ADDENDUM TO (RENEWAL/ORIGINAL) CHARTER AGREEMENT REGARDING INDEPENDENT AUDIT IN SCHOOL FISCAL YEARS WHERE NO AUDIT CONDUCTED BY THE STATE BOARD OF ACCOUNTS

This Addendum to the (Renewal/Original) Charter is entered into by Ball State University (the “University”) and __________________, a(n) ____________________ (the “Organizer”) this ____ day of _______________, 20__.

WHEREAS, the University and the Organizer have previously executed the (Renewal/Original) Charter for the operation of a Public Charter School operated under the trade name __________________ for the period of _______________, 20__ to _______________, 20__ (“Original Agreement”).

WHEREAS, the Original Agreement, in Section 3.20 establishes that unless waived in writing by the Office of Charter Schools (“OCS”), as defined in Article I of the Original Agreement, in all years for which no audit is conducted by the State Board of Accounts, the Organizer, at the Organizer’s sole expense, shall prepare and submit financial statements to OCS which have been audited by an independent certified public accountant (“CPA”) for the school fiscal year (July 1 to June 30);

WHEREAS, the Original Agreement, in Section 3.20 establishes that the Organizer complete further reporting requirements such as (i) submitting two (2) copies of the audited financial statements and the CPA’s management letters to the Director of the OCS within ten (10) days of receipt by the Organizer and (ii) providing to the Director of the OCS a copy of any responses to the CPA’s management letters at the same time the responses are provided to the CPA; and

WHEREAS, the University desires, at the University’s sole discretion, that after the Organizer has been in existence as a charter school for one year, in those school fiscal years for which no audit is conducted by the State Board of Accounts, to offer as a service to the Organizer the option to utilize, at no expense, an auditing firm selected by the University pursuant to an open bidding process.

NOW, THEREFORE, the parties agree to add the following provision to Section 3.20 of their Original Agreement:

1. The University, at the University’s sole discretion, hereby provides that, commencing with the year in which the Organizer will have operated a charter school for one school year and thereafter in each of the school fiscal years for which no audit is conducted by the State Board of Accounts, the University will offer as a service to the Organizer the option to utilize, at no expense to the Organizer, an auditing firm selected by the University pursuant to a public bidding process.

   2. The University hereby disclaims any and all liability for any errors or omissions by the auditing firm selected by the University, and the University may discontinue this service at any time for any or no reason.

Addendum Regarding Audits 7-8-2010
3. The Organizer hereby expressly agrees that:

3.1 This Addendum shall be terminable at will and at the sole discretion of the University.

3.2 This Addendum shall not relieve the Organizer of its obligation, in all school fiscal years for which no audit is conducted by the State Board of Accounts, to prepare and submit financial statements which have been audited pursuant to Section 3.20 of the Original Agreement.

3.3 This Addendum shall not relieve the Organizer of its obligation, in all school fiscal years for which no audit is conducted by the State Board of Accounts, to complete further reporting requirements such as: (i) submitting two (2) copies of the audited financial statements and the CPA’s management letters to the Director of the OCS within ten (10) days of receipt by the Organizer and (ii) providing to the Director of the OCS a copy of any responses to the CPA’s management letters at the same time the responses are provided to the CPA.

3.4 All other provisions of the Original Agreement between the parties shall remain in full force and effect, and are unaffected by this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum to (Renewal/Original) Charter Agreement on the date and year first above written.

THE UNIVERSITY

BALL STATE UNIVERSITY

By: ____________________________
Printed: Randy J. Sollars
Title: Director of University Budgets and Interim Assistant Treasurer

THE ORGANIZER

____________________________________

By: ____________________________
Printed: __________________________
Title: ____________________________

Addendum Regarding Audits 7-8-2010