



# Service Agreement

WHEREAS Brabeion Academy desires to engage Red Apple Financial (Red Apple) to provide business and accounting services to its charter school

WHEREAS Red Apple desires to set forth the terms and conditions of the services that will be provided;

THEREFORE, both parties understand and agree to be bound by the following:

1. **Scope**. Since it is not possible or practical to memorialize a complete listing of all of the specific services that Red Apple will provide to Brabeion Academy within this writing, this document will outline the general scope of services included as part of the Service Agreement.
2. **Services**. Red Apple will serve as the Business Manager of Brabeion Academy. In addition to the services listed below, Red Apple may perform other duties as required to meet the changing business needs of the school. It is contemplated that the following services will fall within the scope of this Service Agreement:
  - a. Accounts Payable and Receivable
  - b. General accounting and record keeping in accordance with Generally Accepted Governmental Accounting Standards and consistent with the needs of school leadership, including coding compliant with IFARMS
  - c. Annual Budget Development, Monitoring and Analysis
  - d. Program Accounting and Tracking
  - e. Cash Management, Reconciliation and Analysis
  - f. Reporting – Internal, Idaho, Federal and IRS
  - g. Provide regular accounting, financial and budget support to school administration
  - h. Risk management – including liability & Workers Comp support
  - i. Compliance – Charter Promises, Authorizer, Federal and IRS
  - j. Audit Oversight
  - k. Payroll, including Persi and EFT transmittals
  - l. Payroll and HR Reporting – State, Federal and IRS
  - m. Restricted funds
  - n. Employee Benefits Administration
  - o. General Consulting – Fiscal Policy, Financial Analysis, etc.
  - p. Implementation of automated payroll, accounting and reporting systems.
3. **Best Practice in Financial Management** The parties agree that there are critical financial practices required to promote the successful management of charter school business. Brabeion Academy agrees to make a good faith effort to implement the following practices:
  - a. Pass a liquidity policy that outlines standards for Days Cash on Hand.

- b. Pass a transparency policy and practice that all financial, contractual and partnership information will be provided to Red Apple timely, which is necessary for effective financial management.
  - c. Approve only budgets and expenditures that meet at a minimum existing financial covenants and authorizer performance standards.
  - d. Promote and practice a healthy environment and good communication between the school board and the school director/leader.
4. **Training and Advocacy** As requested, Red Apple may provide financial training to school administration or Board Members.
  5. **General Consulting** With its access to data and fiscal policies from other successful public charter schools, Red Apple may provide general consulting, analysis and comparisons to improve Brabeion Academy's overall financial health.
  6. **Meetings** Red Apple will attend Board Meetings and Finance Meetings as invited.
  7. **Term** This Service Agreement shall commence on the date mutually signed by the parties below and shall continue unless terminated as referenced in Section 9 below, or as required by Idaho state procurement standards.
  8. **Ongoing Fees** Brabeion Academy will be in its start-up year in FY26. Red Apple will charge a fee of \$20,000 for all services during the start-up year of FY26. Payments will be made as the school receives funding through the SP Grant, or other funding sources. In the event that the school does not receive start-up funding in FY26, the fee will be prorated over the first operational school year, FY27, and be paid out in 12 monthly installments, and will be in addition to the monthly fee as outlined below.

Brabeion Academy agrees to pay an ongoing monthly fee to Red Apple for the scope of services described herein. The monthly fee, unless otherwise changed by the parties is based on student enrollment and shall be paid to Red Apple on the 1<sup>st</sup> day of each month through electronic draft beginning August 1, 2026. **The initial monthly fee shall be \$5,500.**

**\$5,500 is for enrollment of 500 students or less**  
**\$6,000 for 501-650**  
**\$7,000 for 651-800**  
**\$8,000 for 801+**

Each July 1<sup>st</sup> the monthly fee shall be increased by the **lesser of 3% or the %** increase in state student education funding for Idaho. Or, if the school sees an increase due to enrollment increases, as outlined above, the 3% increase will not be in addition to the enrollment increase.

9. **Contract Amendment** This contract constitutes the full and complete agreement between the parties and may only be amended by mutual written agreement of the parties. The parties further agree that this agreement may be terminated by either party, for any reason or for no reason, by providing 60 days prior written notice to

the other party. The actual termination date of this agreement, however, can only occur in October or April, to ensure the accounting cycle of the school is not interrupted and sufficient time is allotted for a transition and for audits. In the event this agreement is terminated by Red Apple, the final day of services will be a date mutually agreed upon by both parties. In such an event, the parties will no longer have any further obligations under this agreement following the termination date, and agree to cooperate in good faith in dissolving their business relationship.

10. **Cause or Action** In the event of any cause or action against either party, both agree to make a good faith effort to work together to obtain a resolution satisfactory to both parties.

11. **Misc. Provisions** All financial records, source documents and contracts maintained by Red Apple on behalf of Brabeion Academy remain the property of Brabeion Academy, and as such Brabeion Academy may request at any time to review, audit or otherwise obtain these documents. In the event either of the parties choose to exercise a termination of the relationship under the provisions of Section 9, Red Apple will deliver to Brabeion Academy all of the financial records, source documents and contracts owned by Brabeion Academy in a timely fashion prior to the agreed upon termination date. Brabeion Academy further agrees that it will not solicit any Red Apple staff for employment at the school without written consent.

Red Apple Financial

Brabeion Academy



\_\_\_\_\_  
Date 10/12/2025

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Date