

**Bay Mills Community College  
Charter Schools Office**

**EDUCATIONAL SERVICE PROVIDER DUE DILIGENCE QUESTIONNAIRE**

Academy Name:	
Proposed Educational Service Provider Name (ESP):	
Academy Designee(s) for ESP Agreement Negotiations:	
Address:	
Academy Legal Counsel:	
Educational Service Provider's Address:	
Educational Service Provider's Legal Counsel:	

Prior to executing an agreement with an ESP, the Academy Board must perform sufficient due diligence to establish that the ESP and its key personnel have the appropriate financial resources, educational background, and managerial experience to provide the contracted services. Prior to contracting with an ESP, the Academy Board must obtain sufficient information to conclude that the ESP agreement, on the terms to be approved, is in the best financial and educational interest of the Academy. At a minimum, and prior to the execution of an ESP agreement, the Academy Board shall obtain the following information contained in this Due Diligence Questionnaire.

**A. General Information**

1. Has the Academy Board approved the ESP Agreement through a formal vote at a public board meeting?	
2. Did ALL Academy Board members have a reasonable opportunity to review the ESP agreement with the Academy's legal counsel before considering the ESP agreement? If not, explain.	
3. List all other names under which the ESP or any affiliates operates.	
4. Is the ESP an individual or an entity? If an entity, what type or form of entity?	
5. Who is the ESP's primary banking institution?	
6. Who is the ESP's accounting firm? List the name, address, and telephone number of firm and name of contact person.	
7. List all entities that are affiliated with the ESP (i.e., parent company, affiliates, and other entities wholly owned or partially owned by the ESP or the owners, officers, directors, managers or key employees of the ESP).	

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8.	List all persons who are owners, officers, directors, managers or in key management positions with the ESP.
9.	List all persons or entities with whom the ESP plans to subcontract for services provided to the Academy. If the ESP has an ownership, financial, or other interest in the subcontractor, please disclose that interest.
10.	Please provide a list of the public school academies or other schools (public or private) for which the ESP provides services.
11.	Separate from the ESP agreement, does the ESP plan to have any other lease, license, contract or other agreement with the Academy? If so, please provide a short summary of such agreement and attach a copy of same.
12.	Has or will the ESP provide any start-up funding for the Academy? If so, please describe.
13.	Does the ESP plan to provide any services related to the Academy obtaining cash flow borrowings? If so, please provide a description of the service and what fees, if any, are being charged?
14.	Does the ESP plan to purchase materials, equipment or supplies for the Academy? If so, please describe what will be procured and confirm that such purchases will comply with section 1274 of the Revised School Code, MCL 380.1274.

**B. Conflicts of Interest Questions**

15.	Within the past 10 years, has the ESP or any owner, officer, director, manager or employee of the ESP had any contracts, agreements or business dealings with any member of the Academy Board or their immediate family <sup>1</sup> ?
16.	Within the past 10 years, has the ESP or any owner, officer, director, manager or employee of the ESP employed any member of the Academy Board or their immediate family?
17.	Within the past 10 years, has any owner, officer, director, manager or employee of the ESP served on any board with any member of the Academy Board or their immediate family?

<sup>1</sup> “Immediate family,” for purposes of this due diligence questionnaire, mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or same-sex domestic partner, aunt, uncle, niece or nephew.

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18. Is any owner, officer, director, manager or employee of the ESP related to any member of the Academy Board or their immediate family?
19. Please disclose any other relationship(s) between the ESP, its owner, officer, director, manager or employee and the Academy Board or their immediate family.
20. Does the ESP or its owners, officers, directors, managers or employees have any other legal, contractual or financial relationship not addressed above that may create an actual, potential, or perceived conflict of interest? If so, explain.

**C. Background Information**

21. Has any owner, officer, director, manager or employee of the ESP been convicted of a felony?
22. Has any owner, officer, director, manager or employee of the ESP been convicted of a crime involving embezzlement, dishonesty or the misuse of funds?
23. Has any owner, officer, director, manager or employee of the ESP been convicted of a crime involving fraud?
24. Has any principal or officer of the ESP, or the ESP (including any related organizations or organizations in which a principal or officer of the ESP served as a principal or officer) as a corporate entity, filed for bankruptcy protection in the last six (6) months or within any applicable preference period, whichever is longer?
25. Within the past 10 years, has the ESP had any contract for management services with a public school terminated or not renewed? If the answer is “yes,” please provide additional details.
26. Within the past 10 years, has the ESP or any owner, officer, director, manager or employee of the ESP sued or been sued by a public school that had or has a contract with the ESP? If the answer is “yes,” please provide additional details.
27. Within the past 10 years, is or has the ESP or any owner, officer, director, manager or employee of the ESP been subject to a garnishment or had imposed upon them a federal or state tax lien? If the answer is “yes,” please provide additional details.
28. Please provide the name and contact information of three references who can verify the ESP’s business practices and performance. A charter sponsor or authorizing body reference from another state is preferred if the ESP operates in other locations.

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29. Provide the mission, vision, and values statement for the ESP.
30. Provide a written statement regarding the ESP's experience in providing educational services, including the types of educational service to be provided to the Academy.

Academy Board  
Representative:

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(please print)

Signature:

\_\_\_\_\_

Title:

\_\_\_\_\_

Date:

\_\_\_\_\_