

Sec. 1. PURPOSE OF POLICY.

The Board of Directors (the “Board”) and all Officers of IPS Enterprises, Inc. (“IPS”) (as defined in Sec. 5 of the Controlling Policy) shall endeavor, in accordance with their fiduciary duty and applicable law, to honor any legal restrictions on the expenditure of IPS funds and donor restrictions (that can be accepted) on philanthropic funds, and to ensure that the use and obligation of all funds are in furtherance of IPS’s charitable and educational purposes. Through this policy, the Board shall address applicable legal requirements, including:

- (a) Texas Business Organizations Code (“Tex. Bus. Org. Code”), notably Sections 3.101, 22.201, 22.221 and 22.235; and
- (b) The Internal Revenue Code (“IRC”) and its implementing regulations, as applicable.

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 payment of invoiced amounts or accounts payable, pertaining to the purchase of goods and services, through the use of IPS funds. If not otherwise defined herein, capitalized terms shall have the same meaning as found in applicable state or federal law.

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. COMPLIANCE WITH BOARD PURCHASING POLICY.

- (a) *General.* This policy must be implemented in conjunction with the Board’s Purchasing Policy (Finance Policy 1.8).
- (b) *Segregation of Duties; Checks and Balances.* Refer to Board Purchasing Policy (Finance Policy 1.8), Sec. 4.2.
- (c) *Receipt of Goods and Services.* Refer to Board Purchasing Policy (Finance Policy 1.8), Sec. 4.7.

Sec. 5. GOOD STANDING.

To ensure that IPS remains in good standing with its vendors and that its credit ratings are not

adversely affected, the CEO or designee shall issue payments to vendors for invoiced amounts pursuant to this policy and to the agreed-upon terms and conditions noted on the purchase order, executed contract, or invoice.

Sec. 6. AUTHORIZED PAYMENTS FOR AMOUNTS DUE.

- (a) The CEO or designee shall only disburse IPS funds to a vendor if the following conditions have been met.
 - (1) The invoice:
 - (A) Fully identifies the vendor, including the vendor's authorized representative, and said identifying information conforms to that on the purchase order issued by IPS to the vendor and/or the executed contract;
 - (B) Includes an invoice number and date;
 - (C) Is addressed to IPS, including the proper mailing address for accounts payable and the address to which goods and/or services were delivered;
 - (D) References the purchase order number issued; and
 - (E) Delineates in sufficient detail the goods and/or services provided to IPS, including the quantity and the date that the goods were delivered or the services were rendered;
 - (2) As applicable, the vendor has filed:
 - (A) Form W-9, and
 - (B) Other affidavits, certifications and forms as required by applicable law;
 - (3) IPS personnel have confirmed, in writing, that the goods and/or services delineated on the vendor's invoice have in fact been received and there is no cause for dispute;
 - (4) IPS personnel have confirmed, in writing, that the terms and conditions of a properly issued purchase order and/or the executed contract have been satisfied, including, but not limited to:
 - (A) The conformance of the goods and/or services to the agreed-upon specifications;
 - (B) The quantity of goods and/or services ordered; and
 - (C) The agreed-upon price per unit;
 - (5) The vendor did not levy a sales or other tax from which IPS is exempt and did not charge a finance fee or other amount to which IPS did not previously agree on its invoice; and
 - (6) The vendor has satisfactorily addressed any concerns or issues identified by IPS personnel regarding the goods and/or services received and/or the

invoiced amount(s).

- (b) If the requirements in Sec. 6(a) are met, the CEO or designee may issue payment to the vendor pursuant to the terms set forth in the invoice or as previously agreed-upon in the purchase order or executed contract.
- (c) The CEO or designee shall not issue payment to a vendor based upon a statement listing outstanding invoices. The CEO or designee must review any such statements and satisfactorily address any outstanding amounts due.
- (d) The CEO or designee should issue payment to the vendor for any invoiced amount(s) that IPS is not disputing.

Sec. 7. DEFECTIVE INVOICE.

The CEO or designee shall return any invoice that fails to conform to the requirements of Sec. 6(a)(1) of this policy. In doing so, the CEO or designee shall issue a letter to the vendor along with the defective invoice describing the defect(s) and requesting the issuance of a new invoice and requiring that a revised due date for the invoiced amount(s) be provided.

Sec. 8. INVOICE REVIEW AND APPROVAL.

The CEO or designee may only issue payment to a vendor for an invoice meeting the requirements of Sec. 6(a) of this policy after it has been reviewed and approved by the CEO or designee. If the requirements of Sec. 6(a) have been satisfactorily addressed, the CEO or designee may issue payment to the vendor in the most administratively expeditious manner if the invoice amount is less than \$1,000.

Sec. 9. PREPAID ITEMS.

The CEO or designee may prepay an amount to a vendor but must account for such prepaid items in accordance with generally accepted accounting principles, state and federal fiscal requirements, and Board policy.

Sec. 10. COMMUNICATION WITH VENDORS.

IPS personnel shall document all communications with vendors regarding their invoice(s) for any goods and/or services, including concerns relating to price, quality, quantity, type, and other agreed-upon terms or conditions.

Sec. 11. DISBURSEMENT TO VENDORS.

The CEO or designee shall only issue payment to a vendor's mailing address or directly into the vendor's bank account.

Sec. 12. RECORDS.

The CEO or designee shall create, obtain, and maintain adequate and sufficient records to support the disbursement of IPS funds to a vendor for invoice amounts, as required by applicable law, rule and policy.

Sec. 13. TRAINING AND UPDATES.

The Chief Financial Officer or designee shall properly train IPS Officers and employees on the requirements of this policy and any administrative procedure(s) 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. 14. ADMINISTRATIVE PROCEDURES.

The CEO and/or CFO shall prepare and 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 is 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 and whereby an amendment to this policy or deviation shall be proposed and adopted.

Sec. 15. DATE ADOPTED AND EFFECTIVE.

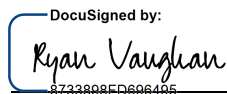
As set forth in the pertinent minutes to the meeting of the Board, the Board adopted this policy on January 15, 2021 and it became effective on January 15, 2021.

Sec. 16. RETENTION.

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

Sec. 17. CERTIFICATION.

The Undersigned, being the Secretary of IPS, hereby certifies that the foregoing represents a true copy of the Board Policy relating to Accounts Payable, 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.

DocuSigned by:

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Ryan Vaughan, Secretary

Date: January 15, 2021