripley House Charter School to track all referrals for assessment. Included in documentation will be records of referrals and follow-up of individuals identified, located and evaluated (copies of completed SAS-A101-01, Schedule B). Also included will be evidence of Ripley House Charter School meeting timelines for initial evaluation. Initial evaluation

report must be within 60 calendar days of the earliest recorded date in the referral packet and the ARD meeting concerning the results of the evaluation must be within 30 calendar days of the completion of the initial evaluation report. If the 30th day falls during the summer and school is not in session, the ARD committee will have until the first day of classes in the fall to finalize decisions concerning placement and the IEP, unless the assessment indicates the student will need extended year services during that summer.

7. The notice of evaluation that will be sent to parents will include:
 - a description of the action proposed and why Ripley House Charter School proposes to take the action;
 - any options considered before proposing to take the action and why those options were rejected;
 - a description of each evaluation procedure, test, record, or report used as a basis for the proposal;
 - a description of any other factors relevant to the school's proposal;
 - Sources for parents to contact to obtain assistance in understanding the notice of evaluation provisions.
8. The consent for any proposed evaluation will be requested in the native language of the parents or other mode of communication used by the parent. The Home Language Survey determines a language other than English. If the Home Language Survey indicates a language other than English, the notice form may be written in the native language of the parent or documentation of the signature of an interpreter will be included on the consent form.
9. The date of the consent for an evaluation will be on or before the date of the initiation of the evaluation. Documentation will be maintained to verify this.
10. Full and individual evaluations will be conducted of each student's educational needs before the students begin receiving special education services.
11. The principal and/or CEO of Ripley House Charter School with necessary resource professionals will develop operating guidelines addressing selection and administration of reliable and valid diagnostic evaluation instruments before the opening of Ripley House Charter School.
12. These guidelines will be based on the following criteria:
 - Tests will be selected and administered to best insure that they accurately reflect the child's aptitude or achievement level or whatever other factors the test purports to measure.
 - To ensure non-discriminatory evaluation practices, evaluation instruments will be selected carefully in order to review the validity characteristics of each instrument being considered.
 - Tests will be administered as needed to produce the data necessary to determine whether:
 - The child has a particular category of disability or, in the case of reevaluation, whether the child continues to have such a disability;
 - The present levels of performance and educational needs of the child;
 - The child needs special education and related services or, for reevaluation, whether the child continues to need these services; and
 - Any additions or modifications to the special education and related

services are needed to enable the child to meet the measurable annual goals set out in the IEP of the child and to participate, as appropriate, in the general curriculum.

13. There will be a written evaluation report indicating student's eligibility for each related service listed in the ARD/IEP committee report, if applicable.
14. For all evaluations, the:
 - Language evaluation will include the student's language dominance and most proficient method of communication (expressively and receptively).
 - Evaluation will be conducted in the student's native language or other mode of communication, unless clearly not feasible to do so;
 - The child will be assessed in all areas related to the suspected disability, including, if appropriate, health, vision, hearing, general intelligence, academic performance, communicative status, and motor abilities.
 - Evaluation report will document consideration of assistive technology devices and/or services.
15. All standardized tests and/or other evaluation materials given to a child will:
 - Be validated for the specific purpose for which they will be used
 - Be administered by trained and knowledgeable personnel in accordance with any instructions provided by the producer of the tests
 - Be tailored to assess specific areas of educational need and not merely those that are designed to provide a single intelligence quotient
 - Have a single procedure used as sole criterion for determining if a child has a disability and for determining an appropriate educational program of the child
 - Be not more than three years old.
16. Ripley House Charter School will ensure that an adequate supply of diagnostic staff will complete initial evaluations within timeframes. Ripley House Charter School will also ensure that diagnostic staff are used effectively so that assessments will be linked to instruction within necessary guidelines. Diagnostic staff will collaborate with teachers to support student achievement.
17. Ripley House Charter School will ensure that appropriate eligibility documentation exists for all students receiving special education services. The disability categories in the State of Texas are:
 - Auditory impairment
 - Autism
 - Deaf-Blindness
 - Emotional Disturbance
 - Learning Disability
 - Mental Retardation
 - Multiple Disabilities
 - Non-categorical Early Childhood (NCEC)
 - Orthopedic Impairment
 - Other Health Impairment (OHI)
 - Speech Impairment
 - Traumatic Brain Injury
 - Visual Impairment

18. Initial evaluations will be sufficiently comprehensive to identify any disability an individual child may have, including any disability not initially suspected.
19. Any child meeting the eligibility criteria for mental retardation or learning disability will have an individually administered intelligence test.
20. If non-standardized procedures must be used to administer standardized tests or developmental scales, the adaptations will be noted and implications for test interpretation will also be documented.
21. The evaluation team may dispense with additional triennial tests to determine the child's continued eligibility if the team concludes this information is not needed. These tests will be conducted if the parents so requests.
22. The members of the Admission, Review, and Dismissal (ARD) team determining eligibility and appropriate services will include:
 - The parents of the child;
 - At least one regular education teacher of the child (if the child is, or may be, participating in the regular education environment);
 - At least one special education teacher of the child, or if appropriate, at least one special education provider of the child (the teacher that participates in the ARD committee meetings must be certified in the child's suspected areas of disability);
 - A representative of Ripley House Charter School who is qualified to provide or supervise the provision of specially designed instruction to meet the unique needs of children with disabilities; is knowledgeable about the general curriculum, and is knowledgeable about the availability of resources of Ripley House Charter School;
 - An individual who can interpret the instructional implication of evaluation results;
 - At the discretion of the parent or the Ripley House Charter School other individuals who have knowledge or special expertise regarding the child, including related services personnel as appropriate; and
 - If appropriate, the child.
23. A child may not be determined to be eligible if the determinant factor for eligibility determination is lack of instruction in reading or math or Limited English Proficiency.
24. As part of the assessment process, at least one ARD team member other than the child's regular teacher will observe the child's academic performance in the regular classroom setting.
25. As part of an initial evaluation (if appropriate) and as part of any reevaluation, the ARD team will:
 - Review existing evaluation data on the child, including evaluations and other information provided by the parent of the child; current classroom-based assessments and observations, and observations by teachers and related services providers;
 - On the basis of that review and input from the child's parents, identify what additional data, if any, will be needed to determine (1) whether the child has a particular category of disability or in the case of a reevaluation of a child, whether the child continues to have such a disability; (2) the present levels of performance and educational needs of the child; (3) whether the child needs special education and related services, or in the case of a reevaluation of a child,

whether the child continues to need special education and related services, and (4) whether any additions or modifications to the special education and related services are needed to enable the child to meet the measurable annual goals set out in the Individual Education Plan (IEP) of the child and to participate, as appropriate, in the general curriculum.

- A copy of the evaluation report and documentation of determination of eligibility will be given to the parent.
26. The ARD team may determine that a child has a specific learning disability if:
- The child does not achieve commensurate with his or her age and ability levels in one or more of the areas of oral expression, listening comprehension, written expression, basic reading skill, reading comprehension, mathematics calculation, and mathematics reasoning, and
 - The team finds that a child has a severe discrepancy between achievement and intellectual ability in the above listed areas.
27. The ARD team may not identify a child as having a specific learning disability if the severe discrepancy between ability and achievement is primarily the result of (1) a visual, hearing, or motor impairment; (2) mental retardation; (3) emotional disturbance; or (4) environmental, cultural, or economic disadvantage.
28. Additional ARD team members for determination of a specific learning disability will include the child's regular teacher and at least one person qualified to conduct individual diagnostic examinations of children, such as a school psychologist, speech-language pathologist or remedial reading teacher.
29. For a child suspected of having a specific learning disability, the documentation of the team's determination of eligibility will include a statement of:
- Whether the child has a specific learning disability;
 - The basis for making the determination;
 - The relevant behavior noted during the observation of the child;
 - The relationship of that behavior to the child's academic functioning;
 - The educationally relevant medical finding, if any;
 - Whether there is a severe discrepancy between achievement and ability that is not correctable without special education and related services; and
 - The determination of the team concerning the effects of environmental, cultural, or economic disadvantage.
30. For a child suspected of having a specific learning disability, each team member will clarify in writing whether the report reflects his or her conclusion. If it does not reflect his or her conclusion, the team member will submit a separate statement presenting his or her conclusions.

I. ISSUE: Development and Implementation of the IEP 300.342-300.350

REQUIRED INFORMATION: Any reference or assurance to follow 34 CFR 300.342-350 and TAC 89.1050

- When IEPs must be in effect
- IEP/ARD meetings
- IEP/ARD team
- Development, review and revision of IEP
- Content of IEP

- Agency responsibilities for transition services
- IEP - accountability

APPLICATION PROVIDED: General information regarding the development, review and revision of IEPs.

RESPONSE:

1. At the beginning of each school year, Ripley House Charter School will have in effect an IEP for each child with a disability.
2. ARD committee will verify continued eligibility for students who are new (transfer) to Ripley House Charter School. First transfer ARD will be conducted when student registers and parent verifies that student was receiving special education services in the previous district/school. Recommendations will be made for additional evaluations as needed. Special education services are temporary, contingent upon either receipt of valid assessment data from the previous school district or the collection of new assessment data. The second ARD meeting will be held within 30 school days from the date of first ARD to establish eligibility and develop and/or finalize the IEP.
3. Student's disability condition will be documented in the ARD/IEP report. Eligibility report for each disability condition will be documented in the ARD/IEP report.
4. An ARD meeting will be conducted at least every 12 months for every child with a disability. In particular to address whether the IEP needs to be revised to address:
 - Any lack of expected progress toward the annual goals described in the IEP;
 - The results of any reevaluation;
 - Information about the child provided to or by the parents;
 - The child's anticipated needs; or
 - Other matters.
5. Ripley House Charter School will ensure that an IEP:
 - Is in effect before special education and related services are provided to an eligible child, and
 - Is implemented as soon as possible following the ARD meeting.
6. Ripley House Charter School will ensure that:
 - The child's IEP is accessible to each regular education teacher, special education teacher, related services provider, and other service provider who is responsible for its implementation, and
 - Each of these teachers and providers will be informed of his or her specific responsibilities related to implementing the child's IEP and the specific accommodations, modifications, and supports that must be provided for the child in accordance with the IEP.
7. Ripley House Charter School will be responsible for initiating and conducting meetings for the purpose of developing, reviewing and revising the IEP of a child with a disability. IEPs will be developed during the ARD meetings.
8. Ripley House Charter School will establish at least one ARD committee that will make decisions concerning eligibility determinations, development of the IEP, consideration of assistive technology, development of the behavior management plans, and placement of a student referred for consideration for special education services.

9. In developing each child's IEP the ARD team will consider:
 - The strengths of the child and the concerns of the parents for enhancing the education of their child;
 - The results of the initial or most recent evaluation of the child; and
 - As appropriate, the results of the child's performance on any general State or District-wide assessment programs.
10. The following will also be considered:
 - In the case of a child whose behavior impedes his or her learning or that of others, appropriate strategies, including positive behavioral interventions, strategies, and supports to address that behavior;
 - In the case of a child with limited English proficiency, the language needs of the child as those needs relate to the child's IEP;
 - In the case of a child who is blind or visually impaired, providing for instruction in Braille and the use of Braille unless the ARD team determines, after an evaluation of the child's reading and writing skills, needs, and appropriate reading and writing media (including an evaluation of the child's future needs for instruction in Braille or the use of Braille), that instruction in Braille or the use of Braille is not appropriate for the child;
 - The communication needs of the child, and in the case of a child who is deaf or hard of hearing, consider the child's language and communication needs, opportunities for direct communications with peers and professional personnel in the child's language and communication mode, academic level, and full range of needs, including opportunities for direct instruction in the child's language and communication mode; and
 - Whether the child requires assistive technology devices and services.
11. The IEP will include:
 - A statement of the child's present levels of educational performance including how the child's disability affects the child's involvement and progress in the general curriculum;
 - A statement of measurable goals, including benchmarks or short-term objectives related to meeting the child's needs that result from the child's disability to enable the child to be involved in and progress in the general curriculum; and meeting each of the child's other educational needs that result from the child's disability;
 - A statement of the special education and related services and supplementary aids and services to be provided to the child and a statement of the program modifications or supports for school personnel that will be provided for the child;
 - An explanation of the extent, if any, to which the child will not participate with nondisabled children in the regular class and school activities;
 - If the child will not participate in a particular State or district-wide assessment of student achievement, a statement of why this assessment is not appropriate for the child and how the child will be assessed;
 - The projected date for the beginning of services;
 - A statement of how the progress toward annual goals will be measured and how the child's parents will be regularly informed (at least as frequently as parents of nondisabled children are informed);

- Transition services. The IEP will include (1) for each child with a disability beginning at age 14 (or younger, if determined appropriate by the ARD team), and updated annually, a statement of the transition service needs of the student under the applicable components of the student's IEP that focuses on the student's courses of study, and (2) for each student beginning at age 16 (or younger, if determined appropriate by the ARD team), a statement of needed transition services for the student, including, if appropriate, a statement of the interagency responsibilities or any needed linkages.
12. If a participating agency, other than a public agency, fails to provide the transition services described in the IEP, Ripley House Charter School will reconvene the ARD team to identify alternative strategies to meet the transition objectives for the student set out in the IEP.
 13. When mutual agreement about all required elements of the IEP is not achieved, the party (the parents or adult student) who disagrees will be offered a single opportunity to have the committee recess for a period of time not to exceed ten school days. This recess is not required when the student's presence on the campus presents a danger of physical harm to the student or others or when the student has committed an expellable offense or an offense which may lead to a placement in an alternative education program. During the recess the committee members shall consider alternatives, gather additional data, prepare further documentation and/or obtain additional resource person to enable the ARD committee to reach mutual agreement. The time, date, and place for continuing the ARD committee meeting will be determined by mutual agreement prior to the recess. If a ten day recess is implemented, Ripley House Charter School will implement the IEP which it has determined to be appropriate for the student. When mutual agreement is not reached, a written statement of the basis for the disagreements will be included in the IEP. The members who disagree will be offered the opportunity to write their own statements. When Ripley House Charter School implements a IEP with which the parents disagree, Ripley House Charter School will provide prior written notice to the parents. Parents will have a right to file a complaint, request mediation, or request a due process hearing at any point when they disagree with decisions of the ARD committee.
 14. **Accountability**
 - Provision of services. Ripley House Charter School will provide special education and related services to a child with a disability in accordance with the child's IEP; and make a good faith effort to assist the child to achieve the goals and objectives or benchmarks listed in the IEP.
 - IDEA regulations do not require that any agency, teacher, or other person be held accountable if a child does not achieve the growth projected in the annual goals and benchmarks or objectives.
 - A parent has the right to ask for revisions of the child's IEP or to invoke due process procedures if the parent feels that the efforts required in provision of services are not being made.



TEXAS EDUCATION AGENCY

1701 North Congress Ave. * Austin, Texas 78701-1494 * 512/463-9734 * FAX: 512/463-9838 * <http://www.tea.state.tx.us>

Jim Nelson
Commissioner of Education

November 15, 2000

Angela Blanchard
Ripley House Charter School
P.O. Box 271389
Houston, TX 77277

Dear Ms. Blanchard:

This letter is to confirm that on November 3, 2000, the State Board of Education granted your charter contingent upon documentation of compliance with all areas of concern noted in the internal review of your application or raised with you during the interview process. Enclosed are the results of the internal review conducted by the special education, legal services and audits divisions. Your application may have concerns raised from any or all of these divisions. To allow for staff review prior to the January board meeting, the Charter Schools Division must receive all documentation confirming that contingencies have been met by December 27, 2000. However, in order to be placed on the Planning Committee Agenda, please leave a message for me at (512) 463-9575 no later than December 20 if you plan on presenting documentation in January. The Planning Committee is scheduled to meet on Thursday, January 11, 2001, where staff will update the committee on your progress. If all contingencies have been met, the committee will direct staff to issue a contract. You are invited to attend that meeting to answer any questions the committee may have.

For charter schools approved by the board to convert in January 2001, you are reminded of the mandatory orientation scheduled for November 27 and 28, 2000, at the Travis Building, 1701 N. Congress, Austin, room 1-104. The final schedule is still being adjusted but sessions will begin at 8:30 both days and continue until 4:00. At least one person from your school must attend the complete orientation, and you may find it helpful to bring several individuals. Other new charter schools are invited to attend or may choose to wait for the spring orientation.

There are several other enclosures. If you have not already completed a copy, the Initial Report of Benefits or Campaign Contributions for the State Board of Education form should be completed and returned to the Charter Schools Division with your other documentation. The Business Protocol Handbook details funding procedures for charter schools. The last document has your charter school name at the top of the page. The first page of the three-page document asks for verification of some of the information discussed in the handbook. All of the items noted on the first page must be in place to get vendor identification (VID) number. A VID number is required before any state or federal funding can flow to your school. Although many of the numbers indicated on the first page might be included in your charter application, accuracy is critical so we are asking you to confirm each of those numbers. Please return page one with the signed originals of the federal assurances, pages 2-3. Include also a copy of your letter requesting tax exemption.

We look forward to working with you in the future and to seeing some of you at the orientation. If you have questions, please contact a staff member at (512) 463-9575.

Sincerely,

Mary Perry
Manager, Division of Charter Schools

MP:jw



Ripley House & Charter School

May 1, 2002

Mary Perry
Assistant Director
Texas Education Agency
Charter Schools Division
1701 North Congress Ave.
Austin, TX 78701-1494

Dear Ms. Perry:

Enclosed please find two original contracts between Neighborhood Centers Inc. and the Texas State Board of Education for an open-enrollment charter to operate a Texas public school executed on behalf of NCI.

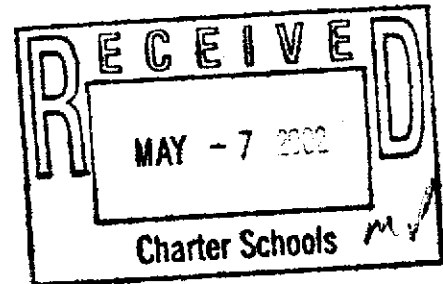
Upon execution please forward a copy of the fully executed contract to my attention for NCI's contract files. If you have any questions regarding the Contract, please contact Karen Green, Contract Coordinator, at (713) 669-5394.

Sincerely,

Angela Blanchard
President and CEO

AB/kg

Enclosures



Proposed School Data

Projected Student Populations (indicate estimated percentages):

85% Students "at risk of dropping out of school"

5% Students requiring Special Education services

85% Students of Limited English Proficiency

85% Students of Economically Disadvantaged Families

85% Minority Students

Will the school require all teachers to be certified? No

Will the school require that all teachers be degreed with at least a bachelor's degree? Yes

Will the school allow an individual to serve as a paid employee of the school as well as member of the governing board? Yes

Will the school allow members of the same family to serve on the governing board? No

Has any member of the governing board or any professional person to be employed by the school

No Been convicted of a felony?

No Been convicted of a misdemeanor?

No Been involved in bankruptcy?

Has the sponsoring entity been involved in

Yes Litigation?

No Sanctions from any state regulatory agency?

If YES to any of the above the applicant must give full disclosure and list all instances completely as required in other portions of the application.

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Application Questions to be Reviewed by Texas Education Agency

I. Evidence of eligibility of sponsoring entity (Reviewed by Agency)

A. Statement describing sponsoring entity (1/2 page max)

Neighborhood Centers Inc. (NCI), in operation since 1907, is a private not-for-profit human service organization chartered by the state of Texas. We have evolved from a single settlement house that provided services to one Houston community into one of the largest locally based providers of human services in the nation. NCI currently operates in over 50 different locations throughout a 13 county region providing services to over 400,000 individuals annually. As one of the oldest human service agencies in Houston, NCI has developed a reputation for responding to social concerns with programs that meet the needs of children, teens, adults and the elderly that is unsurpassed. Our mission is to *enhance the development and full potential of individuals, families and neighborhoods through effective human service delivery systems, responsive programs and effective facilities in adherence with our core values.*

NCI's primary program operations include the following:

1. NCI manages the \$80 million Gulf Coast Careers Child Care (GCCCC) Services contract, a Texas Workforce Commission program.
2. NCI operates two child development centers.
3. NCI operates 21 Head Start centers.
4. NCI serves youth through Prevention and Intervention programs.
5. NCI operates Ripley House and four other community centers that serve as a home away from home for community members.
6. NCI supports and prolongs effective independent living for seniors in our service areas through the provision of services such as nutrition, utility assistance and socialization.

B. 501(c)3 determination letter from IRS or evidence of application (The Texas Education Agency will not fund approved schools until the IRS determination letter is received by the Division of Charter Schools.)

(Appendix A-Determination Letter)

C. Articles of incorporation of sponsoring entity.

(Appendix B-Articles of Incorporation)

D. Bylaws of sponsoring entity

(Appendix C-ByLaws)

E. Biographical Affidavits for each member of the governing board of the sponsoring entity.

(Appendix D-Biographical Affidavits)

RIPLEY HOUSE CHARTER SCHOOL

This contract is executed between the Texas State Board of Education (the "Board") and **Neighborhood Centers, Inc.** ("Charterholder") for an open-enrollment charter to operate a Texas public school.

General

- Definitions. As used in this contract:

"Charter" means the open-enrollment charter, as provided by Subchapter D, Chapter 12, Texas Education Code (TEC), granted by this contract.

"Charterholder" means the sponsoring entity identified in the charter application.

"Charter school" means the open-enrollment charter school. Charterholder agrees to operate as provided in this contract. The charter school is a Texas public school and a charter school within the meaning of 20 U.S.C. §8066 .

"Agency" means the Texas Education Agency.
- The Charter. This contract grants to Charterholder an open-enrollment charter under Subchapter D, Chapter 12, TEC. The terms of the charter include: (a) this contract; (b) applicable law; (c) Request for Application #701-01-004; (d) any condition, amendment, modification, revision or other change to the charter adopted or ratified by the Board; (e) all statements, assurances, commitments and representations made by Charterholder in its application for charter, attachments or related documents, to the extent consistent with (a) through (d); and (f) assurance by Charterholder, evidenced by execution of this contract, that no false information was submitted to the Agency or the Board by Charterholder, its agents or employees in support of its application for charter.
- Authority Granted by Charter. The charter authorizes Charterholder to operate a charter school subject to the terms of the charter. Action inconsistent with the terms of the charter shall constitute a material violation of the charter.
- Alienation of Charter. The charter may not be assigned, encumbered, pledged or in any way alienated for the benefit of creditors or otherwise. Charterholder may not delegate, assign, subcontract or otherwise alienate any of its rights or responsibilities under the charter. Any attempt to do so shall be null and void and of no force or effect; provided, however, that Charterholder may contract at fair market value for services necessary to carry out policies adopted by Charterholder or the governing body of the charter school. Charterholder may not engage or modify the terms of the engagement of a private management company without approval by the Board in accordance with Paragraph 7 of this contract.

5. Term of Charter. The charter shall be in effect from the date of execution through August 1, 2005, unless renewed or terminated.
6. Renewal of Charter. On timely application by Charterholder in a manner prescribed by the Board, the charter may be renewed for an additional period determined by the Board. The charter may be renewed only by written amendment approved by vote of the Board and properly executed by its chair.
7. Revision by Agreement. The terms of the charter may be revised with the consent of Charterholder by written amendment approved by vote of the Board. For purposes of this paragraph, the terms of the charter include, among other provisions, specifications concerning the school's governance structure, characteristics of the educational program to be offered, and the location, type and number of facilities at which the school will operate. The commissioner of education ("the commissioner") may revise the charter on a provisional basis during an interim between Board meetings; however, such action shall expire unless ratified by the Board at its next regular meeting. Nothing in this paragraph limits the authority of the Board or the commissioner to act in accordance with other provisions of this contract.

Students

8. Open Enrollment. Admission and enrollment of students shall be open to any person who resides within the geographic boundaries stated in the charter and who is eligible for admission based on lawful criteria identified in the charter. Total enrollment shall not exceed the maximum number of students approved by the State Board of Education. The charter school's admission policy shall prohibit discrimination on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the student would otherwise attend. Students who reside outside the geographic boundaries stated in the charter shall not be admitted to the charter school until all eligible applicants who reside within the boundaries have been enrolled. Students will be admitted on the basis of a lottery if more students apply for admission than can be accommodated.
9. Public Education Grant Students. Charterholder shall adopt an express policy providing for the admission of, and shall admit under such policy, students eligible for a public education grant, including those students who reside outside the geographic area identified in the charter application, under Subchapter G, Chapter 29, TEC.
10. Non-discrimination. The charter school shall not discriminate against any student or employee on the basis of race, creed, sex, national origin, religion, disability or need for special education services.
11. Non-religious instruction and affiliation. The charter school shall not conduct religious instruction. The charter school, the sponsoring entity, and any entity that owns or controls the sponsoring entity in whole or in part (including by the power to select

officers or directors) shall be nonsectarian in its programs, admissions policies, employment practices, and all other operations.

12. Children with Disabilities. The charter school is a "local educational agency" as defined by federal law. Charterholder must comply with the Individuals with Disabilities Education Act (IDEA), 20 U.S.C. §1401, et seq., and implementing regulations; Section 504 of the Rehabilitation Act of 1973 ("Section 504"), 29 U.S.C. §794, and implementing regulations; Title II of the Americans with Disabilities Act, 42 U.S.C. §12131-12165, and implementing regulations; Chapter 29, TEC, and implementing rules; and the many court cases applying these laws. For example:
 - (a) Child Find. Charterholder must adopt and implement policies and practices that affirmatively seek out, identify, locate, and evaluate children with disabilities enrolled in the charter school or contacting the charter school regarding enrollment, and must develop and implement a practical method to determine which children with disabilities are currently receiving needed special education and related services. For each eligible child, Charterholder must develop and offer an individualized education plan appropriate to the needs of that student.
 - (b) Free Appropriate Public Education. Charterholder must provide a free appropriate public education to all children including children with disabilities otherwise eligible to enroll in the charter school. If the program, staff or facilities of the charter school are not capable of meeting the needs of a particular child, Charterholder must implement changes necessary to accommodate the child at the charter school. If reasonable accommodations would be insufficient to enable the child to benefit from the charter school's program, Charterholder must, at its own expense, place the child at an appropriate school.
 - (c) Services to Expelled Students. Charterholder must continue to provide a free appropriate public education to a child with disabilities even after expelling or suspending the child for valid disciplinary reasons. This obligation to serve the child continues until the end of the school year.
 - (d) Monitoring. The charter school's implementation of the laws governing education of children with disabilities will be monitored for compliance by the United States Department of Education, Office of Special Education Programs; the United States Department of Education, Office of Civil Rights; the Texas Education Agency; and others. This monitoring activity includes responding to complaints, random on-site inspections and other investigations by the enforcing agencies, and will result in corrective actions imposed on Charterholder by these agencies for all discrepancies found. The charter school shall also be monitored for effectiveness and compliance in implementing all applicable federal programs.
 - (e) Due Process Hearings. The charter school's implementation of the laws governing education of children with disabilities will, in addition, be subject to court supervision via litigation against Charterholder brought by individuals affected by the actions of the charter school. The cost of this litigation can be substantial.

Notice: These are only a few of the charter school's legal responsibilities in this area, included here for illustrative purposes only.

13. Student Performance and Accountability. Charterholder shall satisfy Subchapters B, C, D, and G of Chapter 39 of the TEC, and related Agency rules, as well as the student performance accountability criteria stated in its application for charter. Charterholder shall annually provide in a manner and form defined by the commissioner a written evaluation of the charter school's compliance with the statements, assurances, commitments and representations made by Charterholder in its application for a charter, attachments, and related documents.
14. Criminal History. Charterholder shall take prompt and appropriate measures if Charterholder or the charter school, or any of their employees or agents, obtains information that an employee or volunteer of the charter school or an employee, officer, or board member of a management company contracting with the charter school has a reported criminal history that bears directly on the duties and responsibilities of the employee, volunteer, or management company at the school. Charterholder further represents that the Board and the Agency shall be notified immediately of such information and the measures taken.
15. Reporting Child Abuse or Neglect. Charterholder shall adopt and disseminate to all charter school staff and volunteers a policy governing child abuse reports required by Chapter 261, Texas Family Code. The policy shall require that employees, volunteers or agents of Charterholder or the charter school report child abuse or neglect directly to an appropriate entity listed in Chapter 261, Texas Family Code.
16. Notice to District. Charterholder shall notify the school district in which the student resides within three business days of any action expelling or withdrawing a student from the charter school.
17. School Year. Charterholder shall adopt a school year with fixed beginning and ending dates.

Financial Management

18. Fiscal Year. Charterholder shall adopt a fiscal year beginning September 1 and ending August 31.
19. Financial Accounting. Unless otherwise notified by the Agency, Charterholder shall comply fully with generally accepted accounting principles ("GAAP") and the Financial Accountability System Resource Guide, Bulletin 679 or its successor ("Bulletin 679") published by the Agency in the management and operation of the charter school. Charter holder shall also comply with the standards for financial management systems outlined in 34 CFR § 80.20.
20. Federal Withholding Requirements. Failure to comply with Internal Revenue Service withholding regulations shall constitute a material violation of the charter.

21. Workers' Compensation. Charterholder shall extend workers' compensation benefits to charter school employees by (1) becoming a self-insurer; (2) providing insurance under a workers' compensation insurance policy; or (3) entering into an agreement with other entities providing for self-insurance.
22. Annual Audit. Charterholder shall at its own expense have the financial and programmatic operations of the charter school audited annually by a certified public accountant holding a permit from the Texas State Board of Public Accountancy. Charterholder shall file a copy of the annual audit report, approved by Charterholder, with the Agency not later than the 120th day after the end of the fiscal year for which the audit was made. The audit must comply with Generally Accepted Auditing Standards and must include an audit of the accuracy of the fiscal information provided by the charter school through PEIMS. Financial statements in the audit must comply with Government Auditing Standards and the Office of Management and Budget Circular A-133.
23. Attendance Accounting. To the extent required by the commissioner, Charterholder shall comply with the "Student Attendance Accounting Handbook" published by the Agency; provided, however, that Charterholder shall report attendance data to the Agency at six-week intervals or as directed by the Agency.
24. Foundation School Program. Distribution of funds to the charter school under Section 12.106, TEC, is contingent upon Charterholder's compliance with the terms of the charter. Charterholder is ineligible to receive Foundation School Program funds prior to execution of this contract by the Board. Within 30 days of receiving notice of overallocation and request for refund under Section 42.258, TEC, Charterholder shall transmit to the Agency an amount equal to the requested refund. If Charterholder fails to make the requested refund, the Agency may recover the overallocation by any means permitted by law, including but not limited to the process set forth in Section 42.258, TEC.
25. Tuition and Fees. Charterholder shall not charge tuition and shall not charge a fee except that it may charge a fee listed in Subsection 11.158(a), TEC.
26. Assets of Charter. Charterholder shall not apply, hold, credit, transfer or otherwise make use of funds, assets or resources of the charter school for any purpose other than operation of the charter school described in the charter.
27. Indebtedness of Charter. Charterholder shall not incur a debt, secure an obligation, extend credit, or otherwise make use of the credit or assets of the charter school for any purpose other than operation of the charter school described in the charter.
28. Interested Transactions. All financial transactions between the charter school and (a) Charterholder; (b) an officer, director, or employee of Charterholder or of the charter school; or (c) a person or entity having partial or complete control over Charterholder or the charter school shall be separately and clearly reflected in the accounting, auditing, budgeting, reporting, and record keeping systems of the charter school. Charterholder shall not transfer any asset of the charter or incur any debt except in return for goods or services provided for the benefit of the charter school at fair market value.

29. Non-Charter Activities. Charterholder shall keep separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems for the management and operation of the charter school. Any business activities of Charterholder not directly related to the management and operation of the charter school shall be kept in separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems from those reflecting activities under the charter. Any commingling of charter and non-charter business in these systems shall be a material violation of the charter.

Governance and Operations

30. Non-Profit Status. Charterholder shall take and refrain from all acts necessary to be and remain in good standing as an organization exempt from taxation under Section 501(c)(3), Internal Revenue Code. If Charterholder is incorporated, it shall in addition comply with all applicable laws governing its corporate status. Failure to comply with this paragraph is a material violation of the charter, and the Board may act on the violation even if the Internal Revenue Service, Secretary of State, or other body with jurisdiction has failed to act.
31. Records Retention and Management. Charterholder shall implement a records management system that conforms to the system required of school districts under the Local Government Records Act, Section 201.001, et seq., Local Government Code, and rules adopted thereunder; provided, however, that records subject to audit shall be retained and available for audit for a period of not less than five (5) years from the latter of the date of termination or renewal of the charter.
32. PEIMS Reporting. Charterholder shall report timely and accurate information to the Public Education Information Management System (PEIMS), as required by the commissioner.
33. Conflict of Interest. Charterholder shall comply with any applicable prohibition, restriction or requirement relating to conflicts of interest or fiduciary duties. If an officer or board member of Charterholder or of the charter school has a substantial interest, within the meaning of Chapter 171, Local Government Code, in a transaction, such interest shall be disclosed in public session at a duly called meeting of the governing body prior to any action on the transaction.
34. Disclosure of Campaign Contributions. Charterholder shall adopt policies that will ensure compliance with the disclosure requirements of State Board of Education Operating Rule 4.3 or its successor.
35. Indemnification. Charterholder shall hold the Board and Agency harmless from and shall indemnify the Board and Agency against any and all claims, demands, and causes of action of whatever kind or nature asserted by any third party and occurring or in any way incident to, arising out of, or in connection with wrongful acts of Charterholder, its agents, employees, and subcontractors.

36. Failure to Operate. Charterholder shall operate the charter school for the full school term as described in the charter application in each year of the charter contract. Charterholder may not suspend operation for longer than 21 days without a revision to its charter, adopted by the Board, stating that the charter school is dormant and setting forth the date on which operations shall resume and any applicable conditions. Charterholder may not suspend operation of the school for a period of more than three days without mailing written notice to the parent or guardian of each student and to the Agency at least 14 days in advance of the suspension. Suspension of operations in violation of this paragraph shall constitute abandonment of this contract and of the charter.
37. Charter School Facility. Charterholder shall have and maintain throughout the term of the charter a lease agreement, title or other legal instrument granting to Charterholder the right to occupy and use one or more facilities suitable for use as the charter school facilities described by the charter. During any period of dormancy granted by the Board, this requirement may be waived by the Board. Facilities occupied and used as charter school facilities shall comply with all applicable laws, including, but not limited to, the Texas Architectural Barriers Act, Article 9102, Vernon's Texas Civil Statutes. The charter school shall not change location of its instructional facilities or administrative offices from those listed in the charter application or in a subsequent charter amendment without prior approval Board. When approved by the Board for a new location for an instructional facility, the charterholder shall, prior to commencing school operations at that location, submit to the Charter Schools Division a certificate of occupancy or equivalent certificate for use of the facility at the new location as a public school, as required in the charter application.
38. Access by the Handicapped. Facilities occupied and used by charter schools shall comply with the Americans with Disabilities Act (ADA) and the Americans with Disabilities Act Accessibility Guidelines; 28 CFR Part 35 (Nondiscrimination on the Basis of Disability in State and Local Government Services); the Uniform Federal Accessibility Standards required by the federal Architectural Barriers Act of 1968, as amended; and other applicable federal requirements. In addition, the charterholder shall require the facility to comply with the Texas Accessibility Standards (TAS) of the Texas Architectural Barriers Act, Article 9201, Texas Civil Statutes, promulgated by the Texas Department of Licensing and Regulation. The charterholder shall be responsible for conducting inspections to ensure compliance with these specifications.

Enforcement

39. Agency Investigations. The commissioner may in his sound discretion direct the Agency to conduct investigations of the charter school to determine compliance with the terms of the charter or as authorized in the Texas Education Code or other law. Charterholder, its employees and agents shall fully cooperate with such investigations. Failure to timely comply with reasonable requests for access to sites, personnel, documents or things is a material violation of the charter.

40. Commissioner Authority. The commissioner in his sole discretion may take any action authorized by Section 39.131, TEC , Chapter 29, TEC, or Chapter 42, TEC relating to the charter school. Such action is not “adverse action” as used in this contract. Charterholder, its employees and agents shall fully cooperate with such actions. Failure to timely comply with any action authorized by Section 39.131, TEC or Chapter 29, TEC is a material violation of the charter.
41. Adverse Action. The Board in its sole discretion may modify, place on probation, revoke or deny timely renewal of the charter for cause (“adverse action”). Each of the following shall be cause for adverse action on the charter: (a) any material violation of the terms of the charter listed in paragraphs 2, 3, and 20; (b) failure to satisfy generally accepted accounting standards of fiscal management; or (c) failure to comply with an applicable law or rule.

This Agreement

42. Entire Agreement. This contract, including all referenced attachments and terms incorporated by reference, contains the entire agreement of the parties. All prior representations, understandings and discussions are merged into, superseded by and canceled by this contract.
43. Severability. If any provision of this contract is determined by a court or other tribunal to be unenforceable or invalid for any reason, the remainder of the contract shall remain in full force and effect, so as to give effect to the intent of the parties to the extent valid and enforceable.
44. Conditions of Contract. Execution of this contract by the Board is conditioned on full and timely compliance by Charterholder with: (a) the terms, required assurances and conditions of Request for Application #701-01-004; (b) applicable law; and (c) all commitments and representations made in Charterholder’s application and any supporting documents (to the extent such commitments and representations are consistent with the terms of this contract).
45. No Waiver of Breach. No assent, express or implied, to any breach of any of the covenants or agreements herein shall waive any succeeding or other breach.
46. Venue. Any suit arising under this contract shall be brought in Travis County, Texas.
47. Governing Law. In any suit arising under this contract, Texas law shall apply.
48. Authority. By executing this contract, Charterholder represents that it is an “eligible entity” within the meaning of Section 12.101 (a), TEC. Charterholder shall immediately notify the Board of any legal change in its status, which would disqualify it from holding the charter, of any violation of the terms and conditions of this contract, or of any change in the chief operating officer of the Charterholder. Charterholder further represents that the person signing this contract has been properly delegated authority to do so.

Entered into this 22nd day of April 2002.

Texas State Board of Education

Grace Shore 4/30/02
By Grace Shore, Chairman

Charterholder

Angela Blanchard 5/1/02
(signature/date)

Angela Blanchard

Chief Executive Officer, Charter Holder

Cynthia Patton 5/1/02
(signature/date)

Cynthia Patton

Chief Operating Officer, Charter School