

**Sec. 1. PURPOSE OF POLICY.**

The Board of Directors (“Board”) and all officers of IPS Enterprises, Inc. (“IPS”) shall endeavor, in accordance with their fiduciary duty, to honor any donor restrictions (that can be accepted), the use and obligation of all funds, including private donations, to further the charitable and educational purposes of IPS. Through this policy, the Board shall address applicable legal requirements, including the Texas Business Organizations Code (“Tex. Bus. Org. Code”). This policy shall also track the policies of IDEA Public Schools subject to Board differentiation contained herein or otherwise approved by the IPS Board.

**Sec. 2. APPLICABILITY OF POLICY.**

This policy pertains to the receipt, safeguarding and use of funds received by IPS personnel. This policy supplements the Board’s Policy for Gift Acceptance.

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

- (a) Subject to the provisions of Section 4.4 of the IPS Bylaws relating to actions to be approved by the Chief Executive Officer (“CEO”) or the Sole Member, the business, property, and affairs of IPS shall be managed and all powers of IPS shall be exercised by or under the direction of 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 Authority Over Fiscal Matters Policy (the “Controlling Policy,” Finance Policy 1.0) for requirements applicable to this policy.
- (b) The Officers of IPS (as defined in Sec. 5 of the Controlling Policy) shall report to the Board any business arrangement or transaction with an individual that is an Officer and any conflicted, interested, or related party, as defined in other Board policy or applicable law. IPS (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. 4. CONTRIBUTIONS RECEIVED.****Sec. 4.1. Cash Defined.**

For purposes of this policy, cash means coin, currency, money orders, cashier’s checks, personal checks, and business checks.

**Sec. 4.2. In-Kind Contributions.**

In-kind contributions are recognized and recorded at estimated fair market value on the date of the donation. The donor shall determine the estimated fair market value of the donated item or service.

**Sec. 4.3. Contributions Received From Vendors.**

IPS Officers and employees may not receive contributions directly from any vendor. In the event that a vendor makes a cash or in-kind contribution to an officer or employee, the officer or employee shall route the contribution to the CEO or designee. The CEO or designee shall maintain proper control of the contribution. See Board Policy relating to Gift Acceptance (Financial

Policy 1.16) for additional requirements.

#### **Sec. 4.4. Special Events.**

IPS may organize special events for the purpose of raising funds from donors. IPS Officers must ensure that special events yield fundraising results that exceed the cost of the event by at least 50%.

#### **Sec. 4.5. Use of Contributions Received.**

Sec. 4.5.1 An unrestricted contribution is a contribution from a donor who did not require that any condition(s) be met to govern the use of the contribution. IPS may use an unrestricted contribution for any lawful purpose.

Sec. 4.5.2 A restricted contribution is a contribution from a donor who stipulated, in writing, that a specific condition(s) be met to govern the use of the contribution. IPS may only use a restricted contribution as stipulated by the donor. To ensure compliance with the donor's stipulation(s), the CEO or designee shall obtain a written agreement from the donor setting forth the specific condition(s) that must be met to enable IPS to use the contribution received.

#### **Sec. 4.6. Reports to Donors.**

The CEO or designee shall provide a report to donors disclosing the uses of their contributions.

### **Sec. 5. TAX-EXEMPT LETTER.**

See Board Policy relating to Gift Acceptance (Finance Policy 1.16), Sec. 10.

#### **Sec. 5.1. Upon Request from Donor.**

IPS shall issue a tax-exempt letter to a donor upon request or otherwise where required by law.

#### **Sec. 5.2. Written Acknowledgement of Certain Donations.<sup>1</sup>**

Under the Internal Revenue Code and Treasury Regulations, a donor is prohibited from claiming a tax deduction for any single contribution of \$250 or more unless the donor receives a contemporaneous, written acknowledgement of the contribution from IPS. To facilitate the donor's compliance with applicable law, IPS may provide a donor contributing \$250 or more with a written annual statement that includes, on IPS letterhead:

- (a) The amount of the cash contribution(s) received from the donor during the calendar year;
- (b) A description (but not the value) of the non-cash contribution(s), if any; and
- (c) A statement that no goods or services were provided by IPS in return for the contribution, if applicable; or
- (d) A description and good faith estimate of the value of goods or services that IPS provided in return for the contribution, if applicable.

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<sup>1</sup> IRS Publication 1771.

**Sec. 5.3. Form of Written Acknowledgement.**

IPS may provide the written acknowledgement via electronic mail.

**Sec. 5.4. Contemporaneous Defined.<sup>2</sup>**

For purposes of the policy espoused in Sec. 5.2, IPS must provide the donor with a written acknowledgement by January 31 of the calendar year following the receipt of the donor's contribution.

**Sec. 6. RECORDS.**

The CEO or designee shall create, obtain, and maintain adequate and sufficient records to support the receipt of contributions and fundraising proceeds, as required by applicable law, rule and policy.

**Sec. 7. TRAINING AND UPDATES.**

The Chief Financial Officer ("CFO") or designee shall properly train or ensure training is provided to IPS Officers and employees on the requirements of this policy and any administrative procedures adopted to implement this policy. Additionally, the CFO or designee shall keep IPS Officers and employees informed of any changes to this policy and related requirements.

**Sec. 8. ADMINISTRATIVE PROCEDURES.**

The CEO and/or CFO 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 CEO and/or CFO shall not adopt, and are prohibited from adopting, an administrative procedure that conflicts with applicable law or this policy. Accordingly, the CEO and/or CFO 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 CEO and/or CFO 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. 9. DATE ADOPTED AND EFFECTIVE.**

As set forth in the pertinent minutes to the meeting of the Board, the Board adopted this policy on January 15, 2021 and it became effective on January 15, 2021.

**Sec. 10. RETENTION.**

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

**Sec. 11. CERTIFICATION.**

The Undersigned, being the Secretary of IPS, hereby certifies that the foregoing represents a true copy of the Board Policy relating to Fundraising, as originally adopted by the Board on January 15, 2021 which Policy is in full force and effect and has not been revoked or amended.

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<sup>2</sup> IRS Publication 1771.

**IPS Enterprises, Inc.  
Fundraising**

**Finance Policy 1.13**

DocuSigned by:

  
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Ryan Vaughan, Secretary

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Date: January 15, 2021