

Sec. 1. PURPOSE OF POLICY.

Through this policy, the Board of Directors (the “Board”) of IPS Enterprises, Inc. (“IPS”) shall address applicable legal requirements, including Texas Business Organizations Code (“Tex. Bus. Org. Code”) Sections 3.101, 22.201, 22.221 and 22.235 and applicable provisions of the Internal Revenue Code and Treasury Regulations. 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.

This policy shall act as a keystone fiscal policy and shall apply to all other Board policies or administrative procedures. In the event of any conflict with other Board policy or administrative procedure, **the requirements set forth in this policy shall prevail and govern.** Accordingly, Board policies should include an appropriate reference to this policy.

For each state that IPS operates in, there will be a state specific addendum policy. To the extent there is any conflict between policies with respect to legal requirements in a specific state, the policy addendum for that state shall control.

Sec. 3. FINAL AUTHORITY.¹

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.

Any action required or permitted to be taken by the Board may be taken by the Board without a meeting, if all of the Directors consent in writing to such action. Such action by unanimous written consent shall have the same force and effect if taken at a meeting of the Board.

Sec. 4. DIRECTOR AUTHORITY.

Each Director shall participate in the direction, management, and control of the business of IPS to the best of such Director’s ability. The Directors shall in all cases act as a group and shall have no authority to act individually, unless such authority is expressly delegated to one or more Directors or a committee thereof by the Board.

Sec. 5. OFFICER.

For the purposes set forth in this and other Board policy, an Officer of IPS means the following and includes any IDEA Officer providing service to IPS through the Shared Services Arrangement between IDEA and IPS:

- (a) Chief Executive Officer / Superintendent,
- (b) President
- (c) Chief Schools Officer,
- (d) Chief Governance Officer,
- (e) Chief College Officer,

¹ Tex. Bus. Org. Code § 22.201.

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- (f) Chief Financial Officer,
- (g) Chief Human Assets Officer,
- (h) Chief Operating Officer,
- (i) Chief Program Officer,
- (j) Chief Information Officer,
- (k) Area Superintendent,
- (l) Chief of Staff to the CEO / Superintendent
- (m) In-House General Counsel
- (n) Executive Director,
- (o) Vice-President,
- (p) Managing Director,
- (q) Director,
- (r) Campus Principal,
- (s) Campus Assistant Principal, and
- (t) Any other person that may be characterized as an officer under applicable law.

Sec. 6. DAY-TO-DAY MANAGEMENT OF THE CORPORATION.

Unless otherwise expressly stated in IPS's corporate documents or as set forth in the Board's policies, the CEO has the right, power, and authority to manage the day-to-day operations of IPS and to do on IPS's behalf all things determined by the CEO to be necessary to carry out the CEO's duties and responsibilities, including without limitation the right, power, and authority to do the following:

- (a) To cause to be paid all amounts due and owed by IPS to any person or entity for services rendered or goods/property provided;
- (b) To employ such agents, employees, consultants, and other persons necessary or appropriate to carry out the business and affairs of IPS, to delegate by express action any powers of the CEO enumerated herein, and to pay to such persons such fees, expenses, salaries, wages, and other compensation as the CEO in his or her sole discretion determines, provided that the approval of the Board shall be required to (i) enter into any employment or other agreement relating to the CEO; (ii) to employ, promote, terminate, or change the compensation of any person in any "C-level" capacity; (iii) enter into any agreement to establish or increase the annual salary of any other employee by greater than ten percent (10%) above the current market rate (based on competent comparability data); or (iv) to hire any person under a term contract and not at-will.
- (c) Subject to the Board's policies and adopted budget, to pay any and all fees and to make any and all expenditures which the CEO deems necessary or appropriate in connection with the organization of IPS, the management of the affairs of IPS, and the carrying out of the CEO's obligations and responsibilities;
- (d) To the extent that funds of IPS are, in the CEO's judgment, not immediately required for the conduct of IPS's business, temporarily to deposit the excess funds in such bank account or accounts, or invest such funds in such interest-bearing taxable or nontaxable investments, as the CEO shall deem appropriate and subject

- to any Board policies on investment of funds;
- (e) To acquire, prosecute, maintain, protect, and defend or cause to be protected and defended all trade names, trademarks, copyrights, and service marks, all applications with respect thereto and all proprietary information which may be held by IPS;
 - (f) To enter into, execute, acknowledge, and deliver any and all contracts, agreements, or other instruments necessary or appropriate to carry on the business of IPS as set forth herein; and
 - (g) To cause to be paid any and all taxes, charges, and assessments that may be levied, assessed, or imposed upon any of the assets of IPS, unless the same are contested by IPS.
 - (h) To review and recommend expansion by IPS Enterprises, Inc. into existing and current regions

Sec. 7. PRUDENT PERSON RULE AND FIDUCIARY DUTY.

In their use of funds, property and other organizational resources, such as established lines of credit and the talents of and time worked by employees and contractors, Officers and employees of IPS shall limit their use of funds, property or personnel to purposes pertaining to IPS's charitable and educational purposes and activities, functions, programs, and services that are ordinary and necessary for the conduct of IPS's mission. Importantly, in their use of funds, Officers and employees of IPS shall only incur costs that, by their nature and amount, do not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time that the decision was made to incur the cost.

As fiduciaries, the Board and Officers have an obligation to discharge their duties, including duties as a committee member, in good faith, with ordinary care, and in a manner the director or officer reasonably believes to be in the best interest of IPS.²

Sec. 8. ABUSE AND WASTE PROHIBITED.

- (a) Officers and employees shall not abuse or waste funds, property and other organizational resources, such as established lines of credit and the talents of and time worked by employees and contractors.
- (b) For purposes of this policy, abuse is defined as behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate.
- (c) For purposes of this policy, waste is defined as the act of using or expending resources carelessly, extravagantly, or to no purpose. In this context, waste relates primarily to mismanagement, inappropriate actions, and inadequate oversight.

Sec. 9. TRAINING AND UPDATES.

The CFO or designee shall properly train or ensure training is provided to IPS Officers and

² Tex. Bus. Org. Code §§ 3.101, 22.221(a).

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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. 10. 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 legal requirements. In doing so, the CEO and/or CFO shall not adopt, and are prohibited from adopting, an administrative procedure that is not authorized by and 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. 11. DATE ADOPTED AND EFFECTIVE.

As set forth in the pertinent minutes to the meeting of the Board, the Board adopted this policy on July 28, 2023 and it became effective on July 28, 2023.

Sec. 12. RETENTION.

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

Sec. 13. CERTIFICATION.

The Undersigned, being the Secretary of IPS, hereby certifies that the foregoing represents a true copy of the Board Policy relating to Authority Over Fiscal Matters, as originally adopted by the Board on January 15, 2021 and as subsequently amended by the Board on January 20, 2023 and July 28, 2023, which Policy, as amended, is in full force and effect and has not been revoked or amended.

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A. Ryan Vaughan
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Anthony Ryan Vaughan, Board Secretary

8/1/2023

Date Certified