

IDEA PUBLIC SCHOOLS
BOARD POLICY MANUAL
POLICY GROUP 5 – FISCAL MANAGEMENT

RESIDENCY

Sec. 1. PURPOSE OF POLICY.

Through this policy, the Board of Directors (“Board”) of IDEA Public Schools (“IDEA”) shall address the legal requirements, as applicable, promulgated at:

- (a) Texas Constitution, Article III, Sec. 51, 52 and 53;
- (b) Texas Business Organizations Code (“Tex. Bus. Org. Code”) Sections 3.101, 22.201, 22.221 and 22.235;
- (c) Texas Education Code (“Tex. Ed. Code”) Sections 12.107, 12.115(a)(2), and 12.121;
- (d) Texas Administrative Code, Title 19 (“19 TAC”), Sections 100.1033 and 100.1101;
- (e) Financial Accountability System Resource Guide (“FASRG”); and
- (f) Internal Revenue Code and Treasury Regulations.

Additionally, through this policy, the Board shall address best practices adopted by and public schools.

Sec. 2. AUTHORITY OVER FISCAL MATTERS.

Sec. 2.1. In accordance with state law, the Board has primary and ultimate authority over fiscal matters. If a matter or decision-making process is not addressed in this or other duly adopted policies of the Board, authority rests with the Board. In the event of a conflict between this policy and any other Board policy, such conflict shall be brought to the Board for resolution. Refer to the Board’s Policy relating to its Authority Over Fiscal Matters (the “Controlling Policy”) for requirements applicable to this policy.

Sec. 2.2. The Delegate(s), as defined in Sec. 3.2 of the Controlling Policy, shall report to the Board any business arrangement or transaction with an individual that is an officer, as defined in Sec. 5 of the Controlling Policy, and any conflicted,¹ interested² or related³ party, as defined in other Board policy or applicable law. The school and its officers may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

Sec. 2.3. As established in Sec. 4 of the Controlling Policy, where the Delegate(s) is authorized to confer authority to a designee (as denoted by the phrase “or designee”), the Delegate(s) may confer such authority to a single designee.

¹ Tex. Ed. Code §12.1054; 19 TAC §§ 100.1131 through 100.1135

² 19 TAC §100.1047(f)

³ Tex. Ed. Code §12.1166

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Sec. 3. RESIDENCY REQUIREMENT.

All IDEA employees who are partly or solely compensated from public funds, as defined under Tex. Ed. Code §12.107(a)(1), must reside within the State of Texas unless an exception applies and is approved pursuant to Sec. 4 and 5 of this policy.

Sec. 4. EXCEPTION TO RESIDENCY REQUIREMENT.

Sec. 4.1. The Chief Executive Officer (“CEO”), in consultation with Chief Human Assets Officer and the Executive Committee, may approve an exception to Sec. 3 for one of the following reasons:

- (a) As documented by the hiring manager, after an appropriate search conducted in accordance with IDEA’s equal employment opportunity and hiring policies, there are no qualified and mission-aligned candidates in Texas to fill the role and the candidate recommended for the position is the best qualified.
- (b) There is a high-performing IDEA employee who has a documented record of exemplary performance and unique knowledge, skills, and abilities that may not be found in an external or other candidate, as evidenced by the Staff Development Cycle and/or talent review, who will not continue in the role with IDEA unless allowed to move outside of Texas.
- (c) The employee is the spouse of an active-duty military service member under orders in another state and the employee is a high-performing IDEA employee who has a documented record of exemplary performance and unique knowledge, skills, and abilities that may not be found in an external or other candidate or the employee is a high performing employee in a technical role that may not require travel, as evidenced by the Staff Development Cycle and/or talent review.

Sec. 4.2. An exception under Sec. 4 of this policy does not alter the at-will status of employment and the exception can be revoked or withdrawn at any time. However, any approved exception shall be periodically reviewed, at least biennially, by Human Assets with the Delegate(s), to determine that the exception remains appropriate including based on employee performance, IDEA’s employment requirements, talent/skill review, and that the exception does not cause a waste or abuse of public funds.

Sec. 5. ELIGIBILITY FOR EXCEPTION.

Employees falling in the following employment classifications may work with their immediate manager to submit a written request to the Chief Human Assets Officer for the review of an exception to the residency requirement under Sec. 3 of this policy:

- (a) Employees at the director level and above;
- (b) Employees in technical roles below the Director level that ordinarily requires little or no travel;

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- (c) Any role for the spouse of an active-duty military service member under orders in another state; and
- (d) Any IDEA employee that, prior to this policy's adoption, was authorized to work from home and reside outside of Texas shall be grandfathered under this policy. Notwithstanding, the grandfathered employee shall be subject to a periodic review under Sec. 4.2.

Sec. 6. INELIGIBILITY FOR EMPLOYMENT.

Any employee not meeting the residency requirement under Sec. 3 of this policy or not having an approved exception under Sec. 4 of this policy is not eligible for continued employment by IDEA. Accordingly, Human Assets shall prepare a transition plan with the employee's manager that shall not extend employment beyond three (3) months, but which may be extended for an additional two (2) months with the CEO's approval based on the needs and best interest of IDEA.

Sec. 7. TRAVEL EXPENSES.

Sec. 7.1. An employee residing and working outside of Texas that is granted an exception under this Sec. 4 of this policy shall be subject to the following travel requirements:

- (a) Travel expenses cannot exceed a specified budgeted amount comparable to that expended by other similarly and comparable IDEA staff that reside in Texas. However, the travel budget may include an additional amount to cover travel costs incurred that accounts for the fact that IDEA realizes significant savings as it does not incur overhead for an employee working remotely out of Texas (e.g., utilities, other facility overhead and use of space savings) as described in attached addendum. The Delegate(s) shall annually prepare and maintain the supporting analysis and attach as an addendum to this policy. At the time of the employee's period review under Sec. 4.2 of this policy, the Delegate(s) shall update the supporting analysis to ensure that the travel budget provided to the employee does not result in the abuse or waste of public funds. *See* Sec. 8 of the Controlling Policy.
- (b) Travel expenses paid for with IDEA's public funds must comply with IDEA's other travel related policies. Notably, an IDEA employee granted an exception under Sec. 4 of this policy may not incur travel expenses that exceed 125% of the costs that would have been incurred by IDEA if the employee resided in Texas and had traveled from the IDEA office or in-Texas worksite to which their position would have otherwise been assigned. The Board finds that the 25% threshold above normal costs is appropriate based on overhead cost savings realized by an employee working remotely from home. See addendum. IDEA will first seek to use available philanthropy to cover any incremental cost in this comparison, but if no philanthropy is available, the employee shall be responsible for the difference in costs over what an in-Texas employee's costs would have been.

Sec. 7.2. Alternatively, the Delegate(s) working with the CEO and Chief Human Assets Officer may determine it more efficient for IDEA to pay certain employees a travel allowance or stipend; however, the allowance or stipend must be a flat amount without consideration for additional costs

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incurred and without requiring that travel receipts, *etc.* be submitted. In this event, the allowance or stipend would be taxable to the employee and the employee would thereafter be responsible for 100% of their IDEA-related travel costs.

Sec. 8. TRAINING AND UPDATES.⁴

The Delegate(s) and Chief Human Assets Officer or their designees shall properly train officers and employees on the requirements of this policy and any administrative procedure(s) adopted to implement this policy. Additionally, the Delegate(s) or designee shall keep officers and employees informed of any changes to this policy and related requirements.

Sec. 9. ADMINISTRATIVE PROCEDURES.⁵

The Delegate(s) shall confer with the Chief Human Assets Officer as to development of procedures and implementation of this policy, reporting on same to the CEO and Executive Committee of the Board at least quarterly during the first year of implementation and thereafter as needed, and ensure procedures and practices adhere to applicable law and rule. In doing so, the Delegate(s) shall not adopt, and is prohibited from adopting, an administrative procedure that conflicts with applicable law or this policy. Accordingly, the Delegate(s) shall confer with the Board or legal counsel before deviating from the requirements set forth in this policy. In the event that a deviation from this policy becomes necessary, the Delegate(s) shall either recommend an amendment to this policy or the Board's approval of a specific deviation, including the purpose, scope and duration of the requested deviation.

Sec. 10. DATE ADOPTED AND EFFECTIVE.

As set forth in the pertinent minutes to the meeting of the Board, the Board adopted this policy on October 22, 2021 and became effective on October 22, 2021.

Sec. 11. RETENTION.⁶

This policy shall be retained until superseded, expired, or discontinued and for five (5) years thereafter.

⁴ 2 CFR §200.303(a), U.S. Government Accountability Office *Standards for Internal Control in the Federal Government*, 4.02 and 4.05.

⁵ Tex. Ed. Code §12.115(a)(2); FASRG Module 2; 2 CFR §200.303. Consistent with 19 TAC § 100.1033(b)(14)(C)(iv), the Board has the final authority to adopt policies governing charter school operations, including authorizing the Delegate(s) or designee to adopt an administrative procedure to implement this policy. Moreover, as set forth in School's Articles of Incorporation and Bylaws and in accordance with Tex. Bus. Org. Code §§ 3.101 and 22.201, the Board is School's governing authority and, as such, manages and directs School's business and affairs through Board actions, resolutions and policy.

⁶ Tex. Ed. Code §12.1052; 19 TAC §100.1203; *See* Record Number GR1000-38 and GR1025-25 in Local Schedule GR: Records Common to All Local Governments, Revised 5th Edition (Effective April 17, 2016) adopted by the Texas State Library and Archives Commission at Texas Administrative Code, Title 13, §7.125(a)(1).

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Sec. 12. CERTIFICATION.

The Undersigned, being the Secretary of the Corporation, hereby certifies that the foregoing represents a true copy of the Board Policy relating to the Authorization for the Obligation and Expenditure of Funds, as originally adopted by the Board on October 22, 2021 which Policy is in full force and effect and has not been revoked or amended.

DocuSigned by:

Ryan Vaughan

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Ryan Vaughan, Board Secretary

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Date Certified

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ADDENDUM

Remote Employee Overhead Analysis FY 2021*

The following are overhead estimates for HQ staff and distinguishes between an office and a workstation based on position. This estimate is detailed in the HQ Expenses 3 Year History analysis spreadsheet maintained by the business office. This analysis an office for Director and above and a workstation for all other roles.

Office Cost per Employee	
<i>Average Office SQ FT</i>	220
Cost per Employee (Office)	51,717.05
Cost per Month	4,309.75
Workstation Cost per Employee	
<i>Average Workstation SQ FT</i>	33
Cost per Employee (Workstation)	7,757.56
Cost per Month	646.46

This above overhead is compared to flight costs, lodging and per diem. Current average travel costs to Weslaco headquarters from various cities in and out of IDEA network are summarized below. As noted, potential round-trip travel once per month is well within the office/Director+ estimate of overhead costs, but for positions below Director the overhead savings are demonstrated given less frequent travel for those positions below Director, but the comparison is much closer.

From	To	Flight	Car Rental(3 Days)	Hotel Nights) (2	Per Diem(3 Days)	Cost/Trip	Delta to McAllen
Dallas	HQ Weslaco	238.70	260.00	192.00	147.50	838.20	
Los Angeles	HQ Weslaco	530.20	260.00	192.00	147.50	1,129.70	291.50
Baton Rouge	HQ Weslaco	544.50	260.00	192.00	147.50	1,144.00	305.80
Jacksonville	HQ Weslaco	552.20	260.00	192.00	147.50	1,151.70	313.50

Assumptions:

1. Each trip is 3 days/2 nights.
2. Per Diem Rates assumed based on McAllen at \$96/night for lodging, \$44.25 per day for meals

* This addendum shall be reviewed and updated at least annually.