



Tuesday, August 15, 2023
Rocketship Public Schools Audit Committee Meeting (2023-24 Q1)

Meeting Time: 12:30pm

Public Comment: Members of the public can make comment on off-agenda items at the start of the meeting, and on agenda items immediately preceding the board's discussion of each item. You will be recognized once the public comment time begins, and be permitted to make comment for a duration of up to 3 minutes.

Meeting Location: 2001 Gateway Place, Suite 230E San Jose, CA 95110

Teleconference locations:

683 Sylvandale Ave, San Jose, CA 95111

1700 Cavallo Rd, Antioch, CA 94509

2351 Olivera Rd, Concord, CA 94520

909 Roosevelt Ave, Redwood City, CA 94061

311 Plus Park Blvd Suite 130, Nashville, TN 37217

2803 Roullier Road, Ronan, MT 59864

185 Spur Ridge Court, Healdsburg CA 95448

1877 Camino A Los Cerros, Menlo Park, CA 94025

1. Opening Items

- A. Call to order
- B. Public comment on off-agenda items

2. Consent Items

- A. Approve minutes from the May 9, 2023 Audit Committee meeting

3. Agenda Items

- A. Update on FY23 Audit Process
- B. Update on ASC 842
- C. Review and recommend approval of financial policies to the Rocketship Board of Directors

4. Adjourn

THE ORDER OF BUSINESS AND TIMINGS MAY BE CHANGED WITHOUT NOTICE: Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice, provided that the Board takes action to effectuate such change.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY: Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting may request assistance by contacting us at compliance@rsed.org.

SPANISH & VIETNAMESE TRANSLATION: If you need Spanish or Vietnamese audio translation in order to access the Rocketship Board meeting, please send a request to compliance@rsed.org at least 24 hours before the start of the meeting. If you would like to make a public comment in Spanish or Vietnamese and would like us to translate to English for the Board, please send a request to compliance@rsed.org at least 24 hours before the start of the meeting.

Si necesita traducción de audio al español para acceder a la reunión de la Mesa Directiva de Rocketship, envíe una solicitud a compliance@rsed.org por lo menos 24 horas antes del inicio de la reunión.

Si desea hacer un comentario público en español y desea que lo traduzcamos al inglés para la Mesa Directiva, envíe una solicitud a compliance@rsed.org por lo menos 24 horas antes del inicio de la reunión.

Rocketship Public Schools Audit Committee (2022-23 Q4) (Tuesday, May 9, 2023)

Generated by Cristina Vasquez on Monday, May 15, 2023

1. Opening Items

A. Call to order

At 12:02pm, Ms. Miller took roll call. With a quorum of committee members present, Ms. Miller called the meeting to order.

Present: Louis Jordan, Courtney Shenberg, Julie Miller

Absent: Greg Stanger

B. Public comment on off-agenda items

At 12:02pm, Ms. Miller called for public comment. No members of the public were present.

2. Consent Items

A. Approve minutes from November 21, 2022 Audit Committee meeting

At 12:03pm, a motion to approve consent items was made by Mr. Jordan, seconded by Ms. Shenberg, and carried unanimously by roll call vote.

Y: Louis Jordan, Courtney Shenberg, Julie Miller

N: --

Abstain: --

3. Agenda Items

A. FY 2023 Audit Calendar Overview

At 12:03pm, the committee discussed agenda item 3(A). No action was taken.

B. Review and approve IRS Form 990 for Rocketship Education for fiscal year ending 6/30/22

At 12:06pm, the committee discussed agenda item 3(B).

At 12:10pm, a motion to approve item 3(B), IRS Form 990 for Rocketship Education for fiscal year ending 6/30/22, was made by Mr. Jordan, seconded by Ms. Shenberg, and carried unanimously by roll call vote.

Y: Louis Jordan, Courtney Shenberg, Julie Miller

N: --

Abstain: --

C. Update on FY 2023 Interim Audit

At 12:11pm, the committee discussed agenda item 3(C). No action was taken.

5. Adjourn

At 12:17pm, a motion to adjourn the meeting was made by Mr. Jordan, seconded by Ms. Shenberg, and carried unanimously by roll call vote.

Y: Louis Jordan, Courtney Shenberg, Julie Miller

N: --

Abstain: --

Rocketship
Audit Committee Meeting

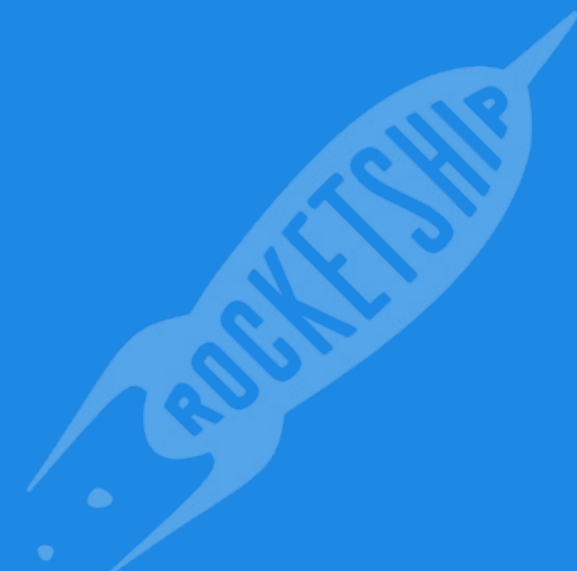
August 15, 2023



Agenda

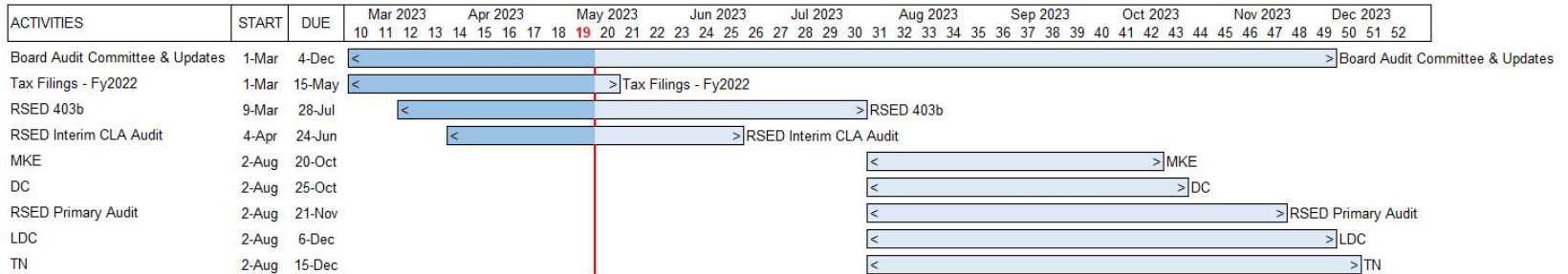
- I. Administrative
- II. Update on FY23 Audit Process
- III. Update on ASC 842
- IV. Review and recommend approval of financial policies to the Rocketship Board of Directors
- V. Adjourn

Update on FY23 Audit Process: FY 2023 Audit Calendar Overview



FY2023 Audit Calendar

- Audit Calendar Timeline



- Key FY2023 dates: Committee and Audit Process

Board Audit Committee and Updates	Key Actions	Due
Audit Committee Meeting Q4FY23	Tax Filings - FY2022	5/15/2023
Audit Committee Meeting Q1FY24	RSED Interim CLA audit	6/24/2023
Audit Committee Meeting Q2FY24	RSED 403b	7/28/2023
RSED Dec Board Meeting	PBCs to DC and MKE	8/28/2023
	PBCs to CLA	9/15/2023
	MKE Final	10/20/2023
	DC Final	10/25/2023
	RSED Final	11/21/2023
	RSED CA Supplementals Final	12/6/2023
	LDC Final	12/6/2023
	TN Final	12/15/2023



Update on FY 23 Audit Process



Audit Update

Interim Financial Audit Update

- Interim audit was completed successfully.
- No findings were found during testing.

Final Financial Audit Update

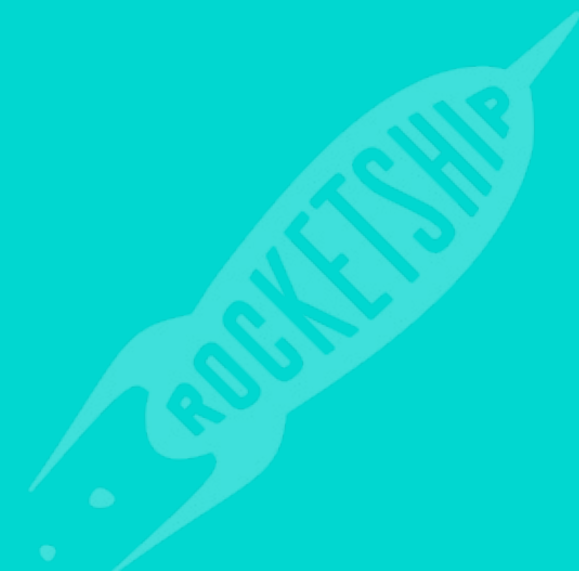
- Auditor PBC lists have been received.
- Business team is currently gathering, reviewing and preparing the required audit documentation.

403(b) Audit Update.

- Majority of testing is complete.
- Remaining audit items relate to system reports needed from ADP.
- No findings have been identified to date.



Update on ASC 842



Audit Update

ASC 842 Overview

ASC 842 requires us to recognize most operating leases on the balance sheet as both assets and liabilities. We will no longer straight line leases or record deferred rent. This will not only impact our assets and liabilities but it will also impact how leases are treated from an accrual standpoint on the statement of activities.

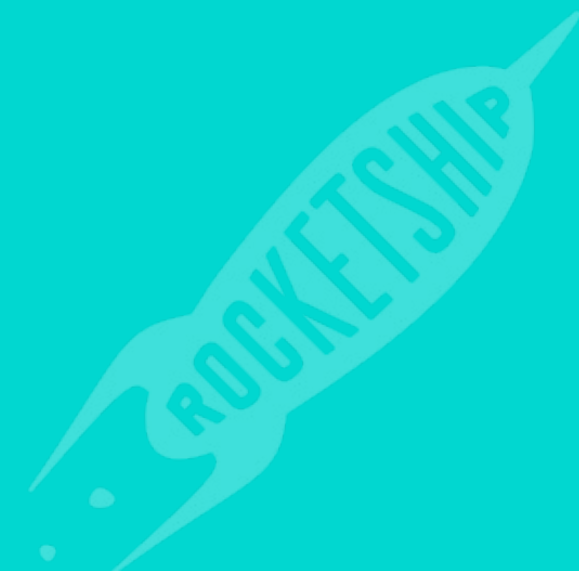
We have hired CLA (our auditors) to support us in preparing the lease schedules.

ASC 842 Implementation Update

- All eligible leases have been identified and recorded within the new lease tracking software (EZLease).
- All lease data is currently under final review between Rocketship staff and the CLA consultants.
- Evaluation of the financial impact is currently being validated.
- Preliminary reviews of the financial impact suggest unfavorable results. Additional analysis is being conducted to verify the impact.



Review and Recommend Approval of Financial Policies to the Rocketship Board of Directors



Fiscal Policies

Over the last six months, we have developed a comprehensive set of fiscal policies. In preparing the policies, we reviewed those of several other high performing, large charter networks. Additionally, they have been reviewed internally by legal, Julie Miller and Alex Terman. They have also been reviewed by outside counsel and our auditors. We are seeking approval of the policies at the upcoming board meeting and are asking both the Business and Audit Committees to recommend them to the full board. These policies:

- Codify current practices
- Create documented controls. Our current practices, while strong, are not all found in existing RPS documents
- Add a few key elements that we do not currently have in place such as records retention and federal procurement.
- Establish roles and accountability for the board and management.
- Meet authorizer requirements

These policies can be added to or amended over time. They will serve as the framework over which our internal procedures sit.



Rocketship Public Schools

Fiscal Policies

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Introduction

The Governing Board of Rocketship Public Schools (the “RPS Board”) has reviewed and adopted the following fiscal policies to ensure the most effective use of the funds of RPS to support its mission and to ensure that the funds are budgeted, accounted for, expended and maintained appropriately.

Purpose of the Policies

As stewards of funds, both public and private, intended to further students’ education and achievement, all RPS personnel are responsible for adhering to and abiding by the outlined fiscal policies.

The fiscal policies shall document the financial operations of the Organization. Its primary purpose is to ensure that assets are safeguarded, that financial statements are in conformity with Generally Accepted Accounting Principles (GAAP), and that finances are managed with responsible stewardship.

Amending the Policies

This document contains the essential fiscal policies of RPS. From time to time, as additional matters require, or as changes to the policies are appropriate, management of RPS will propose amendments to the policies for review and approval by the RPS Board. The Board must approve any changes to the fiscal policies.

1.0 Accounting Standards

1.1 Basis of Accounting

Generally Accepted Accounting Principles (GAAP)

The accounting procedures used by the organization shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards.

Basis of Accounting

The organization will maintain financial reports throughout the fiscal year on an accrual-basis of accounting.

Fiscal Year

The RPS fiscal year is July 1-June 30.

1.2 Accounting Processes

1.21 Bank Reconciliations

Bank reconciliation and approval will occur on a monthly basis.

1.22 Stale Check Policy

Outstanding checks not cashed within 180 days are written off and a notice letter is sent to the payee.

Payees are encouraged to deposit or cash checks within 90 days of the issuance date. Payees will be contacted for any checks that have not yet been cashed after 90 days after the issuance date. Checks will be voided on or before 180 days after the issuance date.

1.23 Monthly Close

The Accounting team seeks to close all RPS books no later than 15 days after the end of the month.

1.24 Financial Reporting

The Finance and Accounting teams prepare financial reports for the purpose of monitoring RPS's financial health, performance against budget, and adherence to fiscal policies. Financial statements and performance against budget reports will be reviewed by the CFO and/or CEO on a monthly basis. They will be reviewed by the Business Committee of the Board of Directors on a quarterly basis.

1.25 Audit

The RPS Board will contract with a qualified independent certified public accounting firm to conduct an audit of the organization's financial statements in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States, and, if applicable, the *U.S Office of Management and Budget's Circular A-133*. The selected audit firm must be familiar with these standards, related State of California and Charter School regulations, and the *Standards and Procedures for Audits of California K-12 Local Education Agencies Audit Guide* (which can be found at <http://eaap.ca.gov/audit-guide/current-audit-guide-booklet/>), in order to properly conduct the audit engagement. Further, the auditor must be selected from the State Controller's list of approved auditors for Local Education Agencies.

The RPS Board will approve and appoint the independent auditor. RPS Board reviews auditing firms every three (3) years but is not required to make any changes. After six consecutive fiscal years, the organization will contract with a new audit firm or require a change/rotation in audit partners in the seventh year, unless a waiver is obtained from the Educational Audit Appeals Panel. (Education Code 41020).

Audit Committee

The RPS Board will appoint an Audit Committee of one or more persons. The Audit Committee may not include any members of the staff of the corporation, including the president or CEO or the treasurer or CFO. In addition, any person with expenditure authorization or recording responsibilities within the organization may not serve on the committee.

The Audit Committee will be responsible for reviewing the results of the annual audit and developing a corrective action plan to address all relevant weaknesses noted by the auditor. Further, the Audit Committee will evaluate the auditor relationship and make recommendations to the Board regarding auditor selection or renewal.

The RPS Board will review and approve the audit no later than December 15.

1.26 Tax Compliance

Exempt Organization Returns

The RPS Board will contract with an external party to conduct the annual financial audit will prepare the annual Federal Form 990 and the California Form 199. The tax forms are to be filed no later than May 15 of each year unless otherwise extended. Note that there are, at times, special circumstances which may extend the filing date past May 15.

2.0 Internal Controls

The Finance and Accounting teams safeguard RPS's assets, implement management's internal policies, comply with applicable state and federal laws and regulations, and produce timely and accurate financial information. Further, as a publicly supported entity, RPS has additional responsibilities to ensure the public's confidence in and the integrity of our schools' activities.

2.1 Conflict of Interest

RPS has implemented a Conflict of Interest Policy to protect RPS’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

2.2 Lines of Authority

Board of Directors Authority

The board of directors shall have the sole authority to:

- Approve the fiscal policies and delegate administration of the policies to the Chief Executive Officer (CEO).
- Approve the opening and closing of bank accounts and the list of authorized signers and the organization address on record.
- Approve all third-party loans.
- Approve the annual budget.
- Review annual and quarterly financial statements, and budget-to-actual variance analysis.
- Conduct a review of the CEO's performance annually and establish their salary.
- Commission the annual financial audit by an independent third party auditor approved by the State of California.
- Approve the annual financial audit by December 15.
- Designate another officer to perform the duties of the CEO in the case of absence.

Financial Responsibilities and Accountability Summary:

Role	Responsibilities	Accountability
Governing Board	<ul style="list-style-type: none"> ● Approve annual budget submitted by CFO ● Review financials on a quarterly basis ● Contract for audit annually 	<ul style="list-style-type: none"> ● Hold CEO/CFO accountable for financial management and for staying within budget ● Review CEO performance and set compensation
CEO/CFO	<ul style="list-style-type: none"> ● Create annual organizational budget ● Monitor to stay within approved budget ● Fiscal management, training and oversight 	<ul style="list-style-type: none"> ● Hold budget owners accountable for staying within budget and for execution of fiscal policies

Role	Responsibilities	Accountability
CFO	<ul style="list-style-type: none"> Responsible for all oversight of RPS's financial management and planning for its ongoing sustainability Develop the annual budget Oversee the Business Team and responsibility for all functions that fall within the department. Ensure adequate internal control and segregation of duties Cash flow management Structure and negotiate loans/bonds 	<ul style="list-style-type: none"> Oversees the adherence to all internal controls.
National Leadership Team	<ul style="list-style-type: none"> Create departmental budgets Monitor to stay within approved budget 	<ul style="list-style-type: none"> Hold team accountable for staying within budget, and for execution of fiscal policies
EDs	<ul style="list-style-type: none"> Create regional budgets 	<ul style="list-style-type: none"> Hold principals accountable for staying within budget, and for execution of fiscal policies
Principals	<ul style="list-style-type: none"> Create school budget Monitor to stay within approved campus budget Fiscal management and oversight at a school level 	<ul style="list-style-type: none"> Hold team accountable for staying within budget, and for execution of fiscal policies

2.2 Segregation of Duties

The organization's financial duties shall be distributed among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the organization's assets while also considering efficiency of operations.

To properly segregate duties, invoice approval, payment, check signing, and contracting authority is subject to the following thresholds:

Contracting Authority requirement	Value	Regional Contracts * (entered into by regional entities)	National Contracts
<i>Contract's price or reasonable value</i>	up to 5K	Associate Director	Associate Director
	up to 10K	Director, Schools or AD/Director of Operations	Director
	10K < 25K	Senior Director/VP	Senior Director/VP
	25K < 50K	Executive Director	Chief-level Officer (e.g. Chief People Officer) Launchpad Executive Director
	50K < 100K	CEO or CFO	CEO or CFO
	100K < 500K	CEO and CFO	CEO and CFO
	>\$500	Board of Directors or Business Committee	Board of Directors or Business Committee or Executive Committee
<i>All Real Estate Leases 3+ years</i>	<i>Regardless of value</i>	CEO or CFO with board approval	CEO or CFO with board approval

*Regional boards grant authority to the CEO and CFO for approvals.

Invoice/Payment Approval	Value	Regional Invoices/Payments (entered into by regional entities)*	National Invoice/Payments
	up to 5K	Principal or AD	AD
	5K < 10K	Director, Schools or AD/Director of Operations	Director
	10K < 20K	ED	Senior Director/VP
	20K < 50K	ED	Chief or General Counsel Launchpad Executive Director
	50K < 100K	CEO or CFO	CEO or CFO
	100K < \$500K	CEO <u>and</u> CFO	CEO <u>and</u> CFO
	>\$500	Board of Directors or Business Committee	Board of Directors, Executive Committee or Business Committee

*Regional boards grant authority to the CEO and CFO for approvals.

Approval authority can be delegated to another member of the RPS Leadership Team in the event that one of the approvers is out of the office. In the event that the CEO or CFO is not available, the Board Chair or Chair of the Business Committee may approve in their place.

2.3 Record Keeping

Financial records will be retained for a minimum of seven years or as outlined in tables below. This policy is designed to ensure compliance with federal and state laws and regulations, to eliminate inadvertent destruction of records and to facilitate RPS's operations.

Document Retention Schedule

The following types of documents will be retained for the following periods of time. At least one copy of each document will be retained according to the following schedule. Electronic copies suffice unless a hard copy is required by law.

Corporate Records

Article of Incorporation to apply for corporate status	Permanent
IRS Form 1023 (in the USA) to file for tax-exempt and/or charitable status:	Permanent
Bylaws	Permanent
State Application for Tax Exempt Status (Form 3500)	Permanent
Letter of Determination (for example, from the IRS in the USA or the state) granting tax exempt and/or charitable status	Permanent
Board Policies	Permanent
Resolutions	Permanent
Board and Committee Meeting agendas and minutes	Permanent
Sales Tax Exemption Documents	Permanent
Tax or employee ID Number Designation	Permanent
Annual Corporate Filings	Permanent

Financial Records

Chart of Accounts	Permanent
Fiscal Policies	Permanent
Audits	Permanent
Financial Statements	Permanent
General Ledger	Permanent
Check Registers/Books	7 years

Business Expenses Docs	7 years
Bank Deposit Slips (or equivalent retained by financial institutions)	7 years
Cancelled Checks (or equivalent retained by financial institutions)	7 years
Invoices	7 years
Investment Records (deposit, earning, withdrawals)	7 years
Property/asset inventories	7 years
Petty cash receipts /documents	7 years
Credit card receipts	7 years

Tax Records

Annual Tax Filing for the organization (IRS Form 990 in the USA)	Permanent
FTB Annual Form 199	Permanent
Payroll Registers	Permanent
Filings of fees paid to professionals (IRS Form 1099 in the USA)	7 years
Payroll tax withholdings	7 years
Earnings records	7 years
Payroll tax returns	7 years
W-2 statements	7 years

Personnel Records

Document	Time Period
Recruitment, Hiring and Job Placement Records <ul style="list-style-type: none"> • Job applications • Resumes • Letters of recommendation • Other job inquiries sent to the Charter School • Job advertisements/postings • Results of non-medical pre-employment tests • Offers of employment • Employment agreements • Signed pre-employment disclosures (employee handbook acknowledgment, complaint procedures, etc.) • Employee training (harassment prevention, mandated 	3 years after separation, or for the duration of any claim or litigation regarding hiring practices

<ul style="list-style-type: none"> reporting, etc.) Employee certificates, credentials, licenses, and other evidence of qualifications Evidence of criminal background check 	
<p>Employee Performance and Other Personnel Records</p> <ul style="list-style-type: none"> Job descriptions Training and testing Performance goals Performance evaluations Written feedback and commendations Promotions and demotions Letters of reprimand and discipline Performance Improvement Plans Termination, resignation, lay-offs, etc. Notices and letters 	3 years after separation
<p>Employee Medical Leave Records (PDL, FMLA, CFRA, etc.) *</p> <ul style="list-style-type: none"> Requests for leave Health care provider notes Leave calculations Records of disputes regarding leave Employee benefits related to leave Leave policies 	<p>3 years after separation</p> <p>* Records that contain employee confidential medical information should be retained in a separate, secure file.</p>
<p>Employee Wage Records</p> <ul style="list-style-type: none"> Employment agreements Wage rates and calculations Shift schedules (hours and days) Time cards Individual calculations for absences, sick days, vacation days, etc. Itemized wage statements/pay stubs 	<p>3 years after separation</p> <p>Note: If a record is both a wage record and a payroll record, follow the longer retention period.</p>
<p>Employee Payroll Records</p> <ul style="list-style-type: none"> Employee name, address, age, and occupation Individual wage records Regularly hourly rate Hours worked (daily/weekly) Weekly overtime earnings Daily and weekly straight time earnings Deductions from or additions to wages Wages paid each pay period Pay dates and pay periods Unemployment Insurance Records 	4 years, generally
Employment Eligibility (I-9 Forms)	The later of (a) 1 year after

	separation, or (b) 3 years from date of hire.
<p>Employee Health Records*</p> <ul style="list-style-type: none"> • First-aid records • Job injuries (causing loss of work time) • Drug and alcohol test records 	<p>5 years after separation</p> <p>* Records that contain employee confidential medical information should be retained in a separate, secure file.</p>
<p>Employee Workers' Compensation Records</p> <ul style="list-style-type: none"> • Copies of claim forms • Reports of occupational injury or illness • Letters of denial of benefits • Reports to the Division of Workers' Compensation • Benefits paid • Estimates of future benefits • Applications to the Workers' Compensation Appeals Board • Orders and Awards of the Workers' Compensation Appeals Board 	<p>5 years after date of injury and 2 years after claim has been closed.</p> <p>* Records that contain employee confidential medical information should be retained in a separate, secure file.</p>
<p>Employee Benefit Records</p> <ul style="list-style-type: none"> • Benefits elections • Beneficiary designations • Eligibility determinations • COBRA notices • Summary plan descriptions • Other welfare benefit plan information (life, health, disability, long-term care, post-retirement medical) 	<p>6 years after separation, but not less than 1 year following a plan termination.</p> <p>* Records required to determine retirement benefits, including 401(k) and similar plans, must be kept indefinitely.</p>
<p>Note: For simplicity, RPS may choose to keep the majority of an employee's personnel file and other records for the duration of employment plus seven (7) years. This time period covers nearly every law, with the exception of three (3) types of records, as outlined above, that must be removed from a file before it is disposed of and retained for a longer duration:</p> <p>Pension and welfare plan information (6 years)</p> <p>First aid records of job injuries causing loss of work time (5 years)</p> <p>Safety and toxic or chemical exposure records, including safety data sheets (30 years)</p>	

Insurance Records

Property Insurance Policy	Permanent
Directors and Officers Insurance Policy	Permanent
Workers' Compensation Insurance Policy	Permanent
General Liability Insurance Policy	Permanent

Insurance Claims Applications	Permanent
Insurance Disbursements/ Denials	Permanent

Contracts

All insurance Contracts	Permanent
Employee Contracts	7 years after termination
Construction Contracts	Permanent
Legal Correspondence	Permanent
Loan/mortgage and Real Estate Documents	Permanent
Leases/Deeds	Permanent
Vendor Contracts	7 years from completion or conclusion of service
General and all other Contracts	7 years from completion or conclusion of service

Donations / Funder Records

Grant Dispersal Contract and any related documents	Permanent
Donor Lists	7 years
Grant Applications	7 years
Donor Tax Letters	7 years

Management Plans and Procedures

Strategic Plan	7 years
Staffing, programs, marketing, finance, fundraising and evaluation plans	7 years
Vendor Contracts	7 years
Disaster Recovery Plan	7 years

2.4 Gift Acceptance

Purpose

As a not-for-profit organization exempt as a public charity under Section 501(c)(3) of the Internal Revenue Code, Rocketship Public Schools encourages the solicitation and acceptance of gifts for purposes that will assist Rocketship Public Schools to further and fulfill its mission.

The purpose of this Policy is to govern the acceptance of gifts by Rocketship Public Schools and to provide guidance to the Board, the CEO, and prospective donors when making gifts to Rocketship Public Schools. The provisions of this Policy shall apply to all gifts received by Rocketship Public Schools for any of its schools, programs or services, and to the acceptance of gifts made to Rocketship Public Schools or for the benefit of any of its schools or programs.

Restrictions on Gifts

Rocketship Public Schools will accept unrestricted gifts, and gifts for specific schools, programs and purposes, provided that such gifts are consistent with Rocketship Public Schools' mission, purposes, and priorities. Rocketship Public Schools will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the charitable and educational trust of Rocketship Public Schools, or that are accompanied by an improper economic benefit to the donor or vest the donor with inappropriate control or influence. When practicable, restricted monetary or other gifts should be accepted with formal caveat acknowledged by donor that it may be converted to unrestricted if the donor's intended restriction cannot be met or is no longer in best interest of RPS.

Use of Legal Counsel and Other Professional Assistance

Rocketship Public Schools shall seek the advice of legal counsel or other professional advisors (such as an accountant, financial advisor or professional money manager) when appropriate and as recommended in this Policy relating to the acceptance of certain types of gifts. Generally, Rocketship Public Schools shall seek the advice of legal counsel in all matters pertaining to the acceptance of any gift which may have adverse legal, ethical (including a potential conflict of interest), or other consequence of concern to Rocketship Public Schools.

All prospective donors shall be urged and encouraged by Rocketship Public Schools to seek and secure the assistance of independent legal, tax and financial advisors in matters relating to their gifts and the resulting tax and estate planning implications. Rocketship Public Schools shall not pay the legal fees or any professional fees of the donor in connection with a gift to Rocketship Public Schools. Rocketship Public Schools shall not provide any opinion, statement or recommendation to the donor as to the tax deductibility of the gift or as to any tax consequences or tax implications of the gift that may affect the donor.

It shall be the responsibility of the donor to secure an appraisal of property where required by RPS. The donor shall pay any fees associated with securing such appraisal.

Types of Gifts

The following types of gifts are generally acceptable:

1. Cash Donations
2. Testamentary Bequests

3. Charitable Remainder Trusts
4. Charitable Lead Trusts
5. Tangible Personal Property
6. Life Insurance/Life Insurance Beneficiary Designations
7. Retirement Plan Beneficiary Designations
8. Securities
9. Real Estate

The following types of gifts are generally not acceptable:

1. Charitable gift annuities
2. Pooled income funds

Valuation of Gifts

Rocketship Public Schools shall record a gift received by Rocketship Public Schools at its valuation for gift purposes on the date of gift and in accordance with Generally Accepted Accounting Principles (“GAAP”).

IRS Filing Upon Sale of Gift

Rocketship Public Schools is responsible for filing IRS Form 8282 upon the sale or disposition of any non-cash donated property sold by Rocketship Public Schools within three years of receipt where the charitable deduction value of the item was \$5,000.00 or greater. Rocketship Public Schools must file such form within IRS-required timelines. The Chief Financial Officer shall be responsible for the recordation and filing of this form to the IRS.

Written Acknowledgment of Gifts and Contributions

Rocketship Public Schools will provide written acknowledgement of all gifts in compliance with the current IRS requirements. The Chief Financial Officer shall be responsible for ensuring compliance with IRS requirements regarding acknowledgments. Under no circumstance shall RPS accept a donation of any real property interest without advice of legal counsel and RPS Board approval. The RPS Board recognizes the risks associated with acceptance of real estate.

3.0 Financial Management

3.1 Budgeting Process

The CFO will prepare an annual budget each year for presentation to the board of directors. The budget is to be approved by the RPS Board prior to the start of each fiscal year.

The CFO will work together with national and regional leadership to ensure that the annual budget is an accurate reflection of RPS’s strategic priorities, programmatic and infrastructure goals for the coming year.

As part of the budget, the CFO will propose a target change in net assets (“CINA”) for the national office and each region to meet strategic goals and/or comply with existing loan covenants.

The RPS Board will review and approve the budget no later than its last meeting prior to the start of the fiscal year.

3.2 Borrowing Funds

The assumption of debt, including lines of credit or loans from banks and other financial lenders, shall be approved by the Board of Directors. Board authorization for a line of credit provides management with the discretion to draw on the line as needed. Management may establish lines of credit with suppliers as needed, without board approval, within the purchasing and contract approval thresholds detailed above.

3.3 Operating Cash Reserves

The organization will ensure adequate cash balances to meet annual cash flow needs. The CFO will monitor the organization's cash balance and will report the cash balance to the CEO on a monthly basis and to the Business Committee of the Board on a quarterly basis.

It is the responsibility of the CEO and the Governing Board to understand the organization's cash situation and it is the responsibility of the CFO to prioritize payments as necessary to manage cash flow.

The RPS Board may restrict a portion of the operating cash reserve fund for strategic goals.

The RPS Board may develop an additional Operating Cash Reserve Policy to specify use of the Operating Cash Reserves.

3.4 Insurance

The organization will maintain adequate insurance with high quality insurers at all times for:

- General Liability
- Property
- Workers' Compensation
- Employment Practices
- Professional Liability
- Directors' and Officers' Coverage
- Other coverages required by charter authorizers
- Umbrella and student accident policies are considered prudent add-ons.

4.0 Revenue & Accounts Receivable

RPS receives funding from numerous state and federal sources. Some of these funding sources have specific limitations on how the funds can be spent, as well as how these expenditures must be recorded and reported to the granting authority. Restricted funds are awarded to RPS on the basis of a unique award from the respective state or federal agency. RPS staff should always consult the requirements for a particular grant or award before expending restricted funds.

4.1 Cash Receipts

Cash receipts (including check or cash payments received via mail or in person and deposits received via Electronic Fund Transfer) shall be recorded completely and accurately to prevent the misappropriation of assets. Further, cash collection, reconciliation, and deposit duties should be segregated to provide proper financial controls. No one person will participate in all actions associated with cash receipts.

RPS schools regularly collect cash for meal bills, fundraisers, field trips, uniforms, and other purposes.

Cash collected at the school site is considered school revenue and must be accounted for accordingly. Cash may not be used as “petty cash” or otherwise spent before being reconciled and deposited.

Reconciliations and deposits must be completed per the instructions provided by the RPS Finance & Accounting Department.

Only Rocketship staff are permitted to handle cash and checks collected at a school site. Cash and checks must be kept at all times in a designated, secure, locked cabinet or safe. Only authorized school staff should have access to the locked cabinet or safe.

Schools must deposit cash and checks weekly. If no cash or checks have been collected that week, the school should submit a deposit form indicating that no cash/checks were collected. If for some reason a school cannot submit a weekly deposit, the school must inform the Regional Director of Operations.

Under no circumstances should cash remain at a school site for more than 10 school days. In TN, cash cannot remain at the school for more than 3 days.

5.0 Expense & Accounts Payable

5.1 Purchases & Procurement

RPS shall procure only those goods and services that are required to perform the mission and/or fill a bona fide need. Guiding the purchase of all goods and services will be: (a) price, (b) quality and (c) dependability. Particular vendors may be chosen for any one or any combination of these factors. In addition, RPS will take affirmative steps to assure that minority businesses and women's business enterprises, are used when possible. However, at all times, the selection of a particular good, service or vendor shall be with the intention of maintaining a top-quality school. When engaging in procurement activity, RPS staff shall aim to:

- Remain impartial in the selection process, focusing only on the merits of the supplier/contractor proposals and applicable related considerations such as delivery, quantity, etc.

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- Make all purchases in the best interests of RPS and its funding sources.
- Obtain quality supplies and services needed for delivery at the time and place required.
- Buy from responsible, reputable, and dependable sources of supply.
- Obtain best value for all expenditures.
- Deal fairly and impartially with all vendors.
- Be above appearance of unethical behavior at all times; avoid any conflict of interest, related parties, or the appearance of a conflict of interest in school/supplier relationships.
- Follow the guiding principles of internal controls to minimize the risk of fraud, including appropriate segregation of duties and adherence to the school's policies covering authorization to enter into financial commitments.

Related Parties

All employees participating in the making of a contract and Board members must disclose relationships with known proposed or current vendors to determine whether the relationship should be considered a related party transaction. RPS applies the definition of "related party" used by the IRS regulation section 267(b), which includes immediate family members of and legal entities owned or controlled by the employee or board member. The CEO must review any potential related party transactions and has the right to request additional information (e.g., fair market value assessments) to determine whether the transaction is in the best interest of RPS. The CEO must disclose any related party transaction over \$10,000 to the Board of Directors for review. If the related party transaction involves the CEO, the Board shall perform all pertinent due diligence procedures related to the transaction, including identification of alternatives to the transaction. The CEO should not participate in the Board's deliberation or action.

Contract Goods and Services

When and where possible, RPS will enter contracts for goods and services that specify in detail what is included and excluded from the scope of the contract, the agreed delivery, payment terms, and other standard contractual terms and legal protections. To the extent possible, contracts should provide for monthly payment, with at least 30 days from the date of the invoice to make payment. Contracts can be negotiated by a member of the Network Executive Team or their designee with the contracting amount thresholds described herein.

RPS requires completion of Form W-9 for all new vendors (except local, state or federal government entities) before payment can be initiated for the vendor. Information collected from the W-9 should include the vendor social security number or federal tax identification number, address and other pertinent contact information.

Competitive Contract Selection

When a product or service is to be purchased that is valued or priced at, or reasonably estimated to be more than \$25,000, the authorized decision maker shall make every reasonable effort to secure quotes and product specifications from at least two providers of the service or product or similar product or make other acceptable efforts to ensure that RPS is receiving the best value for the purchase. The authorized decision maker shall select from among these quotes and maintain evidence of the quotes and/or other information that informed the purchasing decision. Professional service contracts such as special education contracts are excluded from the requirement to seek multiple bids or proposals; however, nothing shall

preclude RPS from seeking such multiple bids or proposals for these contracts. Additionally, furniture purchases may be excluded from the requirement to seek multiple bids when it is determined that a particular vendor offers a unique product that meets the quality and design specifications of RPS and the product price is judged to be reasonable based on comparisons of similar furniture from other vendors. In the event that bids are not obtained, the purchaser must provide a sole source justification. Notwithstanding the foregoing, adherence to local agency “piggyback” contract prices and procedures for goods contracts meets these requirements.

All procurement involving federal funds will be conducted in accordance with the Code of Federal Regulations, Title 34 (Education), Section 74, which states in part: “All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition”, or other law applicable to the funding source. RPS shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. For federally funded purchases, in order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids or requests for proposals shall be excluded from competing for procurements. Awards must be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is the best value to RPS, price, quality and other factors considered. Solicitations shall clearly establish all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by RPS. Any and all bids or offers may be rejected when it is in RPS interest to do so.

Furthermore, RPS shall:

- Avoid purchasing unnecessary items
- Where appropriate, analyze lease and purchase alternatives to determine which would be the most economical and practical procurement; or
- Solicit for goods and services providing for all of the following, where applicable:
 - A clear and accurate description of the technical requirements for the material, product, or service to be procured. In competitive procurements, a description shall not contain features which unduly restrict competition
 - Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals
 - A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards
 - The specific features of brand name or equal descriptions that bidders are required to meet when these items are included in the solicitation
 - Make positive efforts to utilize small businesses, minority-owned firms, and women’s business enterprises, whenever possible.

Purchases Using Federal Funds

Purchases made using federal grants will follow procurement methods stated in Uniform Guidance 2 CFR 200.320, where applicable, unless RPS’s Policy is more restrictive. When using federal funds in this regard, RPS will to the extent applicable to the particular purchase:

- Maintain oversight to ensure contractors perform in accordance with terms/conditions/specifications of contracts
- Avoid acquisition of unnecessary or duplicative items
- Award contracts only to responsible contractors
- Maintain records to sufficiently detail the history of procurement
- Conduct transactions in a manner providing full and open competition
- Not preclude potential bidders from qualifying during the solicitation period
- Conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences, except in cases where federal statutes mandate or encourage it
- Prepare solicitations that incorporate a clear and accurate description of technical requirements for the material, product, or service, and identify all requirements which the offerors must fulfill, and all other factors used in evaluating bids or proposals
- Ensure that all prequalified lists of persons, firms, or products which are used are current and include enough qualified sources to ensure maximum open and free competition
- Take necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible
- Perform cost or price analysis in connection with every procurement action in excess of the simplified acquisition threshold, including contract modifications

Further, when using qualifying federal funds, RPS will use one of the five allowable methods of procurement:

Methodology & Threshold	Requirement
Micro-purchase \$0-\$10,000	<ul style="list-style-type: none"> ● No bid or quote required if price is considered to be reasonable. Reasonableness could be determined by comparing the price to past purchases or other published prices and/or requesting prices from more than one vendor. ● Distributed equitably among a range of qualified vendors when practical
Small Purchase \$10,001-\$250,000	<ul style="list-style-type: none"> ● Price or rate quotes must be obtained from adequate number of sources (at least two) ● Can be informal, e.g., phone call or web search ● All quotes, including phone calls, web searches, etc., must be documented and kept on file ● Price does not need to be deciding factor, but all quotes need to be kept in procurement records
Sealed Bid \$250,000 and greater <i>Price is principal basis for selection</i>	<ul style="list-style-type: none"> ● Bids must be solicited from an adequate number of known suppliers, providing sufficient response time ● Local and tribal governments must publicly advertise bids ● Invitation for bids must define the items or services in order for bidders to properly respond ● All bids will be opened at time and place prescribed in invitation. Local and tribal governments must be opened publicly. ● Firm fixed price contract made in writing to the lowest responsive and responsible bidder ● Any or all bids may be rejected if there is a sound documented reason

<p>Competitive Proposal \$250,000 and greater <i>Selection is based on what is most advantageous with price and other factors considered</i></p>	<ul style="list-style-type: none"> ● Must be publicized and identify all evaluation factors and their relative importance ● Must be solicited from an adequate number of qualified sources ● Must have a written method for conducting technical evaluations of the proposals and selecting recipients ● Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered
<p>Noncompetitive Proposal (sole source)</p>	<ul style="list-style-type: none"> ● May be used only when the item is available only from a single source, the public exigency or emergency will not permit a delay resulting from competitive solicitation, federal awarding agency or pass-through entity expressly authorizes its use in response to a written request, or after solicitation of a number of sources competition is determined inadequate by the CEO ● Justification of the use of noncompetitive proposal must be documented ● Any research on availability from multiple sources must be documented ● Documentation of authorization must be retained ● Any initial solicitations from multiple sources which are concluded to be inadequate, and such reasoning, must be documented

Note, the federal procurement policies do not supersede the Rocketship approval authorities established in this document.

Purchase and Contract Approval Authority

The table in Section 2.2 outlines approval for contracts and payments. Once a contract is approved, further approval for recurring charges or project expenses are not required. For example, when the Board approves a construction budget, each individual expenses covered by that budget is approved with no further action required.

Approval authority can be delegated to another member of the RPS Leadership Team in the event that one of the approvers is out of the office.

Invoice Payment

All invoices will be paid in a timely manner to avoid any late fees.

5.2 Employee and Volunteer Expense Reimbursements

Rocketship Public Schools (“RSPS”) employees are periodically required to incur business expenses on behalf of Rocketship in furtherance of its mission.

Eligibility

All Rocketship employees are eligible for expense reimbursement, provided that the expenses are consistent with this policy, documented with receipts, approved by his/her manager and represent a reasonable and appropriate use of Rocketship Public Schools funds.

Expenses must also be in compliance with IRS, state, and/or granting/ funding agency regulations.

This policy applies only to employees and may differ from those expenses that consultants may charge Rocketship. In the case of consultants, expense reimbursement will be dictated by the consulting agreement.

Please see the sections below for policy guidelines related to specific expenses. This list is not all-inclusive and is provided for guidance only.

Reimbursement for Expenses

The employee is responsible for requesting reimbursement in a timely fashion by submitting a completed expense report to the Rocketship Finance Department. Employees should make every effort to submit expense reports within 30 days of incurring such expenses. All expense reports for the previous quarter must be submitted within 30 days of the quarter's end.

All receipts, with the exception of mileage, must be attached to the expense reimbursement submission in order for the report to be approved. If a receipt is lost, a copy of the credit card bill or other documentation should be attached instead on an exception basis only. Credit card bills are not an alternative to retention of receipts.

Approval of Expenses

An employee's manager is required to review and approve every expense report request and receipt submitted by the employee. The manager will be able to approve expenses up to his/her limit.

While it is the employee's responsibility to represent accurate information in the reimbursement claim (including account code), manager approval of an expense report implies that the manager agrees that all expenses listed are:

- reasonable in amount
- appropriate based on employees responsibilities
- supported by a receipt
- coded to correct expense accounts
- consistent with Rocketship expense policy

Guidelines for Reimbursable Expenses

Cell Phone

Full time employees may be eligible for up to \$50 per month in cell phone reimbursement if their job requires the use of a cell phone to perform the duties of their role.

Air Travel

Each employee is responsible for securing his/her own flight arrangements. Reasonable effort should be made to take the lowest fare available unless a flight imposes an unreasonable

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inconvenience in terms of stops or layovers. Employees may purchase a regular economy fare in lieu of a basic economy fare. Employees are strongly encouraged to consider travel on airlines that may not be their preferred airline if that cost is less than their preferred airline's cost for a similar flight.

Employees should make reasonable efforts to book airline tickets as far in advance as possible in order to reduce cost. All airline travel will be in coach class unless prior approval is received in writing from the CFO for a different class of air travel.

All mileage earned through frequent traveler programs or airline incentive programs is the property of the employee. As such, no reimbursement will be made for upgrades or free flights redeemed by employees applied to business travel from these programs.

Bag Check fees may be reimbursed if traveler is staying overnight three or more nights. Additional fees for seat upgrades or preferred seats are not reimbursable.

Dues and/or initiation fees for airline clubs are not reimbursable by Rocketship Public Schools.

Hotels

Reasonable lodging costs incurred during business travel are reimbursable whenever a day trip is not appropriate. Rocketship employees are expected to stay in standard business class lodgings that charge a reasonable rate (for instance, a Marriott). Individuals will not be reimbursed for stays longer than is legitimately necessary for the intended business requirement. The actual hotel bill with the form of payment must be submitted with the expense form as documentation. A charge slip alone is not acceptable.

When work commitments require Friday and Monday trips to the same city, the traveler is ordinarily expected to return home for the weekend. However, if such travel would be more costly or time consuming than remaining at the distant location for the weekend, lodging and reasonable meal costs for the traveler are reimbursable. In order for these lodging and meal costs to be reimbursable, the total cost of the extended lodging and meal costs must not exceed what would have been the additional cost of the flight home and return trip.

Car Rentals

Car rentals should be used when needed in situations where alternate forms of road transportation (taxis, public transit, and personal vehicles) are not more feasible.

Rocketship staff should limit their car rental to small or economy models unless there is a compelling reason to do otherwise. Additional insurance should be declined, as Rocketship

carries rental car insurance as part of its business policy.

Car rentals over a weekend or holiday period are generally not reimbursable, unless necessary and approved (in advance) by the Finance Department.

Whenever possible, employees should refuel at a gas station prior to returning the vehicle at the end of the rental period, instead of purchasing the refill directly from the car rental company. Mileage will not be reimbursed for rentals cars, but gas may be reimbursed.

Private Vehicle/Mileage

Employees must have a valid driver's license and current personal automobile insurance coverage to use his or her own vehicle for Rocketship business. Rocketship will reimburse employees for mileage incurred while using their personal vehicle on behalf of Rocketship at the standard IRS mileage rate established annually. Currently, that rate is 65.5 cents per mile.

Mileage from an employee's home to the employee's regular place of work (see below for examples) is considered commuting mileage and will not be reimbursed. "Regular place of work" can change daily depending on the employees' responsibilities. Regular place of work may also change over time. Mileage from the regular place of work to other locations, including Rocketship schools or offices, is reimbursable. Mileage for "home visits" to a student's home is also reimbursable. School based employees' regular place of work is always their school.

Examples of Reimbursable Mileage for Network Support Employees

- If an employee's regular place of work is Redwood City (RWC) and the employee starts the day in the RWC office, then drives to a school, then returns to the RWC office, the mileage between the RWC office and back to the RWC office is considered reimbursable.
- If an employee's regular place of work is Redwood City (RWC) and the employee starts the day in the RWC office, then goes to a school, and then drives directly home without returning to Redwood City, the reimbursable mileage is the lesser of these two calculations: (A) the round trip mileage from the RWC office to the school and back, or (B) the mileage from RWC to the school and back to the employee's home.
- If an employee regularly visits schools every day or is asked to work from multiple RSPS locations, then his/her regular place of work may change on a daily basis. For the purposes of expense reimbursement, the employee's regular place of work may be determined on a daily basis to reflect the first school(or other RSPS location) visited on that day. For example, if an employee who regularly works at the school begins his/her day at RSPS, then drives to the San Jose Regional Office, then to RMS, and then home, the reimbursable mileage would be the mileage between RSPS and the San Jose Regional Office and the mileage between the San Jose Regional Office and RMS. The final mileage (from RMS to the employee's home) would be considered commuting

mileage.

Other Transportation

Reimbursement will be made for reasonable expenditures for transportation including, but not limited to, taxi/Ride App or shuttle fares between office/home and airport, as well as between airport and hotel or other destinations. Public transportation should be considered when it is less expensive and not significantly more inconvenient. Travelers should also please consider their own personal safety and familiarity with local transportation routes when choosing the public transportation option.

Meals

Meals made necessary by travel are reimbursable. Every effort must be made to ensure that the cost of such meals is reasonable. Rocketship has set guidelines for reimbursement for Employee Meals. These amounts will vary by city, but are generally recommended not to exceed a per diem of \$60.

Occasionally business travel will require incurring the cost of meals for business associates and those occasions may justify a more expensive meal than the recommended amounts above. Employees should consult their manager ahead of time if such situations for additional clarification on appropriate spending guidelines.

Per IRS regulations, documentation is required for all deductible meals and Rocketship applies the same requirements for meals submitted for reimbursement. Receipts submitted for meal reimbursement must include the following information:

- Meal expenses must be listed separately on the expense report (including those that were paid as part of a hotel bill).
- The description must include the names of all persons attending, their titles and business relationship, if applicable, and business purpose of the meal.
- Tear-away stubs are not acceptable as receipts; the employee must submit a receipt or form of payment such as a credit card slip or cash register receipt.
- Rocketship does not reimburse for alcohol.

Parking & Tolls

Parking and tolls for travel are reimbursable, including parking related to summer PD and all staff events.

Entertainment

Entertainment expenses include the cost of amusement or recreational facilities, as well as attendance at the theater, sporting events, etc. Entertainment expenditures require pre-approval from an employee's manager.

Non-reimbursable Expense

Other items related to travel that are not reimbursable are as follows:

- Movies
- Items of clothing purchased while traveling. This includes replacement of lost or stolen items as well as clothing purchased as a result of an unanticipated extended stay.
- Hotel laundry or valet charges are reimbursable only in the case of an unanticipated extension of a previously planned trip.
- Parking tickets, fines or penalties

Travel Advance

For specific circumstances in which a staff member has limited funds available to initiate his/her own travel arrangements, Rocketship may issue a travel advance in an amount approximate to the necessary expenses. Any authorized advance must be reconciled with actual trip expenses on a completed, approved expense report form within two weeks of the employee's return. Please contact the Finance Department to request a travel advance.

5.3 Governing Board Expenses

- The individual incurring authorized expenses while carrying out the duties of the RPS will complete and sign an expense report and attach original receipts.
- The CEO and/or another board member will approve and sign the expense report.

6.0 Asset Management

6.1 Fixed Assets Capitalization

All assets with a useful life of greater than one year and costing more than \$5,000 will be capitalized and will be recorded in the fixed asset records. Any asset that does not meet these criteria will be expensed in the current period.

The cost basis of furniture and equipment assets will include all charges relating to the purchase of the assets including the purchase price, freight charges, and installation if applicable.

Leasehold improvements are to be capitalized if they relate to the renovation or improvement of an existing building. Expenditures incurred in connection with maintaining the existing building in good working order shall be expensed as a repair.

Depreciation

Depreciation methods/lives for assets shall be selected for consistent financial reporting purposes. The following depreciation methods and useful lives shall be used for the

following asset classifications for financial reporting purposes.

Asset Class	Useful Life	Method
Computers	Three Years	Straight Line
Furniture and Equipment	Seven Years	Straight Line
Leasehold Improvements	Remaining Life of Lease	Straight Line

6.2 Inventory

RPS will maintain a detailed listing of each capital asset item with purchase price greater than \$5,000 along with depreciation records which will include the description, date acquired, vendor, cost basis, assigned department or location, depreciation method/life, accumulated depreciation, and net book value. A physical inventory of property and equipment will be performed annually and compared to the detailed fixed asset listing. Any variances will be investigated and corrected or adjusted in financial statements as necessary. Rocketship has security cameras at its schools to safeguard its assets. Rocketship also hires a security company to help monitor some of its higher-risk areas.

Computer equipment, office equipment and furniture are tagged and logged into our tracking system. This tracking system categorizes by school, type of equipment and whether Federal Funds were used. Any disposition of equipment with remaining useful life will require approval from director of operations and best effort to obtain market value of the asset is required.

Assets purchased with federal grants will follow the Office of Management and Budget's Uniform Guidance, Title 2, Code of Federal Regulations ("2 CFR") §200.310 to §200.316.