

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

**IDEA NETWORK DISASTER RELIEF ASSISTANCE**

**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 Business Organizations Code (“Tex. Bus. Org. Code”) Sections 3.101, 22.201, 22.221 and 22.235;
- (b) Texas Education Code (“Tex. Ed. Code”) Sections 12.107, 12.115(a)(2), and 12.121;
- (c) Texas Administrative Code, Title 19 (“19 TAC”), Sections 100.1033 and 100.1101;
- (d) Financial Accountability System Resource Guide (“FASRG”); and
- (e) Internal Revenue Code, Treasury Regulations, IRS Revenue Ruling 2003-12 and IRS Publication 3833.

**Sec. 2. INTENT OF POLICY.**

Sec. 2.1. Recognizing that certain unanticipated events may have dire consequences to its employees and students, including employees and students of its affiliated nonprofit organizations and charter schools, IDEA, as a charitable organization, deems it important for charity to begin at home, encouraging its employees to give in order to support one another in times of need and emergency.

Sec. 2.2. To support IDEA school personnel, students, and their immediate families in their time of need, the Board authorizes IDEA to provide qualified disaster assistance to personnel, students, and their immediate families in need of financial aid as a result of an unforeseen event and emergency.

Sec. 2.3. The Board’s intent under this policy is to altruistically provide a structure whereby financial and other assistance can be provided to employees, students, and their immediate families without regard to any benefit to IDEA, including the receipt of any service or benefit from the recipient. Moreover, the Board’s intent under this policy is to provide qualified disaster relief assistance for any and all qualifying disasters occurring while this policy is in effect.

Sec. 2.4. For purposes of this policy, IDEA includes IDEA Public Schools, IPS Enterprises, Inc., and any IDEA affiliate, including out of state nonprofit charter holders.

**Sec. 3. AUTHORITY OVER FISCAL MATTERS.**

Sec. 3.1. 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.

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Sec. 3.2. 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,<sup>1</sup> interested<sup>2</sup> or related<sup>3</sup> party, as defined in other Board policy or applicable law. IDEA 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. 3.3. 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.

**Sec. 4. AUTHORIZED AND PROHIBITED USES OF RESOURCES.**

Sec. 4.1. IDEA may only provide qualified disaster relief assistance to employees, students, and their immediate families under this policy from contributions and donations received from private donors for these purposes, including voluntary contributions by IDEA employees, and from proceeds received through such fundraising efforts (“Sec. 4.1 Funds”).

Sec. 4.2. IDEA shall not use public funds<sup>4</sup> and/or public property<sup>5</sup> to provide disaster relief assistance to employees, students, and/or their immediate families under this policy.

**Sec. 5. QUALIFIED DISASTER.<sup>6</sup>**

For purposes of this policy, “qualified disaster” shall mean:

- (a) a disaster which results from a terroristic or military action,<sup>7</sup>
- (b) a federally declared disaster,<sup>8</sup> or
- (c) a disaster which results from an accident involving a common carrier, or from any other event, which is determined by the U.S. Secretary of the Treasury to be of a catastrophic

**Sec. 6. QUALIFIED DISASTER RELIEF ASSISTANCE.<sup>9</sup>**

Sec. 6.1. For purposes of this policy, “qualified disaster relief assistance” shall mean any financial or non-monetary assistance provided, or amount paid to or for the benefit of an individual to reimburse or pay reasonable and necessary:

- (a) personal, family, living, or funeral expenses incurred as a result of a qualified disaster, or

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<sup>1</sup> Tex. Ed. Code §12.1054; 19 TAC §§ 100.1131 through 100.1135

<sup>2</sup> 19 TAC §100.1047(f)

<sup>3</sup> Tex. Ed. Code §12.1166

<sup>4</sup> Tex. Ed. Code §12.107(a)(1); 19 TAC §100.1001(8)

<sup>5</sup> Tex. Ed. Code §12.128(a)(1); 19 TAC §100.1001(4), (5), (6), (11)

<sup>6</sup> 26 USC §139(c)

<sup>7</sup> 26 USC §692(c)(2)

<sup>8</sup> 26 USC §165(i)(5)(A)

<sup>9</sup> 26 USC §139(b)

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- (b) to the extent that the need for such repair, rehabilitation, or replacement is attributable to a qualified disaster, expenses incurred for the:
- (1) repair or rehabilitation of a personal residence, or
  - (2) repair or replacement of the contents of a personal residence.

Sec. 6.2. Qualified disaster relief assistance shall not extend to any expense paid for or eligible for reimbursement by insurance or otherwise covered (for instance, where FEMA or other state/federal assistance covers the expense or cost). It also may not be used for or include income replacement, which may however be subject to separate policy or board action.

Sec. 6.3. IDEA shall provide qualified disaster relief assistance to a recipient without any expectation or requirement of a return benefit from the recipient.

**Sec. 7. CHARITABLE CLASS.**

Sec. 7.1. To be eligible for assistance under this policy, for a qualifying disaster, an employee must be actively employed by or a student must be currently enrolled with:

- (a) IDEA Public Schools,
- (b) IPS Enterprises, Inc., or
- (c) an IDEA affiliated charter school.<sup>10</sup>

Sec. 7.2. An employee is deemed to be actively employed even if the employee is on an approved leave of absence.

Sec. 7.3. A student is deemed to be currently enrolled if the student's enrollment conforms to the state's enrollment, membership and/or attendance requirements, including any legal authority that permits the student to be absent pursuant to an allowable exception.

Sec. 7.4. The immediate family of an Eligible Participant or student is also eligible for assistance under this policy if said person is related within the first degree by consanguinity or affinity as defined under Texas state law.<sup>11</sup>

**Sec. 8. ELIGIBLE EXPENSES.**

Eligible Participants and an Eligible Family may request qualified disaster relief assistance for any expense incurred that is attributable to a qualified disaster and that are not covered by insurance or other private or public assistance programs. In order to meet immediate or emergency needs, IDEA

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<sup>10</sup> Hereafter, an employee or student eligible for assistance under Sec. 7.1 of this policy shall be referred to as an "Eligible Participant".

<sup>11</sup> Hereafter, the immediate family of an Eligible Participant eligible for assistance under Sec. 7.4 of this policy shall be referred to as an "Eligible Family".

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may also purchase and provide food, water, materials, clothing, and other life-sustaining supplies or commodities acquired with Sec. 4.1 Funds to Eligible Participants and Eligible Families.

**Sec. 9. INELIGIBLE EXPENSES.**

Except as allowed under Sec. 8 of this policy, Eligible Participants and Eligible Families shall not receive qualified disaster relief assistance for lost wages and normal living expenses and nonessential and luxury or decorative items and services.

**Sec. 10. WRITTEN REQUEST.**

Sec. 10.1. To receive qualified disaster relief assistance, IDEA's Delegate, in consultation with the Board Executive Committee, may determine that qualified disaster relief assistance should be provided generally in response to a qualified disaster. In addition, an Eligible Employee or an Eligible Family impacted by a qualified disaster may submit a written request for aid in the form specified by the Delegate(s) or their designee or a request may be submitted on behalf of an Eligible Participant(s) by an officer, as defined in Sec. 5 of the Controlling Policy. A written request must identify the qualified disaster resulting in the need for assistance and the eligible expenses or items for which assistance is requested or in-kind aid sought.

Sec. 10.2. An Eligible Participant, Eligible Family, or an officer, as defined in Sec. 5 of the Controlling Policy, may either submit original, itemized receipts for the eligible expenses or sign a certifying statement attesting to the accuracy, completeness, and truthfulness of the eligible expenses. If a certifying statement is provided, the Eligible Participant, Eligible Family, or officer shall additionally attest that the expenses incurred meet the requirements under Sec. 6 of this policy.

Sec. 10.3. An Eligible Participant or Eligible Family must submit their written request within one hundred eighty (180) calendar days after the qualified disaster has been officially declared.

Sec. 10.4. The Delegate(s) or designee shall establish a selection committee to review and approve or deny a written request within forty-eight (48) hours after receiving the request. In making their determination, the selection committee must objectively evaluate an Eligible Participant's or Eligible Family's needs, as described in their written request for assistance. Initially, the selection committee may set aside any requirements for demonstrating financial need for up to thirty (30) calendar days after a qualified disaster has occurred. Subsequently, the selection committee must consider an Eligible Participant's or Eligible Family's available financial resources in determining if assistance should be granted.

Sec. 10.5. IDEA officers and employees shall maintain a written request confidential, to the degree allowed by applicable law.

Sec. 10.6. If a written request is declined, IDEA shall provide written notice of this determination, as set forth under Sec. 10.4 of this policy, and the basis for said determination to the requesting

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Eligible Participant or Eligible Family. Additionally, IDEA shall inform the Eligible Participant or Eligible Family of other available assistance programs, if known.

**Sec. 11. ASSISTANCE AMOUNT.**

Sec. 11.1. IDEA may only provide assistance under this policy to an Eligible Participant or Eligible Family in the amount approved by the Board or the Delegates, in consultation with the Board's Chair and the Finance Committee Chair.

Sec. 11.2. Since Sec. 4.1 Funds are to be derived from donors for this purpose, IDEA may not guarantee or otherwise assure anyone of the availability of assistance and shall limit its assistance under this policy to the Sec. 4.1 Funds received and available.

**Sec. 12. TYPE OF ASSISTANCE.**

Sec. 12.1. Using only Sec. 4.1 Funds, IDEA may provide the following type of assistance to an Eligible Participant or Eligible Family.

- (a) Cash, gift cards and other cash equivalents (including a direct deposit) should only be considered where there may be power failure or other disruptions to check processing, credit card or other financial networks and the Eligible Participant or Eligible Family must comply with Sec. 10.2 and Sec. 13 of this policy. While cash and cash equivalents are not preferred and reimbursement for actual expenses is preferred, the Delegate may approve assistance to timely meet the immediate needs of an Eligible Participant or Eligible Family and should adopt procedures to implement same.
- (b) Items purchased with Sec. 4.1 Funds, including, but not necessarily limited to:
  - (1) Bottled water,
  - (2) Cell phone with chargers and a backup battery (prepaid or temporary loan),
  - (3) Clothing,
  - (4) Flashlights,
  - (5) First aid kits,
  - (6) Manual can opener (for food),
  - (7) Moist towelettes, garbage bags and plastic ties (for personal sanitation).
  - (8) Perishable and non-perishable food,
  - (9) Temporary shelter (including hotel costs),
  - (10) Toiletries, and
  - (11) Tool kit.

Sec. 12.2. IDEA shall limit the value of any gift cards provided to an Eligible Participant or Eligible Family as qualified disaster relief assistance to one hundred dollars (\$100.00) and subject to Sec. 12.1(a) of this policy.

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**Sec. 13. RECEIPTS REQUIRED FOR GIFT CARDS.**

As soon as possible under the emergency situation but no later than ten (10) business days after receiving a gift card, an Eligible Participant or Eligible Family shall provide an itemized accounting of their use of the qualified disaster relief assistance provided through the gift card, including original, itemized receipts.

**Sec. 14. DOCUMENTATION.**

The Delegate(s) or designee(s) shall maintain adequate documentation to demonstrate compliance with this policy and applicable law, including, but not necessarily limited to:

- (a) records demonstrating that IDEA provided qualified disaster relief assistance to Eligible Participants and Eligible Families after making an appropriate needs assessment based on the Eligible Participant's or Eligible Family's financial resources and their physical, mental, and emotional well-being.
- (b) a complete description of the assistance provided.
- (c) costs associated with providing the assistance.
- (d) the purpose for which the aid was given.
- (e) the objective criteria for providing qualified disaster relief assistance under this policy.
- (f) how Eligible Participants and Eligible Families were selected.
- (g) the name, address, and amount of qualified disaster relief assistance provided to each Eligible Participant and Eligible Family.
- (h) any relationship between an Eligible Participant, Eligible Family, and Board members, officers, employees involved in the selection process, or substantial contributors or donors to IDEA.
- (i) the composition of the selection committee approving or denying the qualified disaster relief assistance.

**Sec. 15. TAXATION ISSUES.**

Sec. 15.1. It is the intent of the Board that the qualified disaster relief assistance or payments qualify as non-taxable aid and, consequently, for such assistance and payments to not be subject to employment taxes or withholding. Furthermore, it is the intent of the Board that the indefinite nature of the potential relief and open-ended structure qualify Eligible Participants and Eligible Family as a charitable class under the Treasury Regulations and IRS Guidelines (*See IRS Publication 3833*). Notwithstanding, Eligible Participants and Eligible Families must consult their personal tax professionals for tax-advice. In a manner consistent with Sec. 17 of this policy, the

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Board authorizes the Delegate to adopt administrative procedures that may narrow this policy, when and if necessary, to qualify such disaster relief payments according to the above intent of the Board.

Sec. 15.2. In reporting amounts to the IRS, IDEA may exclude from gross income any amount received by an Eligible Participant or Eligible Family as a qualified disaster relief assistance provided that the requirements set forth in this policy are strictly observed.<sup>12</sup>

**Sec. 16. TRAINING AND UPDATES.**<sup>13</sup>

The Delegate(s) or designee 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. 17. ADMINISTRATIVE PROCEDURES.**<sup>14</sup>

The Delegate(s) shall formally adopt administrative procedures as reasonably necessary to properly administer this policy and to 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. 18. DATE ADOPTED AND EFFECTIVE.**

As set forth in the pertinent minutes to the meeting of the Board, the Board amended this policy on December 10, 2021, with an effective date of July 1, 2021, and applicable to any qualified disaster occurring on or after July 1, 2021.

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<sup>12</sup> 26 USC §139(a)

<sup>13</sup> 2 CFR §200.303(a), U.S. Government Accountability Office *Standards for Internal Control in the Federal Government*, 4.02 and 4.05.

<sup>14</sup> 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.

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**Sec. 19. RETENTION.**<sup>15</sup>

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

**Sec. 20. 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 Network Disaster Relief Assistance, as originally adopted by the Board on September 17, 2021, and as subsequently amended by the Board on December 10, 2021, which Policy is in full force and effect and has not been revoked or amended.

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Anthony Ryan Vaughan, Board Secretary

1/19/2022

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Date Certified

<sup>15</sup> 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).