



**Tuesday, September 2, 2025**  
**Rocketship Public Schools Business Committee (2025-26 Q1)**

**Meeting Time: 10:30am**

**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**

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**Teleconference locations:**

**683 Sylvandale, San Jose, CA 95111**  
**1700 Cavallo Rd, Antioch, CA 94509**  
**2351 Olivera Rd, Concord, CA 94520**  
**909 Roosevelt Ave, Redwood City, CA 94061**  
**125 Fox Hollow Road, Woodside, CA 94062**  
**1198 Crestmont Drive, Lafayette, CA 94549**  
**5 South Somerset Ave, Ventnor, NJ 08406**  
**2477 Cottle Ave, San Jose, CA 95125**

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**1. Opening Items**

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

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**2. Consent Items**

- A. Approve minutes from June 3, 2025 Business Committee meeting

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**3. Information Items**

- A. Listing of checks in excess of \$100,000
- B. Organizational Health Dashboard Review
- C. Development Update
- D. 2024-25 EOY Financial Review

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**4. Action Items: Finance - Review and Recommend Approval**

- A. Review and Recommend Approval of Revised Fiscal Policies to the Rocketship Board of Directors
- B. Review and Recommend Approval of 2025-26 Revised Budget to the Rocketship Board of Directors

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**5. Action Items: National CMO Decisions - Review and Recommend Approval**

- A. Review and Recommend Approval of Documents Related to the Acquisition of Rocketship Dream Community Prep to the Rocketship Board of Directors

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**6. Adjourn**

- A. Adjourn Meeting

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](mailto: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](mailto: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](mailto: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](mailto: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](mailto:compliance@rsed.org) por lo menos 24 horas antes del inicio de la reunión.

**\*These minutes are considered draft until approved at the next meeting.**

## **Rocketship Public Schools Business Committee (2024-25 Q4) (Tuesday, June 3, 2025)**

*Generated by Cristina Vasquez on Tuesday, June 10, 2025*

### **1. Opening Items**

#### **A. Call to order**

At 10:31am, Mr. Terman took roll call. With a quorum of committee members present, Mr. Terman called the meeting to order.

Present: Dan Sanchez, Greg Stanger, Alex Terman

Absent: Charmaine Detweiler, Mike Fox

*Additional Attendees: Camilla Jensen (advisor), Kamuzu Saunders (advisor), Ken Kumer (advisor), Louis Jordan (advisor)*

#### **B. Public comment on off-agenda items**

At 10:32am, Mr. Terman called for public comment on off-agenda items. No members of the public provided comment.

### **2. Consent Items**

#### **A. Approve minutes from December 3, 2024 Business Committee meeting**

At 10:33am, Mr. Sanchez made a motion to approve the consent items. This motion was seconded by Mr. Stanger, and carried unanimously by roll call vote.

Y: Dan Sanchez, Greg Stanger, Alex Terman

N: --

Abstain: --

### **3. Informational Items**

#### **A. List of checks in excess of \$100,000**

At 10:34am, the committee reviewed item 3(A). No action was taken.

#### **B. Q3 Financial Review and Business Operations Update**

At 10:34am, the committee reviewed item 3(B). No action was taken.

### **4. National CMO Decisions - Review and Recommend Approval**

#### **A. Review and recommend approval of Network Support Fee and Forgiveness to the Rocketship Board of Directors**

At 11:25am, the committee discussed agenda item 4(A).

At 11:38am, Mr. Stanger made a motion to recommend approval of agenda item 4(A) to the Rocketship Board of Directors. This motion was seconded by Mr. Sanchez, and carried unanimously by roll call vote.

Y: Dan Sanchez, Greg Stanger, Alex Terman

N: --

Abstain: --

### **5. Action Items: Finance - Review and Recommend Approval**

#### **A. Review 2025-26 Annual Plan and recommend 2025-26 Budget to the Rocketship Board of Directors**

At 11:39am, the committee discussed agenda item 5(A).

At 12:18pm, Mr. Sanchez made a motion to recommend approval of agenda item 5(A) to the Rocketship Board of Directors. This motion was seconded by Mr. Stanger, and carried unanimously by roll call vote.

Y: Dan Sanchez, Greg Stanger, Alex Terman

N: --

Abstain: --

#### **B. Review and recommend approval of Amended Fiscal Policies to the Rocketship Board of Directors**

At 12:18pm, the committee discussed agenda item 5(B).

At 12:21pm, Mr. Sanchez made a motion to recommend approval of agenda item 5(B) to the Rocketship Board of Directors. This motion was seconded by Mr. Stanger, and carried unanimously by roll call vote.

Y: Dan Sanchez, Greg Stanger, Alex Terman

N: --

Abstain: --

### **6. Agenda Items: WI Operations - Review and Recommend Approval**

#### **A. Review and recommend approval of the Lease Agreement for Rocketship Stellar Elementary to the Rocketship Board of Directors**

At 12:21pm, the committee discussed agenda item 6(A).

At 12:25pm, Mr. Sanchez made a motion to recommend approval of agenda item 6(A) to the Rocketship Board of Directors. This motion was seconded by Mr. Stanger, and carried unanimously by roll call vote.

Y: Dan Sanchez, Greg Stanger, Alex Terman

N: --

Abstain: --

### **7. Adjourn**

At 12:26pm, Mr. Stanger made a motion to adjourn the meeting. This motion was seconded by Mr. Sanchez, and carried unanimously by roll call vote.

Y: Dan Sanchez, Greg Stanger, Alex Terman

N: --  
Abstain: --

**Rocketship Education**  
**Checks signed in excess of \$100,000**  
**Apr 2025 - Jun 2025**

| Check Date                  | Check # | Vendor and Invoice #          | Invoice Amount | Amount of check |
|-----------------------------|---------|-------------------------------|----------------|-----------------|
| <b>School Food Services</b> |         |                               |                |                 |
| 4/23/25                     | 2039    | Chefables RPS_3_25            | 175,606.65     |                 |
|                             |         | Chefables RSup_3_25           | 5,022.47       | 180,629.12      |
| 6/4/25                      | 2255    | Chefables RPS_4_25            |                | 152,704.49      |
| 6/25/25                     | 2371    | Chefables RPS_5_25            | 194,826.34     |                 |
|                             |         | Chefables RSup_5_25           | 2,971.91       | 197,798.25      |
| 4/18/25                     | ACH     | SLA Management 2503201032010  | 33,342.60      |                 |
|                             |         | SLA Management 2503201032020  | 44,054.14      |                 |
|                             |         | SLA Management 2503201032030  | 36,905.86      | 114,302.60      |
| 4/18/25                     | ACH     | Nob Hill Catering RSBM033125  | 42,441.50      |                 |
|                             |         | Nob Hill Catering RSDL033125  | 27,323.55      |                 |
|                             |         | Nob Hill Catering RSDP033125  | 28,058.50      |                 |
|                             |         | Nob Hill Catering RSFA033125  | 42,119.25      |                 |
|                             |         | Nob Hill Catering RSFP033125  | 38,809.20      |                 |
|                             |         | Nob Hill Catering RSL033125   | 20,589.50      |                 |
|                             |         | Nob Hill Catering RSS033125   | 20,834.95      |                 |
|                             |         | Nob Hill Catering RSBMS033125 | 3,960.00       |                 |
|                             |         | Nob Hill Catering RSFPS033125 | 2,689.50       |                 |
|                             |         | Nob Hill Catering RSLSS033125 | 2,409.00       | 229,234.95      |
| 5/16/25                     | ACH     | Nob Hill Catering RSBM043025  | 35,711.30      |                 |
|                             |         | Nob Hill Catering RSDP043025  | 24,156.00      |                 |
|                             |         | Nob Hill Catering RSFP043025  | 34,395.65      |                 |
|                             |         | Nob Hill Catering RSL043025   | 17,389.50      |                 |
|                             |         | Nob Hill Catering RSDPS043025 | 3,578.50       | 115,230.95      |
| 6/20/25                     | ACH     | SLA Management 2505201032010  | 32,286.13      |                 |

|                              |           |            |
|------------------------------|-----------|------------|
| SLA Management 2505201032020 | 38,429.69 |            |
| SLA Management 2505201032030 | 33,288.23 | 104,004.05 |

**\$ 1,093,904.41**

**Student Transportation**

|         |     |                           |  |            |
|---------|-----|---------------------------|--|------------|
| 4/11/25 | ACH | Gray Line Tennessee 68651 |  | 120,032.00 |
| 5/16/25 | ACH | Gray Line Tennessee 69298 |  | 120,032.00 |

**\$ 240,064.00**

**SPED Consultants**

|         |     |   |           |            |
|---------|-----|---|-----------|------------|
| 4/25/25 | ACH | EdTheory 8621                           | 31,448.00 |            |
|         |     | EdTheory 8664                           | 42,603.00 |            |
|         |     | EdTheory 8783                           | 47,631.00 |            |
|         |     | EdTheory 8854                           | 23,232.00 |            |
|         |     | EdTheory 8972                           | 49,728.00 |            |
|         |     | EdTheory 9050                           | 46,872.00 | 241,514.00 |
| 4/25/25 | ACH | Welldom.Inc 1930                        | 8,760.00  |            |
|         |     | Welldom.Inc 1934                        | 26,400.00 |            |
|         |     | Welldom.Inc 1935                        | 23,595.00 |            |
|         |     | Welldom.Inc 1944                        | 19,800.00 |            |
|         |     | Welldom.Inc 1945                        | 19,800.00 |            |
|         |     | Welldom.Inc 1949                        | 6,570.00  |            |
|         |     | Welldom.Inc 1930_                       | 8,760.00  | 113,685.00 |
| 6/13/25 | ACH | Welldom.Inc 1977                        | 25,080.00 |            |
|         |     | Welldom.Inc 1978                        | 26,565.00 |            |
|         |     | Welldom.Inc 1981                        | 8,760.00  |            |
|         |     | Welldom.Inc 2005                        | 8,760.00  |            |
|         |     | Welldom.Inc 2006                        | 20,295.00 |            |
|         |     | Welldom.Inc 2007                        | 24,172.50 | 113,632.50 |
| 6/13/25 | ACH | Amergis Healthcare E15755890209 balance | 10,637.50 |            |
|         |     | Amergis Healthcare E16076820209         | 14,518.03 |            |

|                                 |           |            |
|---------------------------------|-----------|------------|
| Amergis Healthcare E16142720209 | 16,033.12 |            |
| Amergis Healthcare E16187830209 | 15,170.12 |            |
| Amergis Healthcare E16266390209 | 14,322.90 |            |
| Amergis Healthcare E16333300209 | 15,611.85 |            |
| Amergis Healthcare E16417730209 | 10,732.50 |            |
| Amergis Healthcare E16418190209 | 721.00    |            |
| Amergis Healthcare E16471130209 | 4,756.00  |            |
| Amergis Healthcare E16471430209 | 1,023.36  |            |
| Amergis Healthcare E16471630209 | 12,029.38 | 115,555.76 |

**\$ 584,387.26**

#### After School Program

|         |     |   |           |            |
|---------|-----|---|-----------|------------|
| 4/11/25 | ACH | Boys & Girls Club of Silicon Valley 202114271 |           | 596,800.00 |
| 5/9/25  | ACH | Boys & Girls Club of Silicon Valley 202114347 |           | 596,800.00 |
| 4/18/25 | ACH | YMCA of Silicon Valley 1300751                | 38,089.57 |            |
|         |     | YMCA of Silicon Valley 1300752                | 32,048.40 |            |
|         |     | YMCA of Silicon Valley 1302729                | 43,081.01 | 113,218.98 |
| 5/16/25 | ACH | YMCA of Silicon Valley 1311732                | 37,014.63 |            |
|         |     | YMCA of Silicon Valley 1311734                | 28,147.95 |            |
|         |     | YMCA of Silicon Valley 1311735                | 42,059.03 |            |
|         |     | YMCA of Silicon Valley 1311736                | 8,424.00  |            |
|         |     | YMCA of Silicon Valley 1312726                | 8,100.00  |            |
|         |     | YMCA of Silicon Valley 1312727                | 10,692.00 | 134,437.61 |
| 6/20/25 | ACH | YMCA of Silicon Valley 1315761                | 48,991.23 |            |
|         |     | YMCA of Silicon Valley 1315762                | 37,246.22 |            |
|         |     | YMCA of Silicon Valley 1315763                | 53,003.89 | 139,241.34 |

**\$ 1,580,497.93**

#### Group Health Insurance

|         |      |  |            |
|---------|------|--|------------|
| 4/9/25  | 1967 | Cigna 3518341                              | 544,279.44 |
| 5/14/25 | 2118 | Cigna 3533870                              | 546,989.88 |
| 6/11/25 | 2119 | Cigna 3549268                              | 541,979.14 |
| 4/2/25  | EFT  | Kaiser Foundation Health Plan 813723989644 | 368,980.48 |

|   |      |   |            |            |                        |
|---|------|---|------------|------------|------------------------|
| 4/29/25                                       | EFT  | Kaiser Foundation Health Plan 813723423387                |            | 372,596.36 |                        |
| 6/30/25                                       | EFT  | Kaiser Foundation Health Plan 813722810602                | 371,024.26 |            |                        |
|   |      | Kaiser Foundation Health Plan 813724063061                | 414,207.34 | 785,231.60 |                        |
|   |      |   |            |            | <b>\$ 3,160,056.90</b> |
| <b>CIP-Sofft Costs</b>                        |      |   |            |            |                        |
| 5/2/25  | ACH  | Norcal Heating and Cooling Inc 30853                      |            | 138,900.00 |                        |
| 6/27/25                                       | ACH  | CDW AE1PG8G   |            | 112,317.97 |                        |
|   |      |   |            |            | <b>\$ 251,217.97</b>   |
| <b>General Block Grant Clawbacks</b>          |      |   |            |            |                        |
| 6/27/25                                       | 2411 | Metropolitan Nashville Public Schools 667-FY24-TISAFinal- | 265,079.95 |            |                        |
|   |      | Metropolitan Nashville Public Schools 668-FY24-TISAFinal- | 252,133.29 | 517,213.24 |                        |
| 6/27/25                                       | 2412 | Treasurer State of Tennessee Department of Education FY24 |            | 145,856.48 |                        |
|   |      |   |            |            | <b>\$ 663,069.72</b>   |
| <b>Santa Clara County Office Of Education</b> |      |   |            |            |                        |
| 4/25/25                                       | ACH  | Santa Clara County Office Of Education 251812             | 18,944.00  |            |                        |
|   |      | Santa Clara County Office Of Education 251814             | 11,655.00  |            |                        |
|   |      | Santa Clara County Office Of Education 251815             | 13,542.00  |            |                        |
|   |      | Santa Clara County Office Of Education 251818             | 16,846.00  |            |                        |
|   |      | Santa Clara County Office Of Education 251821             | 22,306.00  |            |                        |
|   |      | Santa Clara County Office Of Education 251822             | 22,367.00  |            |                        |
|   |      | Santa Clara County Office Of Education 251825             | 22,703.00  |            |                        |
|   |      | Santa Clara County Office Of Education 251829             | 28,254.00  | 156,617.00 |                        |
|   |      |   |            |            | <b>\$ 156,617.00</b>   |
| <b>Facility Fees</b>                          |      |   |            |            |                        |
| 4/11/25                                       | ACH  | Launchpad Development Company Lease RDL 04-2025           | 10,661.34  |            |                        |
|   |      | Launchpad Development Company Lease RLS 04-2025           | 9,914.92   |            |                        |
|   |      | Launchpad Development Company Lease RMS 04-2025           | 9,783.87   |            |                        |
|   |      | Launchpad Development Company Lease RRS 04-2025           | 10,071.71  |            |                        |
|   |      | Launchpad Development Company Lease RSK 04-2025           | 10,905.04  |            |                        |
|   |      | Launchpad Development Company Lease RNNE 04-2025          | 12,515.91  |            |                        |
|   |      | Launchpad Development Company Lease RSCP 04-2025          | 10,562.59  |            |                        |
|   |      | Launchpad Development Company Lease RS5-RDP 04-2025       | 9,678.46   |            |                        |



|   |     |   |           |            |                               |
|---|-----|---|-----------|------------|-------------------------------|
|   |     | Launchpad Development Company Lease RTP(MKE2) 04-   | 32,791.68 |            |                               |
|   |     | Launchpad Development Company Lease RUA-NASH2 04-   | 42,095.68 | 158,981.20 |                               |
| 5/9/25  | ACH | Launchpad Development Company Lease RDL 05-2025     | 10,661.34 |            |                               |
|   |     | Launchpad Development Company Lease RLS 05-2025     | 9,914.88  |            |                               |
|   |     | Launchpad Development Company Lease RMS 05-2025     | 9,783.87  |            |                               |
|   |     | Launchpad Development Company Lease RRS 05-2025     | 10,071.71 |            |                               |
|   |     | Launchpad Development Company Lease RSK 05-2025     | 10,905.04 |            |                               |
|   |     | Launchpad Development Company Lease RNNE 05-2025    | 12,515.87 |            |                               |
|   |     | Launchpad Development Company Lease RSCP 05-2025    | 10,562.55 |            |                               |
|   |     | Launchpad Development Company Lease RS5-RDP 05-2025 | 9,678.50  |            |                               |
|   |     | Launchpad Development Company Lease RTP(MKE2) 05-   | 32,791.68 |            |                               |
|   |     | Launchpad Development Company Lease RUA-NASH2 05-   | 42,095.68 | 158,981.12 |                               |
| 6/13/25   | ACH | Launchpad Development Company Lease RDL 06-2025     | 10,668.34 |            |                               |
|   |     | Launchpad Development Company Lease RLS 06-2025     | 10,515.33 |            |                               |
|   |     | Launchpad Development Company Lease RMS 06-2025     | 9,791.99  |            |                               |
|   |     | Launchpad Development Company Lease RRS 06-2025     | 10,079.83 |            |                               |
|   |     | Launchpad Development Company Lease RSK 06-2025     | 10,882.29 |            |                               |
|   |     | Launchpad Development Company Lease RNNE 06-2025    | 12,484.52 |            |                               |
|   |     | Launchpad Development Company Lease RSCP 06-2025    | 10,537.38 |            |                               |
|   |     | Launchpad Development Company Lease RS5-RDP 06-2025 | 10,191.77 |            |                               |
|   |     | Launchpad Development Company Lease RTP(MKE2) 06-   | 32,791.68 |            |                               |
|   |     | Launchpad Development Company Lease RUA-NASH2 06-   | 42,108.82 | 160,051.95 |                               |
| <b>Credit Card</b>                                      |     |   |           |            | <b>\$ 478,014.27</b>          |
| 4/15/25   | ACH | PNC Bank Credit Card PNC CC 3.25 - RSED             |           | 140,360.79 |                               |
| 5/15/25   | ACH | PNC Bank Credit Card PNC CC 4.25 - RSED             |           | 159,437.02 |                               |
| 6/18/25   | ACH | PNC Bank Credit Card PNC CC 5.25 - RSED             |           | 253,791.70 |                               |
|   |     |   |           |            | <b>\$ 553,589.51</b>          |
| <b>Total - All checks signed in excess of \$100,000</b> |     |   |           |            | <b><u>\$ 8,761,418.97</u></b> |

**RESOLUTIONS OF THE BOARD OF DIRECTORS  
OF ROCKETSHIP EDUCATION  
(ROCKETSHIP TN BOND FINANCING)**

**WHEREAS**, Rocketship Education is a nonprofit public benefit corporation organized under the California Nonprofit Public Benefit Corporation Law (“**Rocketship**”) organized and operated exclusively for educational and charitable purposes as an operator of a charter school network.

**WHEREAS**, Rocketship is the sole member of Rocketship Education Tennessee, a Tennessee nonprofit corporation (“**Rocketship TN**”), and Rocketship TN furthers the educational and charitable purposes of Rocketship as an operator of a charter school network in Tennessee, pursuant to the Rocketship program and mission.

**WHEREAS**, Rocketship and Rocketship TN have entered into a Network Services Agreement (the “**Management Agreement**”) pursuant to which Rocketship provides educational program, management, financial and operational services to Rocketship TN’s charter schools and receives certain fees as compensation.

**WHEREAS**, on February 22, 2017, The Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee issued its \$7,740,000 Charter School Revenue Bonds (Rocketship Education – Obligated Group) Series 2017E (the “**Prior Bonds**”) and loaned the proceeds to Launchpad Development Company, a California nonprofit public benefit corporation, to finance certain charter school educational facilities to be leased to Rocketship, for use and occupancy by Nashville Northeast Elementary School in Nashville, Davidson County, Tennessee.

**WHEREAS**, on or about May 31, 2019, Launchpad Development Two Nashville, LLC, a Delaware limited liability company (as Borrower), and Charter Impact Fund, Inc., a Delaware nonstock nonprofit corporation (as Lender), entered that certain Loan Agreement dated as of May 31, 2019, referencing that certain \$7,282,964.14 Loan (the “**Prior Loan**”) to finance certain charter school educational facilities to be leased to Rocketship, for use and occupancy by Rocketship United Academy in Nashville, Davidson County, Tennessee.

**WHEREAS**, the Public Finance Authority intends to issue certain Charter School Revenue Bonds (Rocketship Tennessee Obligated Group – Issue No. 1) Series 2025A and Charter School Revenue Bonds (Rocketship Tennessee Obligated Group – Issue No. 1), Series 2025B (Taxable) (collectively, the “**Bonds**”) to (i) finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of certain charter school facilities of Rocketship TN; (ii) fund any reserve funds which may be required; and (iii) pay the costs of the issuance of the Bonds.

**WHEREAS**, to facilitate the issuance and sale of the Bonds, Rocketship has been asked to subordinate its rights to receive compensation under the Management Agreement to the rent payments made by Rocketship TN that support payment of debt service on the Bonds.

**WHEREAS**, the transactions contemplated by the foregoing are reasonably expected to benefit Rocketship and Rocketship TN.

**NOW, THEREFORE**, the Board of Directors of Rocketship (the “**Board**”) hereby resolves as follows:

Section 1. The Management Fees Subordination Agreement (the “**Subordination Agreement**”), as circulated to the Board, including its provisions subordinating Rocketship’s rights to receive compensation under the Management Agreement, are hereby approved. The Chairperson of the Board, the Chief Executive Officer, the Chief Financial Officer, any Vice President or any other officer of Rocketship (each an “**Authorized Officer**”) are each hereby individually authorized and directed, in the name and on behalf of Rocketship to negotiate the terms of and to execute in the name and on behalf of Rocketship and deliver the Subordination Agreement, such execution by such officer to be conclusive evidence that such officer deems all of the terms and provisions thereof to be proper.

Section 2. Any and all documents necessary in connection with the issuance of the Bonds (the “**Bond Documents**”) are hereby approved. Each Authorized Officer is hereby individually authorized and directed, in the name and on behalf of Rocketship to negotiate the terms of and to execute in the name and on behalf of Rocketship and deliver the Bond Documents, such execution by such officer to be conclusive evidence that such officer deems all of the terms and provisions thereof to be proper.

Section 3. Any and all documents necessary in connection with the tender, exchange and/or repurchase of the Prior Bonds (the “**Prior Bonds Documents**”) are hereby approved. Each Authorized Officer is hereby individually authorized and directed, in the name and on behalf of Rocketship to negotiate the terms of and to execute in the name and on behalf of Rocketship and deliver the Prior Bonds Documents, such execution by such officer to be conclusive evidence that such officer deems all of the terms and provisions thereof to be proper.

Section 4. Any and all documents necessary in connection with amendments to the Prior Loan (the “**Prior Loan Documents**”) are hereby approved. Each Authorized Officer is hereby individually authorized and directed, in the name and on behalf of Rocketship to negotiate the terms of and to execute in the name and on behalf of Rocketship and deliver the Prior Loan Documents, such execution by such officer to be conclusive evidence that such officer deems all of the terms and provisions thereof to be proper.

Section 5. Each Authorized Officer is hereby authorized, empowered, and directed, in the name and on behalf of Rocketship, to take such actions and to execute, deliver, and, if applicable, file or record, or cause to be filed or recorded, in any appropriate public offices, all such other certificates, instruments, notices, agreements and other documents as may be required or as such officer may, in his or her discretion, deem necessary, convenient, advisable or proper in order to carry out and perform the obligations of Rocketship under the intent of these Resolutions, under the Subordination Agreement, in furtherance of the issuance of the Bonds, or in furtherance of the tender, exchange and/or repurchase of the Prior Bonds. The performance or execution thereof by such Authorized Officer to be conclusive evidence of the approval thereof by such officer and by this Board.

Section 6. All actions and deeds heretofore done or taken by any Authorized Officer, on behalf of Rocketship, in their capacity as such Authorized Officer, and all things done by their authority in entering into, executing, acknowledging or attesting any arrangements, agreements, instruments or documents in carrying out the terms and intentions of the foregoing recitals and resolutions and with respect to the Subordination Agreement are hereby ratified, approved and confirmed in all respects. These Resolutions shall be in full force and effect immediately upon its adoption and the authorizations herein set forth shall remain in full force and effect for the term of the Subordination Agreement and all

amendments, supplements and renewal terms thereof. These Resolutions may be delivered by means of portable document format (PDF).

\* \* \*

PASSED AND ADOPTED by the Board at its meeting held on the date set forth below, as follows:

Dated: \_\_\_\_\_

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAINED: \_\_\_\_\_

**RESOLUTIONS OF THE BOARD OF DIRECTORS  
OF ROCKETSHIP EDUCATION  
(ROCKETSHIP TN BOND FINANCING)**

**WHEREAS**, Rocketship Education is a nonprofit public benefit corporation organized under the California Nonprofit Public Benefit ~~Corporate~~ Corporation Law (“**Rocketship**”) organized and operated exclusively for educational and charitable purposes as an operator of a charter school network.

**WHEREAS**, Rocketship is the sole member of Rocketship Education Tennessee, a Tennessee nonprofit corporation (“**Rocketship TN**”), and Rocketship TN furthers the educational and charitable purposes of Rocketship as an operator of a charter school network in Tennessee, pursuant to the Rocketship program and mission.

**WHEREAS**, Rocketship and Rocketship TN have entered into a Network Services Agreement (the “**Management Agreement**”) pursuant to which Rocketship provides educational program, management, financial and operational services to Rocketship TN’s charter schools and receives certain fees as compensation.

**WHEREAS**, on February 22, 2017, The Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee issued its \$7,740,000 Charter School Revenue Bonds (Rocketship Education – Obligated Group) Series 2017E (the “**Prior Bonds**”) and loaned the proceeds to Launchpad Development Company, a California nonprofit public benefit corporation, to finance certain charter school educational facilities to be leased to Rocketship, for use and occupancy by Nashville Northeast Elementary School in Nashville, Davidson County, Tennessee.

**WHEREAS**, on or about May 31, 2019, Launchpad Development Two Nashville, LLC, a Delaware limited liability company (as Borrower), and Charter Impact Fund, Inc., a Delaware nonstock nonprofit corporation (as Lender), entered that certain Loan Agreement dated as of May 31, 2019, referencing that certain \$7,282,964.14 Loan (the “**Prior Loan**”) to finance certain charter school educational facilities to be leased to Rocketship, for use and occupancy by Rocketship United Academy in Nashville, Davidson County, Tennessee.

**WHEREAS**, the Public Finance Authority intends to issue certain Charter School Revenue Bonds (Rocketship Tennessee Obligated Group – Issue No. 1) Series 2025A and Charter School Revenue Bonds (Rocketship Tennessee Obligated Group – Issue No. 1), Series 2025B (Taxable) (collectively, the “**Bonds**”) to (i) finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of certain charter school facilities of Rocketship TN; (ii) fund any reserve funds which may be required; and (iii) pay the costs of the issuance of the Bonds.

**WHEREAS**, to facilitate the issuance and sale of the Bonds, Rocketship has been asked to subordinate its rights to receive compensation under the Management Agreement to the rent payments made by Rocketship TN that support payment of debt service on the Bonds.

**WHEREAS**, the transactions contemplated by the foregoing are reasonably expected to benefit Rocketship and Rocketship TN.

**NOW, THEREFORE**, the Board of Directors of Rocketship (the “**Board**”) hereby resolves as follows:

Section 1. The Management Fees Subordination Agreement (the “**Subordination Agreement**”), as circulated to the Board, including its provisions subordinating Rocketship’s rights to

receive compensation under the Management Agreement, are hereby approved. The Chairperson of the Board, the Chief Executive Officer, the Chief Financial Officer, any Vice President or any other officer of Rocketship (each an “**Authorized Officer**”) are each hereby individually authorized and directed, in the name and on behalf of Rocketship to negotiate the terms of and to execute in the name and on behalf of Rocketship and deliver the Subordination Agreement, such execution by such officer to be conclusive evidence that such officer deems all of the terms and provisions thereof to be proper.

Section 2. Any and all documents necessary in connection with the issuance of the Bonds (the “**Bond Documents**”) are hereby approved. Each Authorized Officer is hereby individually authorized and directed, in the name and on behalf of Rocketship to negotiate the terms of and to execute in the name and on behalf of Rocketship and deliver the Bond Documents, such execution by such officer to be conclusive evidence that such officer deems all of the terms and provisions thereof to be proper.

Section 3. Any and all documents necessary in connection with the tender, exchange and/or repurchase of the Prior Bonds (the “**Prior Bonds Documents**”) are hereby approved. Each Authorized Officer is hereby individually authorized and directed, in the name and on behalf of Rocketship to negotiate the terms of and to execute in the name and on behalf of Rocketship and deliver the Prior Bonds Documents, such execution by such officer to be conclusive evidence that such officer deems all of the terms and provisions thereof to be proper.

Section 4. Any and all documents necessary in connection with amendments to the Prior Loan (the “**Prior Loan Documents**”) are hereby approved. Each Authorized Officer is hereby individually authorized and directed, in the name and on behalf of Rocketship to negotiate the terms of and to execute in the name and on behalf of Rocketship and deliver the Prior Loan Documents, such execution by such officer to be conclusive evidence that such officer deems all of the terms and provisions thereof to be proper.

Section 54. Each Authorized Officer is hereby authorized, empowered, and directed, in the name and on behalf of Rocketship, to take such actions and to execute, deliver, and, if applicable, file or record, or cause to be filed or recorded, in any appropriate public offices, all such other certificates, instruments, notices, agreements and other documents as may be required or as such officer may, in his or her discretion, deem necessary, convenient, advisable or proper in order to carry out and perform the obligations of Rocketship under the intent of these Resolutions, under the Subordination Agreement, in furtherance of the issuance of the Bonds, or in furtherance of the tender, exchange and/or repurchase of the Prior Bonds. The performance or execution thereof by such Authorized Officer to be conclusive evidence of the approval thereof by such officer and by this Board.

Section 65. All actions and deeds heretofore done or taken by any Authorized Officer, on behalf of Rocketship, in their capacity as such Authorized Officer, and all things done by their authority in entering into, executing, acknowledging or attesting any arrangements, agreements, instruments or documents in carrying out the terms and intentions of the foregoing recitals and resolutions and with respect to the Subordination Agreement are hereby ratified, approved and confirmed in all respects. These Resolutions shall be in full force and effect immediately upon its adoption and the authorizations herein set forth shall remain in full force and effect for the term of the Subordination Agreement and all amendments, supplements and renewal terms thereof. These Resolutions may be delivered by means of portable document format (PDF).

\* \* \*

PASSED AND ADOPTED by the Board at its meeting held on the date set forth below, as follows:

Dated: \_\_\_\_\_

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAINED: \_\_\_\_\_

# Q1 Rocketship Public Schools Business Committee Meeting

September 2, 2025





# Agenda

## 1. Opening Items

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

## 2. Consent Items

- A.** Approve minutes from June 3, 2025 Business Committee meeting

## 3. Information Items

- A.** Listing of checks in excess of \$100,000
- B.** Organizational Health Dashboard Review
- C.** Development Update
- D.** 2024-25 EOY Financial Review

## 4. Action Items: Finance - Review and Recommend Approval

- A.** Review and Recommend Approval of Revised Fiscal Policies to the Rocketship Board of Directors
- B.** Review and Recommend Approval of 2025-26 Revised Budget to the Rocketship Board of Directors

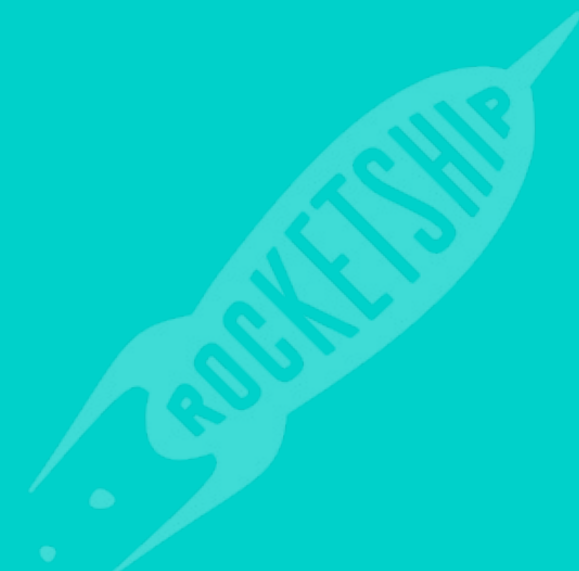
## 5. Action Items: National CMO Decisions - Review and Recommend Approval

- A.** Review and Recommend Approval of Documents Related to the Acquisition of Rocketship Dream Community Prep to the Rocketship Board of Directors

## 6. Adjourn

- A.** Adjourn Meeting

Public Comment

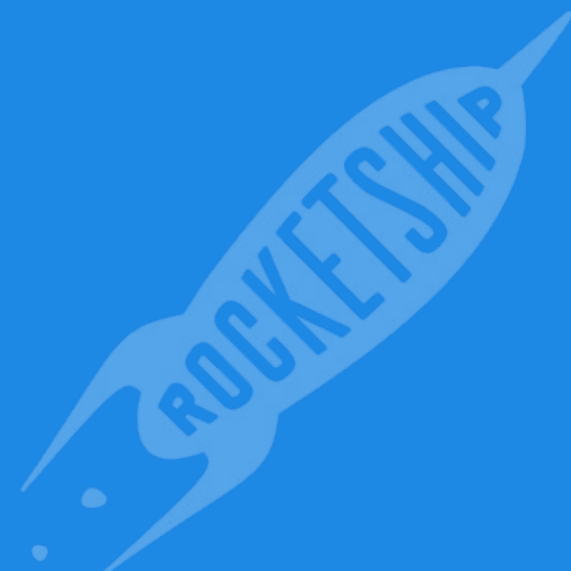




# List of Checks





# Organizational Health Dashboard Review



# Purpose: Regional Health Dashboard (RHD)

## Dashboard example

| Strategic Lever: Quality Schools   |   | Goal 1: By 2028-29, 55% of all Rocketeers are performing at the 67th percentile on NWEA Reading/Math<br>Goal 2: By 2028-29, 60% of Rocketeers enrolled for 3 or more years are performing at the 67th percentile on NWEA Reading                               |      |     |      |     |                   |     |      |    |         |        |      |      |                  |    |    |      |
|--|---|--|------|-----|------|-----|-------------------|-----|------|----|---------|--------|------|------|------------------|----|----|------|
| Activity: Personalized Learning  |   | A coherent and targeted approach to student learning experiences across core, supplemental and interventional programming and daily use of formative data to facilitate students' ability to make accelerated growth towards mastery of grade level standards. |      |     |      |     |                   |     |      |    |         |        |      |      |                  |    |    |      |
| Indicator  |   | EOY 23-24  |      |     |      |     | Quarterly Actuals |     |      |    | Targets |        |      |      | Quarterly Rating |    |    |      |
|  |   | Q4   | Q1   | Q2  | Q3   | Q4  | Q1                | Q2  | Q3   | Q4 | Q1      | Q2     | Q3   | Q4   | Q1               | Q2 | Q3 | Q4   |
| % at NWEA Map Reading 67th %ile  |   | X  | 31%  | 22% | 26%  | N/A | 31%               | 31% | 34%  | X  | 37%     | 1      | 1    |      |                  |    |    | 2    |
| % at NWEA Map Math 67th %ile   |   | X  | 35%  | 27% | 33%  | N/A | 39%               | 34% | 37%  | X  | 40%     | 2      | 2    |      |                  |    |    | 2    |
| % at NWEA Map Reading 67th %ile for students enrolled 3+years                    |   |  | 34%  | 26% | 29%  | N/A | 31%               | 34% | 37%  | X  | 40%     | 1      | 1    |      |                  |    |    | 1    |
|  | % of Rocketeers meet NWEA Reading Tiered Growth |  | 38%  | N/A | 40%  | N/A | 43%               | X   | 47%  | X  | 50%     |        | 2    |      |                  |    |    | 2    |
| Dibels BOY, MOY, EOY - % at benchmark  |   | X  | 53%  | 42% | 47%  | N/A | 56%               |     |      |    |         |        |      |      |                  |    |    |      |
|  | % mastery CKLA Skills unit assessments (GK-G2)  | X  | 37%  | 47% | 51%  | 52% | 53%               |     |      |    |         |        |      |      |                  |    |    |      |
| % of Rocketeers meet NWEA Math Tiered Growth                                     |   | X  | 42%  | N/A | 47%  | N/A | 47%               | X   | 45%  | X  | 48%     |        | 3    |      |                  |    |    | 2    |
| % mastery Eureka module assessments  |   | X  | 44%  | 41% | 48%  | 54% | 55%               |     |      |    |         |        |      |      |                  |    |    |      |
| Years growth on NWEA Map Reading   |   | X  | 1.17 | N/A | 1.12 | N/A | 1.19              | X   | 1.33 | X  | 1.33    |        | 2    |      |                  |    |    | 2    |
| Years growth on NWEA Map Math  |   | X  | 1.18 | N/A | 1.25 | N/A | 1.25              | X   | 1.25 | X  | 1.25    |        | 3    |      |                  |    |    | 3    |
|  |   |  |      |     |      |     |                   |     |      |    |         | Rating | 1.33 | 2.00 | X                |    |    | 2.00 |

| Strategic Lever: Scaled Impact   |  | Goal: By 2028-29, 44,000 Lifetime Rocketeers   |     |        |     |        |                   |      |      |       |         |     |     |     |                  |     |    |    |
|--|--|--|-----|--------|-----|--------|-------------------|------|------|-------|---------|-----|-----|-----|------------------|-----|----|----|
| Activity: Schools and Seats  |  | Strategies to increase enrollment, retain Rocketeers, and increase seats across all regions. |     |        |     |        |                   |      |      |       |         |     |     |     |                  |     |    |    |
| Indicator  |  | EOY 23-24  |     |        |     |        | Quarterly Actuals |      |      |       | Targets |     |     |     | Quarterly Rating |     |    |    |
|  |  | Q4   | Q1  | Q2     | Q3  | Q4     | Q1                | Q2   | Q3   | Q4    | Q1      | Q2  | Q3  | Q4  | Q1               | Q2  | Q3 | Q4 |
| # of lifetime rocketeers (Dec - 80+ is considered on track, June - 150+) |  | 32244  | N/A | 32,497 | N/A | 33,033 | X                 | X    | X    | 35000 |         |     |     |     |                  |     |    | 2  |
| % Enrollment to BSP  |  | 94%  | 91% | 90%    | 95% | 85%    | 100%              | 100% | 100% | 100%  | 2       | 2   | 2   | 2   | 2                | 2   | 2  | 2  |
| % retained Rocketeers SYTD   |  | 90%  | 98% | 95%    | 93% | 92%    |                   |      |      |       |         |     |     |     |                  |     |    |    |
| # new rocketeers for Oct 15 of current SY                                |  | 3021   | N/A | N/A    | N/A | N/A    |                   |      |      |       |         |     |     |     |                  |     |    |    |
| Projected new students for Oct 15 of next SY                             |  | 2398   | N/A | N/A    | N/A | 2603   |                   |      |      |       |         |     |     |     |                  |     |    |    |
| Projected retained students for Oct 15 of next SY                        |  | 7498   | N/A | N/A    | N/A | 6905   |                   |      |      |       |         |     |     |     |                  |     |    |    |
|  |  |  |     |        |     |        |                   |      |      |       | Rating  | 2.0 | 2.0 | 2.0 | 2.0              | 2.0 |    |    |

The Regional Health Dashboard (RHD) is a tool for tracking progress on key metrics tied to our 5-year goals. The metrics, like the goals they are tied to, are classified by Strategic Lever (Quality Schools, Community Power, Scaled Impact) or Key Enabler (Culture of Excellence and Belonging, Finance).

These and the network version - the Organizational Health Dashboard (OHD) - are reviewed regularly at several levels of the organization and by each board (National and Regional) mid-year and end of year.

3: Meets or Exceeds

2: Approaching (80% target)

1: Does not meet

## Rocketship Key Metrics

|                 |   | Current performance | Target for current period |
|-----------------|---|---------------------|---------------------------|
| Quality Schools | Years growth on NWEA Map Reading                | 1.19                | 1.33                      |
|                 | Years growth on NWEA Map Math                   | 1.25                | 1.25                      |
|                 | % of Rocketeers meet NWEA Reading Tiered Growth | 43%                 | 50%                       |
|                 | % of Rocketeers meet NWEA Math Tiered Growth    | 47%                 | 48%                       |
|                 | % of families meet FPH goal                     | 78%                 | 90%                       |
| Scaled Impact   | % Enrollment to June BSP                        | 85%                 | 100%                      |
| Culture         | NPS: Net Promoter Score                         | 2                   | 7.5                       |
| Finance         | % of schools forecasted to close EOY on budget  | 52%                 | 100%                      |



## Full Finance Section (for Business Committee)

3: Meets or Exceeds

2: Approaching (80% target)

1: Does not meet

| Indicator   | EOY 23-24   | Quarterly Actuals |             |             |             |
|---|-------------|-------------------|-------------|-------------|-------------|
|   | Q4          | Q1                | Q2          | Q3          | Q4          |
| Philanthropic funds raised (National)   | \$5,300,000 | \$4,600,000       | \$4,600,000 | \$4,600,000 | \$4,800,000 |
| % of regional NeSTs operate with positive net income without support from National NeST | -           | N/A               | N/A         | N/A         | 0%          |
| Schools open for 5+ years operate on the public dollar                                  | -           | N/A               | N/A         | N/A         | 52%         |
| % of schools forecasted to close EOY on budget  | 65.21%      | 57%               | 0%          | 0%          | 38%         |
| % of regional NeSTs forecasted to close EOY on budget                                   | 40%         | 60%               | 0%          | 0%          | 0%          |
| Days of cash on hand  | 122.2       | 142.6             | 144.3       | 147.1       | 146         |
| Current ratio (current assets/current liabilities)                                      | 2.06        | 2.22              | 1.87        | 2.39        | >1.2        |
| Clean audit with no financial findings  | -           | N/A               | N/A         | N/A         | Yes         |
| Bond covenants met  | -           | N/A               | N/A         | N/A         | Yes         |
| National NeST's revenue-expense gap without philanthropy                                | -           | N/A               | N/A         | N/A         | 18%         |
| % of NeST functions forecasted to close EOY on budget                                   | 77.77%      | 100%              | 100%        | 44%         | 16%         |



# Full Scaled Impact Section (for Business Committee)

3: Meets or Exceeds

2: Approaching (80% target)

1: Does not meet

|   | EOY<br>23-24 | Quarterly Actuals |                        |                        |        |
|---|--------------|-------------------|------------------------|------------------------|--------|
| Indicator   | Q4           | Q1                | Q2                     | Q3                     | Q4     |
| # of lifetime rocketeers (Dec - 80+, June - 150+) | 32244        | N/A               | 32,497<br>(projection) | 32,650<br>(projection) | 33,033 |
| % Enrollment to next SY June BSP                  | 94%          | 91%               | 90%                    | 95%                    | 85%    |
| % retained Rocketeers SYTD                        | 90%          | 97%               | 95%                    | 93%                    | 92%    |
| # new rocketeers for Oct 15 of current SY         | 3021         | N/A               | 3042                   | N/A                    | N/A    |
| Projected new students for Oct 15 of next SY      | 2398         | N/A               | N/A                    | N/A                    | 2603   |
| Projected retained students for Oct 15 of next SY | 7498         | N/A               | N/A                    | N/A                    | 6905   |
| Overall Rating                                    |              |                   |                        |                        |        |

# Development Update



# Q1 Year-to-Date Fundraising Progress to Goal by Region

Network FY26  
Total: **\$11.2M**

Network YTD  
**\$12.6M**



National  
Goal: **\$3.2M**

California  
Goal: **\$5.7M**

Tennessee  
Goal: **\$500K**

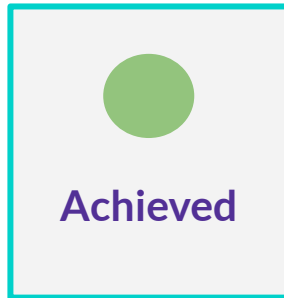


Wisconsin  
Goal: **\$1.3M**

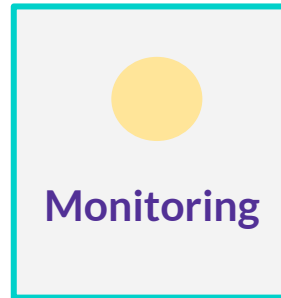
DC  
Goal: **\$500K**

# FY26 YTD Network Fundraising Health Dashboard

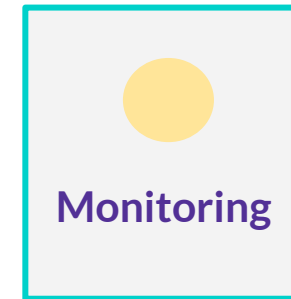
National



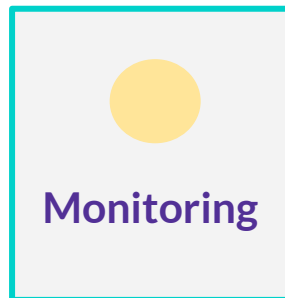
CA



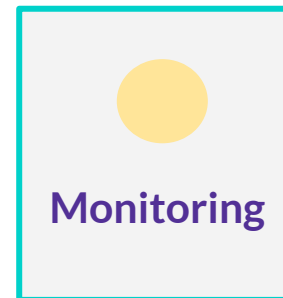
TN



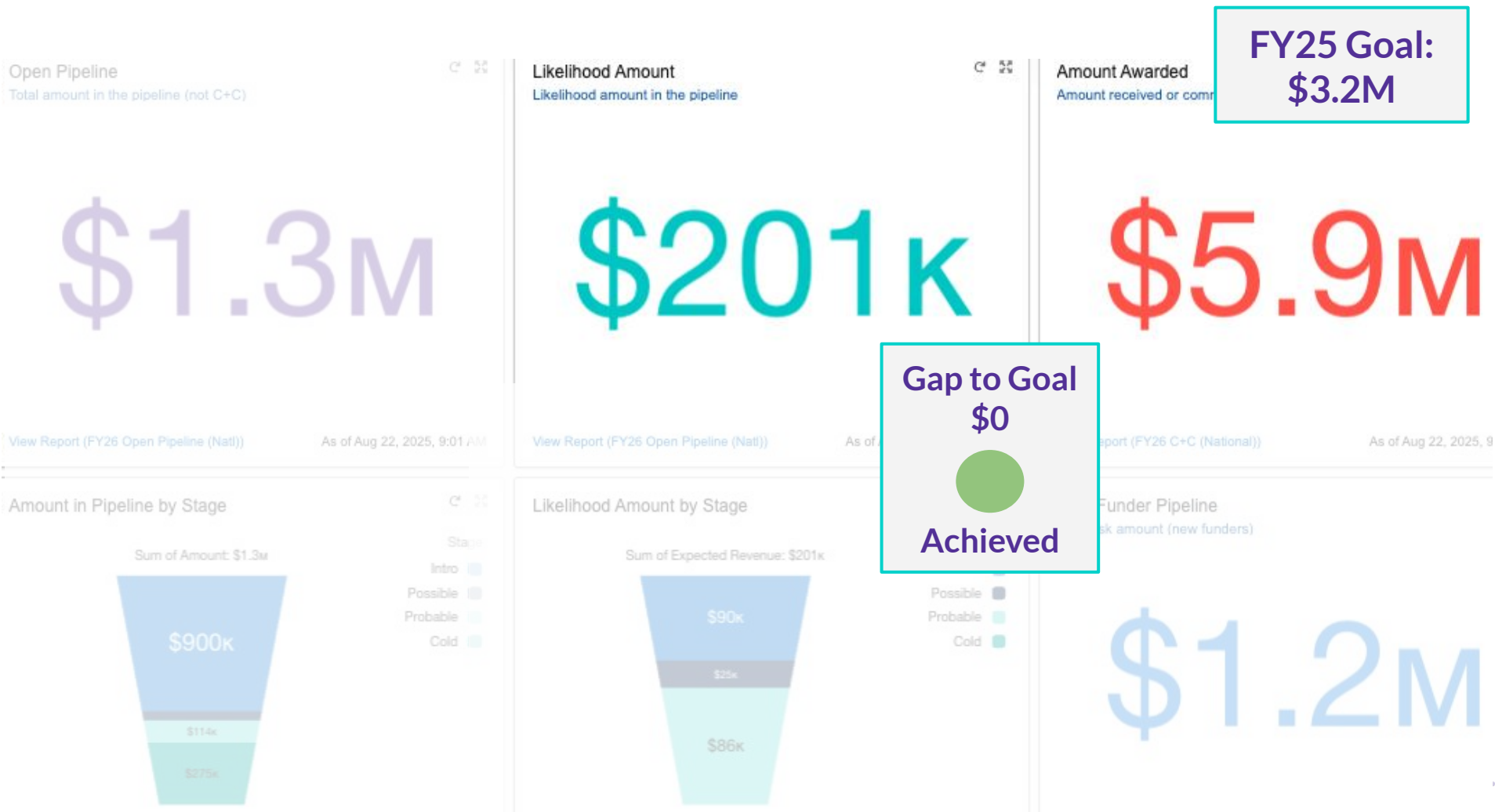
MKE



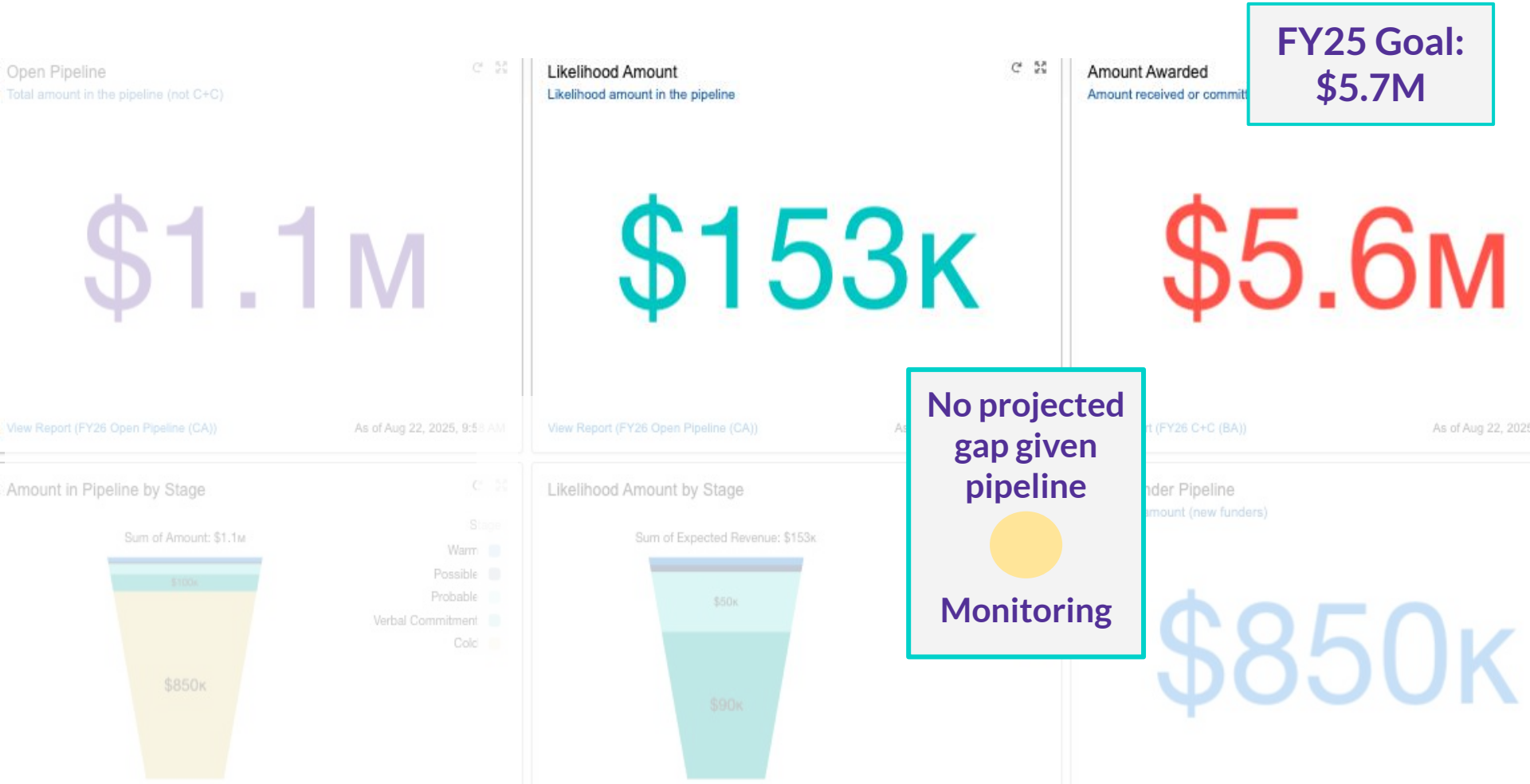
DC



**National** closed on substantial gifts in the first two months of FY26, including a renewed major gift, a renewed multi-year grant, and a grant from a new foundation.

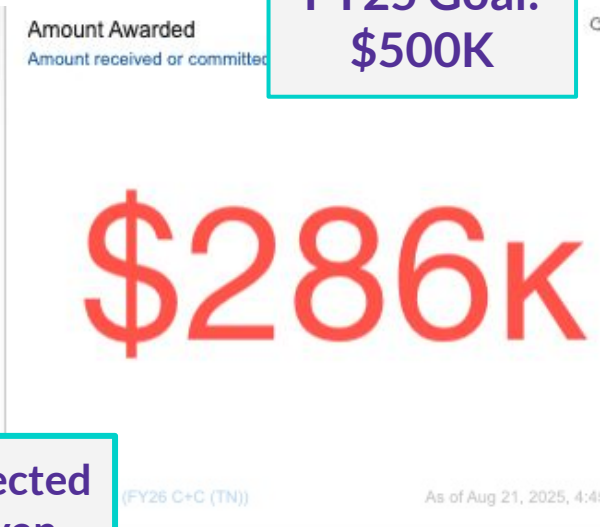


California is leveraging key California Department of Education grants to cover critical regional costs while working to cultivate new private philanthropic support.

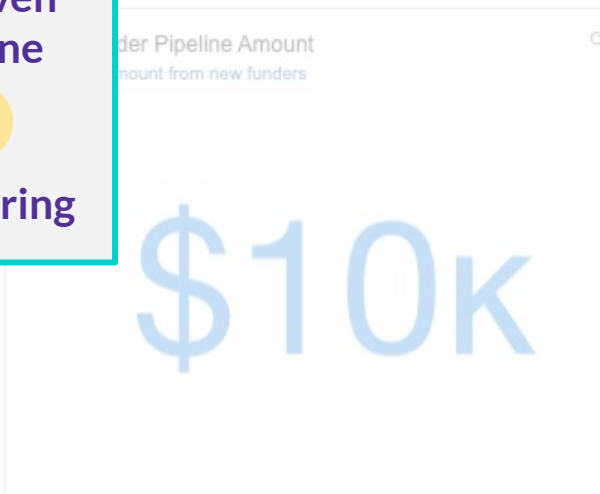
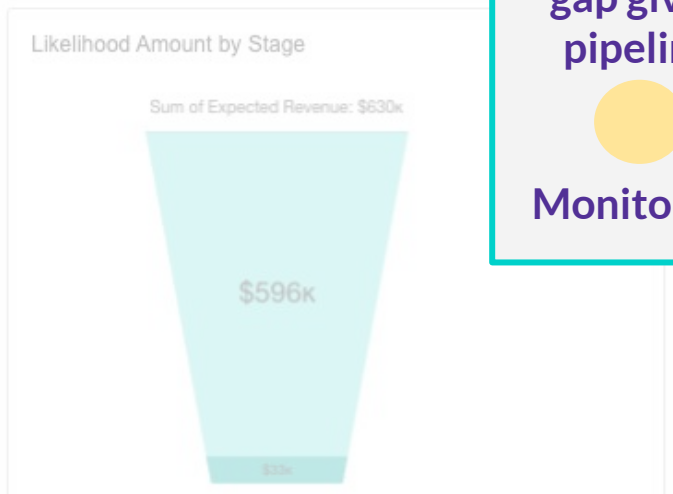


Tennessee is focused on cultivation and stewardship efforts this year with the goals of both renewing long-term supporters and identifying new funders to support growth.

FY25 Goal:  
\$500K

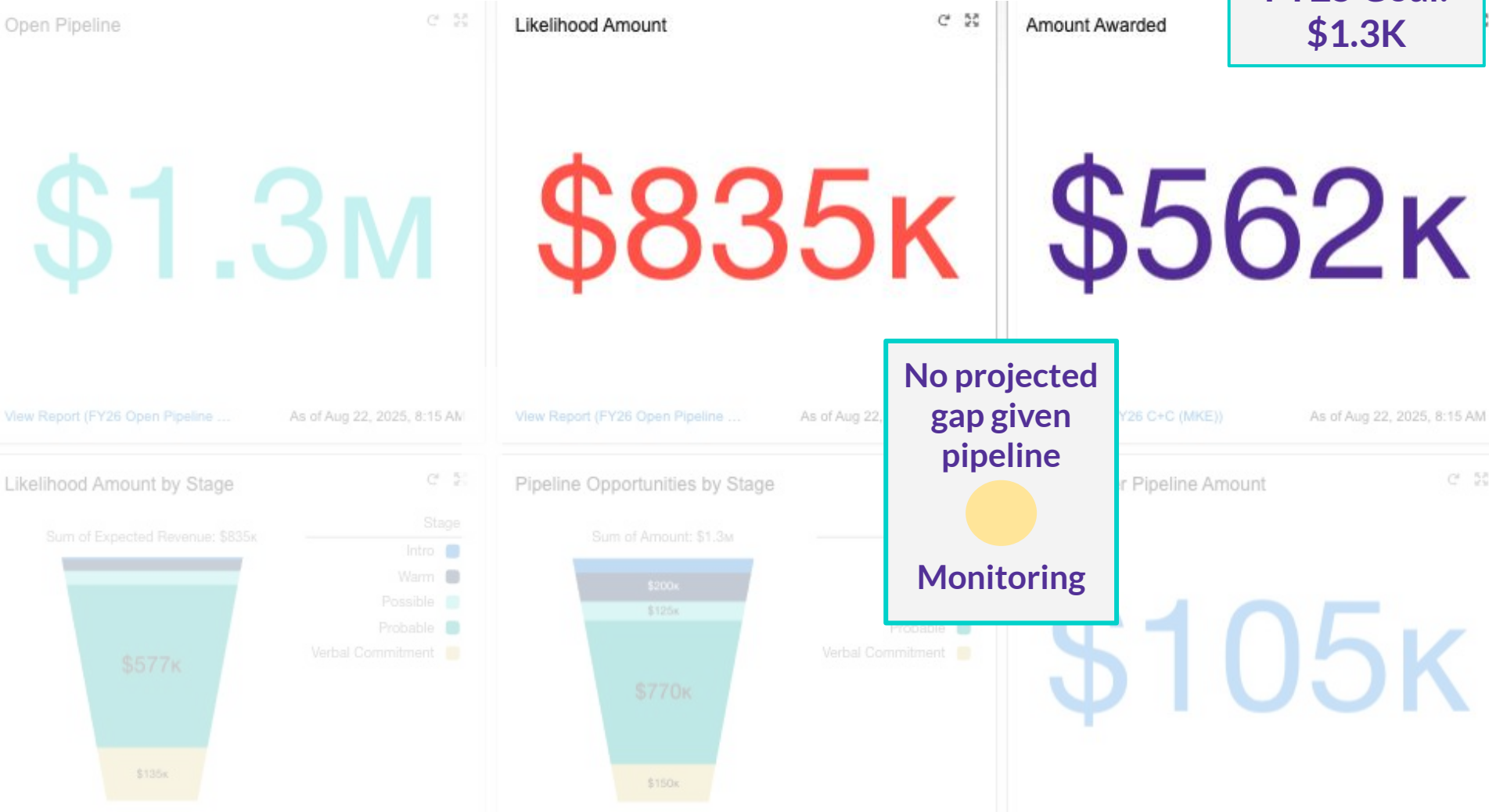


No projected gap given pipeline  
Monitoring



Wisconsin's strong pipeline, cultivation efforts, and recent growth have positioned the region well to likely meet/exceed its fundraising goal for the year.

FY25 Goal:  
\$1.3K





In DC, a multi-year gift brings the region to 50% of its fundraising target for the year, followed by a strong likelihood of meeting/exceeding the annual goal based on the pipeline.

FY25 Goal:  
\$500K

Open Pipeline  
Total amount in the pipeline

\$1.1M

Likelihood Amount  
Likelihood amount in the pipeline

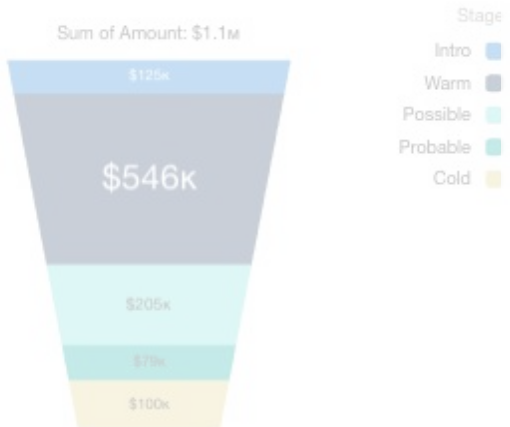
\$311k

Amount Awarded  
Amount received or comm

\$265k

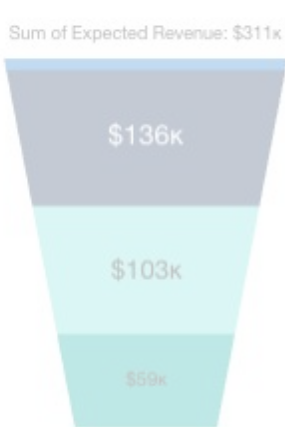
View Report (FY25 Open Pipeline ... As of Aug 22, 2025, 8:19 AM

Open Pipeline by Stage



View Report (FY25 Open Pipeline ... As of Aug 22, 2025, 8:19 AM

Likelihood Amount by Stage



View Report (FY25 Open Pipeline ... As of Aug 22, 2025, 8:19 AM

FY25 C+C (DC))

As of Aug 22, 2025, 8:19 AM

No projected  
gap given  
pipeline

Monitoring

\$771k

# FY26 Priorities: Focus areas vary by region, but **lead generation & cultivation** remain integral for the full network.

## National

- Diversify donor base
- Strong stewardship

## California

- Lead generation + cultivation to prepare for longer term financial needs
- Donor research in Orange County

## Wisconsin

- Strong management of institutional grants & strong outcomes
- Strong stewardship

## Tennessee

- Lead generation + cultivation to support growth
- Diversify donor base
- Strong stewardship

## DC

- Lead generation + cultivation
- Strong stewardship to retain and grow foundation support

## Success Benchmarks

- ✓ # of new prospects identified
- ✓ # of first-time donor meetings
- ✓ # of donor touchpoints completed
- ✓ % renewals
- ✓ # of new gifts secured

# 2024-25 EOY Financial Review



# FY25 Year-End Themes

The FY25 budgets were anchored in two “bets”, neither of which paid off:

1. Enrollment up: We intended to fill the schools to offset lost federal stimulus revenue
  - a. State and federal revenues were about \$2mm under budget
  - b. Our creative use of restricted public grants was critical to minimizing the damage: The network enrollment miss was about 5% of overall target.
  - c. Every region was below budgeted enrollment, limiting our ability to hit our bottom line goals no matter how much spending we were willing to cut.
2. Non-comp down: We intended to reduce supplies and services costs to enable us to preserve staffing
  - a. While compensation expenses were right at budget, materials across the network were 8% over budget and contract services were 18% over.
  - b. This is a combination of excessive spending and too aggressive budget targets without adequate support - materials spending was down 14% year over year and contracts spending was up just 1.5% year over year.

While RSED as a whole still had a \$3.3mm Positive CINA last year, it was less than half of the \$7.3mm in the August budget and heavily reliant on philanthropy, which was \$3mm higher than budgeted.



# FY25 Year End Income Statement - RSED by Entity

|                                       | FY25 Actuals       |                   |                    |                    |                    |                    |                     | FY25 Budget        |                    | Var                |
|---------------------------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
|                                       | CA Schools         | DC Schools        | TN Schools         | WI Schools         | Schools Total      | NeST Total         | Elim                | RSED Total         | RSED Total         |                    |
| <b>Revenues</b>                       |                    |                   |                    |                    |                    |                    |                     |                    |                    |                    |
| Federal Income                        | 11,855,400         | 3,010,644         | 2,385,878          | 1,998,195          | 19,250,117         | -                  | -                   | 19,250,117         | 16,104,655         | 3,145,462          |
| State Revenue Sources                 | 124,408,370        | 35,124,614        | 22,544,265         | 8,683,644          | 190,760,893        | 496,623            | -                   | 191,257,515        | 197,717,430        | (6,459,914)        |
| Other Local Revenues                  | 102,035            | 779,982           | 72,832             | 87,914             | 1,042,762          | 2,576,603          | -                   | 3,619,365          | 1,888,738          | 1,730,627          |
| Internal Transfers                    | -                  | 2,375,991         | -                  | -                  | 2,375,991          | 28,412,495         | (30,788,486)        | -                  | -                  | -                  |
| Grants and Fundraising                | 169,579            | 71,429            | 172,845            | 8,124              | 421,977            | 7,583,682          | -                   | 8,005,660          | 5,425,000          | 2,580,660          |
| <b>Total Revenues</b>                 | <b>136,535,384</b> | <b>41,362,659</b> | <b>25,175,820</b>  | <b>10,777,877</b>  | <b>213,851,740</b> | <b>39,069,403</b>  | <b>(30,788,486)</b> | <b>222,132,657</b> | <b>221,135,823</b> | <b>996,834</b>     |
| <b>Expense</b>                        |                    |                   |                    |                    |                    |                    |                     |                    |                    |                    |
| Personnel & Benefits                  | 64,188,276         | 12,401,006        | 13,328,681         | 6,141,628          | 96,059,590         | 24,655,647         | -                   | 120,715,237        | 121,594,945        | 879,708            |
| Books and Supplies                    | 5,630,715          | 1,385,966         | 1,302,087          | 614,070            | 8,932,838          | 1,337,365          | -                   | 10,270,202         | 9,460,206          | (809,997)          |
| Food Services                         | 4,238,448          | 1,046,112         | 1,338,391          | 494,906            | 7,117,857          | 186,809            | -                   | 7,304,666          | 7,919,145          | 614,479            |
| Services and Other Operating Expenses | 23,716,470         | 12,916,035        | 4,318,308          | 1,043,698          | 41,994,511         | 7,137,800          | -                   | 49,132,312         | 41,688,162         | (7,444,149)        |
| Travel & Conferences                  | 430,118            | 82,498            | 123,216            | 86,576             | 722,409            | 1,733,958          | -                   | 2,456,367          | 2,197,432          | (258,935)          |
| Dues and Insurance                    | 844,701            | 175,623           | 168,696            | 96,639             | 1,285,660          | 1,030,936          | -                   | 2,316,596          | 1,758,274          | (558,322)          |
| Rental, Leases, & Repairs             | 11,838,091         | 7,753,890         | 3,100,850          | 940,804            | 23,633,635         | 1,439,022          | -                   | 25,072,656         | 24,381,300         | (691,356)          |
| Network Support Fee                   | 19,086,404         | 4,279,474         | 3,553,846          | 1,492,771          | 28,412,495         | -                  | (28,412,495)        | -                  | -                  | -                  |
| Capital Outlay                        | 284,761            | 13,009            | 45,846             | 60,934             | 404,550            | 434,523            | -                   | 839,073            | 524,943            | (314,130)          |
| Interest Expense                      | -                  | 1,793             | -                  | 60,000             | 61,793             | 26,156             | -                   | 87,949             | 110,388            | 22,439             |
| Miscellaneous Expense                 | 2                  | 1                 | 993                | 0                  | 996                | 3,202,579          | (2,375,991)         | 827,584            | 4,524,043          | 3,696,459          |
| <b>Total Expense</b>                  | <b>130,257,988</b> | <b>40,055,407</b> | <b>27,280,913</b>  | <b>11,032,026</b>  | <b>208,626,334</b> | <b>41,184,796</b>  | <b>(30,788,486)</b> | <b>219,022,644</b> | <b>214,158,840</b> | <b>(4,863,804)</b> |
| <b>CINA</b>                           | <b>6,277,395</b>   | <b>1,307,252</b>  | <b>(2,105,093)</b> | <b>(254,149)</b>   | <b>5,225,405</b>   | <b>(2,115,393)</b> | <b>-</b>            | <b>3,110,013</b>   | <b>7,612,389</b>   | <b>(4,502,376)</b> |
| <b>Net assets</b>                     | <b>68,165,570</b>  | <b>(975,423)</b>  | <b>5,872,979</b>   | <b>(4,660,082)</b> | <b>68,403,044</b>  | <b>11,437,931</b>  | <b>-</b>            | <b>79,840,975</b>  |                    |                    |

- Across the organization as a whole, CINA was less than half of what was budgeted.
- Revenue was a roughly equal trade, with \$3mm less public revenue than budget being offset by \$4mm more in philanthropy and interest income.
- Expenses were substantially over budget. Compensation was right on budget but books and supplies were 8% over and services were 18% over.



# FY25 Year End Balance Sheet: RSED Consolidated vs One Year Ago

|   | FY25                | FY25                 | FY25                 | FY25                 | FY25                | FY25                 | FY25                 | FY24                 |                       |
|---|---------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|-----------------------|
|   | Natl+Nest(s)        | CA                   | DC & Elim            | WI                   | TN                  | ELIM                 | Total RSED           | Total RSED           | Difference            |
| <b>Assets</b>                           |                     |                      |                      |                      |                     |                      |                      |                      |                       |
| Total Cash and cash equivalents         | \$7,872,488         | \$55,923,507         | \$7,709,389          | \$705,624            | \$7,034,591         | (\$0)                | \$79,245,600         | \$88,150,370         | (\$8,904,770)         |
| Total Accounts Receivable               | \$131,921           | \$21,967,281         | \$1,554,213          | \$423,157            | \$753,352           | (\$26,653)           | \$24,803,270         | \$23,760,014         | \$1,043,256           |
| Total Prepaid expenses and deposits     | \$2,679,930         | \$1,052,550          | \$156,257            | \$130,766            | \$352,645           | \$0                  | \$4,372,148          | \$5,852,877          | (\$1,480,729)         |
| Total Security Deposits                 | \$34,297            | \$425,000            | \$0                  | \$0                  | \$0                 | \$0                  | \$459,297            | \$459,297            | \$0                   |
| Total Property, plant & equipment       | \$5,303,540         | \$131,739,530        | \$122,893,218        | \$8,113,557          | \$39,740,400        | \$0                  | \$307,790,245        | \$305,357,199        | \$2,433,045           |
| Total Less: Accumulated depreciation    | (\$3,367,601)       | (\$18,958,129)       | (\$6,597,867)        | (\$1,440,588)        | (\$3,194,033)       | \$0                  | (\$33,558,217)       | (\$23,579,298)       | (\$9,978,918)         |
| Total Note receivable                   | \$5,692,952         | \$0                  | \$0                  | \$0                  | \$0                 | (\$5,692,952)        | \$0                  | \$468,650            | (\$468,650)           |
| <b>Total Assets</b>                     | <b>\$18,347,527</b> | <b>\$192,149,739</b> | <b>\$125,715,210</b> | <b>\$7,932,516</b>   | <b>\$44,686,955</b> | <b>(\$5,719,605)</b> | <b>\$383,112,342</b> | <b>\$400,469,043</b> | <b>(\$17,356,701)</b> |
| Total Accounts payable                  | \$2,567,257         | \$3,073,209          | \$770,667            | \$180,483            | \$272,003           | \$0                  | \$6,863,618          | \$4,113,800          | \$2,749,818           |
| Total Accrued liabilities               | \$2,714,025         | \$1,527,290          | \$76,202             | \$38,324             | \$1,172,024         | \$0                  | \$5,527,865          | \$6,839,741          | (\$1,311,876)         |
| Total Accrued lease payments S-T        | \$366,350           | \$6,573,791          | \$1,866,215          | \$472,075            | \$769,626           | \$0                  | \$10,048,057         | \$9,238,685          | \$809,372             |
| Total Deferred Revenue                  | \$155,000           | \$11,089,096         | \$0                  | \$0                  | \$0                 | \$0                  | \$11,244,096         | \$20,534,783         | (\$9,290,687)         |
| Total Deferred management fee S-T       | \$0                 | \$0                  | \$26,652             | \$0                  | \$0                 | (\$26,653)           | (\$1)                | (\$1)                | \$0                   |
| Total Intercompany Loan                 | \$100,000           | \$0                  | \$0                  | \$1,500,000          | \$0                 | (\$1,600,000)        | \$0                  | \$0                  | \$0                   |
| Total Current portion of loans payable  | \$250,000           | \$0                  | \$0                  | \$0                  | \$0                 | \$0                  | \$250,000            | \$4,550,000          | (\$4,300,000)         |
| <b>Total Current Liabilities</b>        | <b>\$6,152,633</b>  | <b>\$22,263,385</b>  | <b>\$2,739,735</b>   | <b>\$2,190,882</b>   | <b>\$2,213,653</b>  | <b>(\$1,626,653)</b> | <b>\$33,933,635</b>  | <b>\$45,277,008</b>  | <b>(\$11,343,373)</b> |
| Total Accrued lease payments L-T        | \$847,571           | \$101,455,832        | \$123,907,934        | \$6,301,836          | \$36,714,224        | \$0                  | \$269,227,397        | \$278,443,868        | (\$9,216,470)         |
| Total Accrued Interest                  | \$2,500             | \$0                  | \$0                  | \$0                  | \$0                 | \$0                  | \$2,500              |                      | \$2,500               |
| Total Loans payable L-T                 | \$0                 | \$0                  | \$0                  | \$4,092,952          | \$0                 | (\$4,092,952)        | (\$0)                | \$0                  | (\$0)                 |
| Total Long-Term Liabilities             | \$850,071           | \$101,455,832        | \$123,907,934        | \$10,394,788         | \$36,714,224        | (\$4,092,952)        | \$269,229,897        | \$278,443,868        | (\$9,213,970)         |
| <b>Net Assets</b>                       | <b>\$11,344,823</b> | <b>\$68,430,522</b>  | <b>(\$932,459)</b>   | <b>(\$4,653,154)</b> | <b>\$5,759,078</b>  | <b>\$0</b>           | <b>\$79,948,810</b>  | <b>\$76,748,168</b>  | <b>\$3,200,642</b>    |
| <b>Total Liabilities and Net Assets</b> | <b>\$18,347,527</b> | <b>\$192,149,739</b> | <b>\$125,715,210</b> | <b>\$7,932,516</b>   | <b>\$44,686,955</b> | <b>(\$5,719,605)</b> | <b>\$383,112,342</b> | <b>\$400,469,043</b> | <b>(\$17,356,701)</b> |

Despite a positive change in net assets, the organization saw a 10% decline in cash on hand. This is driven by the CA region's drawdown of deferred revenue (cash paid in previous years for multi year grant programs).





# FY25 Year End P&L: CA region budget vs actual

|                                       | RDP              | RSSP             | RMS               | RLS              | RBM               | RSA               | ROMO              | RDL               | RSK               | RFZ               | RRS               | RFA               | RRWC             | CA Schools Total   |                    |                  |
|---------------------------------------|------------------|------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|--------------------|--------------------|------------------|
|                                       | FY25 Actuals     |                  |                   |                  |                   |                   |                   |                   |                   |                   |                   |                   |                  | FY25 Budget        | FY25 Actuals       | Var              |
| <b>Revenues</b>                       |                  |                  |                   |                  |                   |                   |                   |                   |                   |                   |                   |                   |                  |                    |                    |                  |
| Federal Income                        | 892,902          | 779,228          | 857,292           | 820,108          | 1,018,968         | 1,050,761         | 1,004,265         | 976,427           | 537,624           | 1,060,617         | 1,006,018         | 1,105,554         | 745,636          | 7,528,091          | 11,855,400         | 4,327,309        |
| State Revenue Sources                 | 8,151,317        | 6,164,674        | 8,855,205         | 7,517,266        | 10,878,036        | 9,942,061         | 11,487,599        | 10,536,120        | 10,987,903        | 10,801,681        | 12,568,551        | 11,277,225        | 5,240,731        | 129,198,645        | 124,408,370        | (4,790,275)      |
| Other Local Revenues                  | 5                | 9,328            | 34,918            | 3,660            | 14,675            | 13                | 1,301             | 12,616            | 7,638             | 163               | 8,641             | 985               | 8,093            | 13,345             | 102,035            | 88,690           |
| Internal Transfers                    | -                | -                | -                 | -                | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                | 0                  | 0                  | 0                |
| Grants and Fundraising                | -                | 19,081           | 169               | 4,912            | 22,920            | 43,754            | 22,498            | 21,477            | 17,898            | 9,723             | 1,576             | -                 | 5,571            | 0                  | 169,579            | 169,579          |
| <b>Total Revenues</b>                 | <b>9,044,223</b> | <b>6,972,312</b> | <b>9,747,585</b>  | <b>8,345,946</b> | <b>11,934,600</b> | <b>11,036,589</b> | <b>12,515,662</b> | <b>11,546,640</b> | <b>11,551,063</b> | <b>11,872,184</b> | <b>13,584,785</b> | <b>12,383,764</b> | <b>6,000,030</b> | <b>136,740,081</b> | <b>136,535,384</b> | <b>(204,697)</b> |
| <b>Expense</b>                        |                  |                  |                   |                  |                   |                   |                   |                   |                   |                   |                   |                   |                  |                    |                    |                  |
| Personnel & Benefits                  | 4,485,202        | 3,194,246        | 4,723,950         | 3,942,739        | 5,357,562         | 5,252,797         | 6,362,146         | 5,101,846         | 5,437,710         | 5,285,013         | 5,702,578         | 6,225,219         | 3,117,267        | 64,574,246         | 64,188,276         | 385,969          |
| Books and Supplies                    | 426,932          | 314,131          | 613,802           | 273,085          | 500,117           | 412,547           | 349,712           | 496,182           | 451,584           | 396,565           | 451,455           | 548,937           | 395,666          | 5,668,493          | 5,630,715          | 37,778           |
| Food Services                         | 300,951          | 237,400          | 301,870           | 217,003          | 440,542           | 366,468           | 366,179           | 297,144           | 339,366           | 394,192           | 339,425           | 430,620           | 207,288          | 5,179,260          | 4,238,448          | 940,812          |
| Services and Other Operating Expenses | 1,614,095        | 1,389,765        | 2,110,646         | 1,110,236        | 2,066,594         | 1,958,961         | 1,593,052         | 2,380,617         | 1,923,954         | 1,611,984         | 2,186,979         | 2,365,563         | 1,404,024        | 21,031,824         | 23,716,470         | (2,684,646)      |
| Travel & Conferences                  | 26,681           | 10,320           | 56,455            | 8,748            | 15,930            | 41,669            | 20,226            | 56,268            | 37,498            | 49,803            | 27,266            | 58,232            | 21,022           | 412,792            | 430,118            | (17,326)         |
| Dues and Insurance                    | 57,475           | 37,355           | 78,334            | 41,301           | 80,695            | 80,083            | 64,079            | 69,257            | 66,060            | 79,378            | 72,448            | 77,952            | 40,284           | 790,768            | 844,701            | (53,933)         |
| Rental, Leases, & Repairs             | 851,676          | 752,152          | 1,022,096         | 964,221          | 995,321           | 897,435           | 1,057,657         | 1,288,380         | 998,079           | 1,346,970         | 1,040,906         | 528,287           | 94,912           | 12,590,359         | 11,838,091         | 752,268          |
| Network Support Fee                   | 1,227,293        | 957,089          | 1,360,523         | 1,096,316        | 1,643,094         | 1,567,438         | 1,726,569         | 1,653,452         | 1,628,357         | 1,691,606         | 1,954,301         | 1,756,052         | 824,314          | 19,083,516         | 19,086,404         | (2,888)          |
| Capital Outlay                        | 23,783           | 33,450           | 59,639            | 33,968           | 12,200            | 19,567            | 32,550            | 7,201             | 13,527            | 9,616             | 9,163             | 27,284            | 2,811            | 212,208            | 284,761            | (72,553)         |
| Interest Expense                      | -                | -                | -                 | -                | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                | 860                | 0                  | 860              |
| Miscellaneous Expense                 | (0)              | (0)              | (1)               | 3                | 0                 | (0)               | (0)               | -                 | (0)               | (0)               | -                 | (0)               | 0                | 3,073,544          | 2                  | 3,073,542        |
| <b>Total Expense</b>                  | <b>9,014,088</b> | <b>6,925,908</b> | <b>10,327,315</b> | <b>7,687,621</b> | <b>11,112,056</b> | <b>10,596,966</b> | <b>11,572,170</b> | <b>11,350,347</b> | <b>10,896,135</b> | <b>10,865,127</b> | <b>11,784,521</b> | <b>12,018,147</b> | <b>6,107,587</b> | <b>132,617,870</b> | <b>130,257,988</b> | <b>2,359,881</b> |
| <b>CINA</b>                           | <b>30,134</b>    | <b>46,404</b>    | <b>(579,730)</b>  | <b>658,326</b>   | <b>822,544</b>    | <b>439,623</b>    | <b>943,492</b>    | <b>196,293</b>    | <b>654,928</b>    | <b>1,007,057</b>  | <b>1,800,264</b>  | <b>365,618</b>    | <b>(107,557)</b> | <b>4,122,211</b>   | <b>6,277,395</b>   | <b>2,155,184</b> |
| <b>Net assets</b>                     | <b>1,422,674</b> | <b>3,903,574</b> | <b>3,695,383</b>  | <b>4,770,708</b> | <b>7,679,092</b>  | <b>3,847,781</b>  | <b>8,226,166</b>  | <b>1,646,639</b>  | <b>8,543,861</b>  | <b>8,420,974</b>  | <b>12,669,505</b> | <b>2,900,358</b>  | <b>438,854</b>   | <b>66,010,386</b>  | <b>68,165,570</b>  |                  |

- Despite missing enrollment targets by ~500 students, the region met its overall revenue budget. This was driven by the use of time-limited restricted grant programs.
- The region as a whole underspent its overall expense target by about 2%.
- All but two schools had positive CINA. RMS has now had two years of negative results.



# FY25 Year End Balance Sheet: CA Region Year over Year

Cash declined despite the increase in net assets due to spending down the large Deferred Revenue balance accrued over the last several years.

Cash is still very strong: 158 days of FY26 operating expenses.

|   | FY25                 | FY24                 | Difference           |
|---|----------------------|----------------------|----------------------|
|   | CA                   | CA                   | CA                   |
| <b>Assets</b>                           |                      |                      |                      |
| Total Cash and cash equivalents         | \$55,923,507         | \$64,533,262         | (\$8,609,755)        |
| Total Accounts Receivable               | \$21,967,281         | \$17,913,003         | \$4,054,278          |
| Total Prepaid expenses and deposits     | \$1,052,550          | \$1,027,637          | \$24,913             |
| Total Security Deposits                 | \$425,000            | \$425,000            | \$0                  |
| Total Property, plant & equipment       | \$131,739,530        | \$129,780,470        | \$1,959,061          |
| Total Less: Accumulated depreciation    | (\$18,958,129)       | (\$13,343,777)       | (\$5,614,351)        |
| Total Note receivable                   | \$0                  | \$153,916            | (\$153,916)          |
| <b>Total Assets</b>                     | <b>\$192,149,739</b> | <b>\$200,489,511</b> | <b>(\$8,339,772)</b> |
| Total Accounts payable                  | \$3,073,094          | \$1,744,937          | \$1,328,157          |
| Total Accrued liabilities               | \$1,527,290          | \$2,910,057          | (\$1,382,767)        |
| Total Accrued lease payments S-T        | \$6,573,791          | \$6,163,455          | \$410,336            |
| Total Deferred Revenue                  | \$11,089,086         | \$20,528,585         | (\$9,439,499)        |
| Total Deferred management fee S-T       | \$0                  | \$0                  | \$0                  |
| Total Intercompany Loan                 | \$0                  | \$0                  | \$0                  |
| Total Current portion of loans payable  | \$0                  | \$0                  | \$0                  |
| Total Current Liabilities               | \$22,263,385         | \$31,347,034         | (\$9,083,649)        |
| Total Accrued lease payments L-T        | \$101,455,832        | \$107,259,181        | (\$5,803,349)        |
| Total Accrued Interest                  | \$0                  | \$0                  | \$0                  |
| Total Loans payable L-T                 | \$0                  | \$0                  | \$0                  |
| Total Long-Term Liabilities             | \$101,455,832        | \$107,259,181        | (\$5,803,349)        |
| <b>Net Assets</b>                       | <b>\$68,754,846</b>  | <b>\$61,883,295</b>  | <b>\$6,871,551</b>   |
| <b>Total Liabilities and Net Assets</b> | <b>\$192,149,739</b> | <b>\$200,489,511</b> | <b>(\$8,339,772)</b> |





# CA Cash Detail

|                                  | FY21        | FY22        | FY23         | FY24         | FY25          | 5 Year Total |
|----------------------------------|-------------|-------------|--------------|--------------|---------------|--------------|
| CA Schools' Change in Cash       | \$5,302,426 | \$7,198,146 | \$17,067,297 | \$15,227,310 | (\$8,609,752) | \$36,185,427 |
| CA Schools' Change in Net Assets | \$8,489,933 | (\$604,389) | \$12,962,595 | \$11,114,310 | \$6,547,227   | \$38,509,676 |

The \$8.6mm decrease in CA cash, despite a \$6.5mm operating surplus is a function of several things:

1. Increased capital investment in facilities: \$2mm in FY25
2. Use of multi-year grant revenues that were pre-paid in prior years (\$9mm overall)

This drawdown was necessary when we review our recent history - Cash increased by \$33mm in the previous two years, despite CA schools only running \$24mm in operating surplus and the region began the year with nearly \$21mm in Deferred/Unearned Revenue



# FY25 Year End Budget to Actual

|                                      | RISE              | RLP               | RIC                | DC Schools Total   |                   |                  |
|--------------------------------------|-------------------|-------------------|--------------------|--------------------|-------------------|------------------|
|                                      | FY25 Actuals      |                   |                    | FY25 Budget        | FY25 Actuals      | Var              |
| <b>Revenues</b>                      |                   |                   |                    |                    |                   |                  |
| Federal Income                       | 877,896           | 1,285,956         | 846,792            | 3,355,094          | 3,010,644         | (344,451)        |
| State Revenue Sources                | 10,350,024        | 15,357,084        | 9,417,506          | 34,801,218         | 35,124,614        | 323,397          |
| Other Local Revenues                 | 175,921           | 344,801           | 259,260            | 297,693            | 779,982           | 482,288          |
| Internal Transfers                   | 1,118,774         | 628,608           | 628,608            | 0                  | 2,375,991         | 2,375,991        |
| Grants and Fundraising               | 23,810            | 23,810            | 23,810             | 600,000            | 71,429            | (528,571)        |
| <b>Total Revenues</b>                | <b>12,546,425</b> | <b>17,640,258</b> | <b>11,175,976</b>  | <b>39,054,005</b>  | <b>41,362,659</b> | <b>2,308,654</b> |
| <b>Expense</b>                       |                   |                   |                    |                    |                   |                  |
| Personnel & Benefits                 | 3,906,751         | 4,815,565         | 3,678,690          | 14,645,135         | 12,401,006        | 2,244,129        |
| Books and Supplies                   | 410,441           | 436,998           | 538,528            | 949,240            | 1,385,966         | (436,726)        |
| Food Services                        | 368,342           | 463,738           | 214,032            | 1,000,644          | 1,046,112         | (45,467)         |
| Services and Other Operating Expense | 4,371,163         | 5,666,106         | 2,878,767          | 11,302,676         | 12,916,035        | (1,613,359)      |
| Travel & Conferences                 | 20,219            | 29,256            | 33,023             | 154,209            | 82,498            | 71,711           |
| Dues and Insurance                   | 44,460            | 70,836            | 60,328             | 185,302            | 175,623           | 9,679            |
| Rental, Leases, & Repairs            | 2,095,324         | 1,936,800         | 3,721,766          | 7,517,253          | 7,753,890         | (236,637)        |
| Network Support Fee                  | 1,240,035         | 1,814,141         | 1,225,298          | 4,549,047          | 4,279,474         | 269,573          |
| Capital Outlay                       | 5,610             | 6,571             | 828                | 3,722              | 13,009            | (9,287)          |
| Interest Expense                     | 0                 | 0                 | 1,793              | 0                  | 1,793             | (1,793)          |
| Miscellaneous Expense                | 1                 | 0                 | 0                  | 0                  | 1                 | (1)              |
| <b>Total Expense</b>                 | <b>12,462,345</b> | <b>15,240,010</b> | <b>12,353,052</b>  | <b>40,307,229</b>  | <b>40,055,407</b> | <b>251,822</b>   |
| <b>CINA</b>                          | <b>84,081</b>     | <b>2,400,248</b>  | <b>(1,177,077)</b> | <b>(1,253,224)</b> | <b>1,307,252</b>  | <b>2,560,476</b> |
| <b>Net assets</b>                    | <b>1,808,578</b>  | <b>5,973,217</b>  | <b>(8,757,218)</b> |                    | <b>(975,423)</b>  |                  |

- The region as a whole posted a \$1.3mm surplus for the year. However, this is only possible due to the forgiveness by the national board of \$2.375mm of deferred fee from 2017.
- Absent that, the region would have run a \$1.1mm deficit, slightly better than budget.
- Expenses beat our budget targets by about \$252k, a combination of much lower staffing costs than budgeted and much higher non-compensation.



# FY25 Year End Balance Sheet: DC Region Year over Year

Overall cash position was basically unchanged in FY25. Cash position was negatively impacted by the ~\$1.2mm operating loss (before the loan forgiveness) but supported by the decrease in accounts receivable. Year end cash position was strong: \$7.7mm or 72 days of FY26 operating expenses.

|   | FY25                 | FY24                 | Difference           |
|---|----------------------|----------------------|----------------------|
|   | RPS DC               |                      |                      |
| <b>Assets</b>                           |                      |                      |                      |
| Total Cash and cash equivalents         | \$7,709,389          | \$7,673,970          | \$35,419             |
| Total Accounts Receivable               | \$1,456,676          | \$1,911,609          | (\$454,933)          |
| Total Prepaid expenses and deposits     | \$156,257            | \$2,047,187          | (\$1,890,930)        |
| Total Security Deposits                 | \$0                  | \$0                  | \$0                  |
| Total Property, plant & equipment       | \$122,893,218        | \$122,886,766        | \$6,452              |
| Total Less: Accumulated depreciation    | (\$6,597,867)        | (\$4,619,955)        | (\$1,977,912)        |
| Total Note receivable                   | \$0                  | (\$4,114)            | \$4,114              |
| <b>Total Assets</b>                     | <b>\$125,617,673</b> | <b>\$129,895,462</b> | <b>(\$4,277,789)</b> |
| Total Accounts payable                  | \$770,667            | \$1,434,247          | (\$663,581)          |
| Total Accrued liabilities               | \$75,103             | \$562,124            | (\$487,020)          |
| Total Accrued lease payments S-T        | \$1,866,215          | \$1,714,386          | \$151,828            |
| Total Deferred Revenue                  | \$0                  | (\$0)                | \$0                  |
| Total Deferred management fee S-T       | \$26,652             | \$347,086            | (\$320,435)          |
| Total Intercompany Loan                 | \$0                  | \$0                  | \$0                  |
| Total Current portion of loans payable  | \$0                  | \$0                  | \$0                  |
| Total Current Liabilities               | \$2,738,636          | \$4,057,844          | (\$1,319,208)        |
| Total Accrued lease payments L-T        | \$123,907,934        | \$121,446,027        | \$2,461,907          |
| Total Accrued Interest                  | \$0                  |                      | \$0                  |
| Total Loans payable L-T                 | \$0                  | \$2,375,991          | (\$2,375,991)        |
| Total Long-Term Liabilities             | \$123,907,934        | \$128,114,792        | (\$4,206,858)        |
| <b>Net Assets</b>                       | <b>(\$1,028,897)</b> | <b>(\$2,277,173)</b> | <b>\$1,248,276</b>   |
| <b>Total Liabilities and Net Assets</b> | <b>\$125,617,673</b> | <b>\$129,895,462</b> | <b>(\$4,277,789)</b> |



# FY25 Year End Budget to Actual - TN

|                                      | RNNE             | RUA              | RDCP               | TN Schools Total  |                    |                    |
|--------------------------------------|------------------|------------------|--------------------|-------------------|--------------------|--------------------|
|                                      | FY25 Actuals     |                  |                    | FY25 Budget       | FY25 Actuals       | Var                |
| <b>Revenues</b>                      |                  |                  |                    |                   |                    |                    |
| Federal Income                       | 1,005,683        | 731,357          | 648,838            | 2,980,800         | 2,385,878          | (594,922)          |
| State Revenue Sources                | 7,324,128        | 8,204,798        | 7,015,338          | 24,733,920        | 22,544,265         | (2,189,655)        |
| Other Local Revenues                 | 20,516           | 35,907           | 16,408             | 50,400            | 72,832             | 22,432             |
| Internal Transfers                   | 0                | 0                | 0                  | 0                 | 0                  | 0                  |
| Grants and Fundraising               | 59,698           | 64,007           | 49,141             | 0                 | 172,845            | 172,845            |
| <b>Total Revenues</b>                | <b>8,410,025</b> | <b>9,036,069</b> | <b>7,729,726</b>   | <b>27,765,120</b> | <b>25,175,820</b>  | <b>(2,589,300)</b> |
| <b>Expense</b>                       |                  |                  |                    |                   |                    |                    |
| Personnel & Benefits                 | 4,596,104        | 4,781,926        | 3,950,650          | 14,232,676        | 13,328,681         | 903,995            |
| Books and Supplies                   | 475,738          | 440,115          | 386,234            | 1,198,747         | 1,302,087          | (103,340)          |
| Food Services                        | 503,078          | 426,352          | 408,960            | 1,166,400         | 1,338,391          | (171,991)          |
| Services and Other Operating Expense | 1,515,071        | 1,331,086        | 1,472,151          | 3,790,528         | 4,318,308          | (527,780)          |
| Travel & Conferences                 | 52,958           | 50,146           | 20,112             | 118,922           | 123,216            | (4,294)            |
| Dues and Insurance                   | 62,843           | 58,800           | 47,052             | 153,592           | 168,696            | (15,104)           |
| Rental, Leases, & Repairs            | 751,267          | 717,187          | 1,632,396          | 2,516,215         | 3,100,850          | (584,635)          |
| Network Support Fee                  | 1,169,379        | 1,282,980        | 1,101,487          | 3,969,288         | 3,553,846          | 415,442            |
| Capital Outlay                       | 22,190           | 21,442           | 2,213              | 12,041            | 45,846             | (33,805)           |
| Interest Expense                     | 0                | 0                | 0                  | 0                 | 0                  | 0                  |
| Miscellaneous Expense                | 993              | 0                | 0                  | 0                 | 993                | (993)              |
| <b>Total Expense</b>                 | <b>9,149,621</b> | <b>9,110,036</b> | <b>9,021,256</b>   | <b>27,158,408</b> | <b>27,280,913</b>  | <b>(122,505)</b>   |
| <b>CINA</b>                          | <b>(739,596)</b> | <b>(73,967)</b>  | <b>(1,291,530)</b> | <b>606,712</b>    | <b>(2,105,093)</b> | <b>(2,711,805)</b> |
| <b>Net assets</b>                    | <b>2,460,030</b> | <b>6,255,674</b> | <b>(2,842,725)</b> |                   | <b>5,872,979</b>   |                    |

- Year end results are a \$2.1mm deficit, driven by a total \$2.6mm variance to the revenue budget (detail on next slide).
- Year-end expenses are consistent with our January and April projections: Compensation is 6% under budget, with supplies and services overspending targets, resulting in a ~1% savings on total expenses relative to budget.



# TN Revenue Variance Detail

All in, the region finished the year with a \$2.6mm (11%) core per-pupil revenue variance to budget. This has several sources:

- 3.75% enrollment miss: 54 students (1,386 ADM vs 1,440 budgeted)
- 1.5% Reduction in Per Pupil Revenue from original budget (\$16,846 vs \$17,093)
- FY24 Revenue Recoupment by MNPS
- Reserve for likely FY24 Revenue Recoupment

| Source                             | Amount    | Percent of Total Miss |
|------------------------------------|-----------|-----------------------|
| Enrollment Variance to Budget      | \$909,729 | 34%                   |
| Per Pupil Variance to Budget       | \$354,486 | 13%                   |
| FY24 Revenue Recapture             | \$727,142 | 27%                   |
| Reserve for FY25 Revenue Recapture | \$654,630 | 25%                   |





# FY25 Year End Balance Sheet: TN Region Year over Year

- Following several years of positive cash accumulation, FY25 was RPS TN's first negative cash year.
- Cash was negatively impacted by:
  - Operating loss of \$2.2mm
  - Reduction in long-term debt of \$745k
- Cash loss was mitigated by a reduction in Accounts Receivable.
- Overall cash position is still very strong: \$7.034mm or 89 days of FY26 operating expenses.

|   | FY25                | FY24                | Difference           |
|---|---------------------|---------------------|----------------------|
| Rocketship TN                           |                     |                     |                      |
| <b>Assets</b>                           |                     |                     |                      |
| Total Cash and cash equivalents         | \$7,034,591         | \$7,908,952         | (\$874,361)          |
| Total Accounts Receivable               | \$654,984           | \$2,124,365         | (\$1,469,381)        |
| Total Prepaid expenses and deposits     | \$352,645           | \$249,008           | \$103,637            |
| Total Security Deposits                 | \$0                 | \$0                 | \$0                  |
| Total Property, plant & equipment       | \$39,740,400        | \$39,351,847        | \$388,552            |
| Total Less: Accumulated depreciation    | (\$3,194,033)       | (\$2,069,336)       | (\$1,124,696)        |
| Total Note receivable                   | \$0                 | (\$28,872)          | \$28,872             |
| <b>Total Assets</b>                     | <b>\$44,588,587</b> | <b>\$47,535,963</b> | <b>(\$2,947,376)</b> |
| Total Accounts payable                  | \$272,003           | \$204,856           | \$67,147             |
| Total Accrued liabilities               | \$1,141,333         | \$571,170           | \$570,163            |
| Total Accrued lease payments S-T        | \$769,626           | \$559,392           | \$210,233            |
| Total Deferred Revenue                  | \$0                 | \$6,198             | (\$6,198)            |
| Total Deferred management fee S-T       | \$0                 | \$0                 | \$0                  |
| Total Intercompany Loan                 | \$0                 | \$0                 | \$0                  |
| Total Current portion of loans payable  | \$0                 | \$0                 | \$0                  |
| Total Current Liabilities               | \$2,182,961         | \$1,341,616         | \$841,346            |
| Total Accrued lease payments L-T        | \$36,714,224        | \$37,471,528        | (\$757,304)          |
| Total Accrued Interest                  | \$0                 |                     | \$0                  |
| Total Loans payable L-T                 | \$0                 | \$745,846           | (\$745,846)          |
| Total Long-Term Liabilities             | \$36,714,224        | \$38,217,374        | (\$1,503,150)        |
| <b>Net Assets</b>                       | <b>\$5,691,402</b>  | <b>\$7,976,973</b>  | <b>(\$2,285,572)</b> |
| <b>Total Liabilities and Net Assets</b> | <b>\$44,588,587</b> | <b>\$47,535,963</b> | <b>(\$2,947,376)</b> |



# FY25 Year End Budget to Actual - WI

|                                      | RSCP               | RTP                | WI Schools Total  |                    |                  |
|--------------------------------------|--------------------|--------------------|-------------------|--------------------|------------------|
|                                      | FY25 Actuals       |                    | FY25 Budget       | FY25 Actuals       | Var              |
| <b>Revenues</b>                      |                    |                    |                   |                    |                  |
| Federal Income                       | 1,250,842          | 747,353            | 2,240,670         | 1,998,195          | (242,475)        |
| State Revenue Sources                | 5,284,036          | 3,399,609          | 8,983,647         | 8,683,644          | (300,003)        |
| Other Local Revenues                 | 78,342             | 9,572              | 27,300            | 87,914             | 60,614           |
| Internal Transfers                   | 0                  | 0                  | 0                 | 0                  | 0                |
| Grants and Fundraising               | 6,551              | 1,573              | 0                 | 8,124              | 8,124            |
| <b>Total Revenues</b>                | <b>6,619,771</b>   | <b>4,158,106</b>   | <b>11,251,617</b> | <b>10,777,877</b>  | <b>(473,740)</b> |
| <b>Expense</b>                       |                    |                    |                   |                    |                  |
| Personnel & Benefits                 | 3,925,050          | 2,216,577          | 6,695,731         | 6,141,628          | 554,103          |
| Books and Supplies                   | 345,296            | 268,774            | 417,030           | 614,070            | (197,040)        |
| Food Services                        | 260,825            | 234,081            | 513,228           | 494,906            | 18,322           |
| Services and Other Operating Expense | 602,838            | 440,860            | 792,713           | 1,043,698          | (250,985)        |
| Travel & Conferences                 | 55,899             | 30,677             | 0                 | 86,576             | (86,576)         |
| Dues and Insurance                   | 53,978             | 42,661             | 101,122           | 96,639             | 4,483            |
| Rental, Leases, & Repairs            | 424,800            | 516,004            | 1,020,864         | 940,804            | 80,060           |
| Network Support Fee                  | 930,202            | 562,570            | 1,543,397         | 1,492,771          | 50,626           |
| Capital Outlay                       | 2,744              | 58,191             | 0                 | 60,934             | (60,934)         |
| Interest Expense                     | 60,000             | 0                  | 60,000            | 60,000             | 0                |
| Miscellaneous Expense                | 0                  | 0                  | 0                 | 0                  | (0)              |
| <b>Total Expense</b>                 | <b>6,661,632</b>   | <b>4,370,395</b>   | <b>11,144,086</b> | <b>11,032,026</b>  | <b>112,059</b>   |
| <b>CINA</b>                          | <b>(41,861)</b>    | <b>(212,288)</b>   | <b>107,531</b>    | <b>(254,149)</b>   | <b>(361,680)</b> |
| <b>Net assets</b>                    | <b>(3,601,191)</b> | <b>(1,058,891)</b> |                   | <b>(4,660,082)</b> |                  |

Year end results were below budget but slightly outperformed our projections from January and April, with a \$254,000 overall deficit, driven by a \$242,000 miss to budgeted revenue.

Expenses were overall about 1% under budget, with large savings in compensation being offset by overages in non-compensation expenses.



# FY25 Year End Balance Sheet: WI Region Year over Year

Cash took a slight dip this year, affected by the payoff of \$465k of intercompany loan and the \$245k operating loss.

Cash loss was mitigated by the reduction in Accounts Receivable (a priority at year end).

All told, RPS WI finished the year with \$705k in cash on hand, about 17 days of FY26 operating expenses.

|   | FY25                 | FY24                 | Difference           |
|---|----------------------|----------------------|----------------------|
|   | Rocketship WI        |                      |                      |
| <b>Assets</b>                           |                      |                      |                      |
| Total Cash and cash equivalents         | \$705,624            | \$881,481            | (\$175,857)          |
| Total Accounts Receivable               | \$423,157            | \$698,248            | (\$275,092)          |
| Total Prepaid expenses and deposits     | \$130,766            | \$257,614            | (\$126,849)          |
| Total Security Deposits                 | \$0                  | \$0                  | \$0                  |
| Total Property, plant & equipment       | \$8,113,557          | \$8,108,237          | \$5,320              |
| Total Less: Accumulated depreciation    | (\$1,440,588)        | (\$971,122)          | (\$469,465)          |
| Total Note receivable                   | \$0                  | \$93,764             | (\$93,764)           |
| <b>Total Assets</b>                     | <b>\$7,932,516</b>   | <b>\$9,068,223</b>   | <b>(\$1,135,707)</b> |
| Total Accounts payable                  | \$180,483            | \$128,628            | \$51,855             |
| Total Accrued liabilities               | \$37,592             | \$70,593             | (\$33,001)           |
| Total Accrued lease payments S-T        | \$472,075            | \$455,688            | \$16,387             |
| Total Deferred Revenue                  | \$0                  | \$0                  | \$0                  |
| Total Deferred management fee S-T       | \$0                  | \$0                  | \$0                  |
| Total Intercompany Loan                 | \$1,500,000          | \$1,965,000          | (\$465,000)          |
| Total Current portion of loans payable  | \$0                  | \$0                  | \$0                  |
| Total Current Liabilities               | \$2,190,150          | \$2,619,909          | (\$429,759)          |
| Total Accrued lease payments L-T        | \$6,301,836          | \$6,762,027          | (\$460,191)          |
| Total Accrued Interest                  | \$0                  | \$0                  | \$0                  |
| Total Loans payable L-T                 | \$4,092,952          | \$4,092,952          | \$0                  |
| Total Long-Term Liabilities             | \$10,394,788         | \$10,854,979         | (\$460,191)          |
| <b>Net Assets</b>                       | <b>(\$4,652,422)</b> | <b>(\$4,406,665)</b> | <b>(\$245,756)</b>   |
| <b>Total Liabilities and Net Assets</b> | <b>\$7,932,516</b>   | <b>\$9,068,223</b>   | <b>(\$1,135,707)</b> |





# FY25 Budget to Actual: NeST Teams

|                                       | NeST Total        |                    |                    |
|---------------------------------------|-------------------|--------------------|--------------------|
|                                       | FY25 Budget       | FY25 Actuals       | Var                |
| <b>Revenues</b>                       |                   |                    |                    |
| Federal Income                        | -                 | -                  |                    |
| State Revenue Sources                 | -                 | 496,623            | 496,623            |
| Other Local Revenues                  | 1,500,000         | 2,576,603          | 1,076,603          |
| Internal Transfers                    | 29,780,655        | 28,412,495         | (1,368,160)        |
| Grants and Fundraising                | 4,825,000         | 7,583,683          | 2,758,683          |
| <b>Total Revenues</b>                 | <b>36,105,655</b> | <b>39,069,404</b>  | <b>2,963,749</b>   |
| <b>Expense</b>                        |                   |                    |                    |
| Personnel & Benefits                  | 21,447,158        | 24,655,647         | 3,208,489          |
| Books and Supplies                    | 1,226,696         | 1,337,365          | 110,668            |
| Food Services                         | 59,613            | 186,809            | 127,196            |
| Services and Other Operating Expenses | 4,770,421         | 7,137,800          | 2,367,379          |
| Travel & Conferences                  | 1,511,509         | 1,733,958          | 222,449            |
| Dues and Insurance                    | 527,489           | 1,030,936          | 503,447            |
| Rental, Leases, & Repairs             | 736,609           | 1,439,022          | 702,412            |
| Network Support Fee                   | -                 | -                  | -                  |
| Capital Outlay                        | 296,972           | 434,523            | 137,551            |
| Interest Expense                      | 49,528            | 26,156             | (23,372)           |
| Miscellaneous Expense                 | 1,450,499         | 3,202,579          | 1,752,080          |
| <b>Total Expense</b>                  | <b>32,076,496</b> | <b>41,184,796</b>  | <b>9,108,300</b>   |
| <b>CINA</b>                           | <b>3,910,176</b>  | <b>(1,559,753)</b> | <b>(5,469,929)</b> |

NeST revenue exceeded budget target on the basis of stronger interest income and philanthropy, offsetting the ~4.5% miss on network services fee.

Absent the DC loan forgiveness, NeST operating income would have been \$816k, positive but much less than budgeted.

Expenses were substantially higher, driven by:

1. Absorbing \$3.8mm more regional team costs than initially intended, especially in CA and DC where margins were very thin.
2. Absorbing \$700,000 in Texas rent expense
3. Absorbing \$2.4mm in DC loan forgiveness.



# FY25 Year End Balance Sheet - National Entity Year Over Year

|  | FY25<br>NeST        | FY25<br>NeST        | Difference           |
|--|---------------------|---------------------|----------------------|
| <b>Assets</b>                          |                     |                     |                      |
| Total Cash and cash equivalents        | \$7,881,979         | \$7,152,704         | \$729,275            |
| Total Accounts Receivable              | \$96,547            | \$1,459,876         | (\$1,363,329)        |
| Total Prepaid expenses and deposits    | \$2,684,316         | \$2,271,431         | \$412,885            |
| Total Security Deposits                | \$28,991            | \$34,297            | (\$5,306)            |
| Total Property, plant & equipment      | \$5,303,540         | \$5,229,880         | \$73,660             |
| Total Less: Accumulated depreciation   | (\$3,367,601)       | (\$2,575,107)       | (\$792,494)          |
| Total Note receivable                  | \$5,692,952         | \$9,533,746         | (\$3,840,793)        |
| <b>Total Assets</b>                    | <b>\$18,320,725</b> | <b>\$23,106,761</b> | <b>(\$4,786,036)</b> |
| Total Accounts payable                 | \$2,571,657         | \$601,132           | \$1,970,525          |
| Total Accrued liabilities              | \$2,637,215         | \$2,725,797         | (\$88,582)           |
| Total Accrued lease payments S-T       | \$366,350           | \$345,763           | \$20,588             |
| Total Deferred Revenue                 | \$110,000           | (\$0)               | \$110,000            |
| Total Deferred management fee S-T      | \$0                 | \$0                 | \$0                  |
| Total Intercompany Loan                | \$100,000           | \$100,000           | \$0                  |
| Total Current portion of loans payable | \$250,000           | \$4,550,000         | (\$4,300,000)        |
| <b>Total Current Liabilities</b>       | <b>\$6,035,223</b>  | <b>\$8,322,692</b>  | <b>(\$2,287,469)</b> |
| Total Accrued lease payments L-T       |                     | \$1,212,331         | \$4,822,892          |
| Total Accrued Interest                 | \$847,571           |                     | \$847,571            |
| Total Loans payable L-T                | \$0                 | \$0                 | \$0                  |
| <b>Total Long-Term Liabilities</b>     | <b>\$847,571</b>    | <b>\$1,212,331</b>  | <b>(\$364,759)</b>   |
| <b>Net Assets</b>                      | <b>\$11,437,931</b> | <b>\$13,571,739</b> | <b>(\$2,133,808)</b> |
| Total Liabilities and Net Assets       | \$18,320,725        | \$23,106,761        | (\$4,786,036)        |

CMO cash improved year over year, boosted by small operating surplus and big reduction in AR/increase in AP and notes receivable (pay off of TN long term loan). Cash was negatively affected by repayment of line of credit balance (\$4.5mm)

This year marks another step in building CMO cash on hand, from \$60,000 three years ago.

|  | FY20        | FY21        | FY22     | FY23        | FY24*       | FY25        |
|--|-------------|-------------|----------|-------------|-------------|-------------|
| CMO Cash                                     | \$2,470,137 | \$4,939,216 | \$60,746 | \$1,019,629 | \$7,152,637 | \$7,881,879 |
| * Included \$4.5mm in line of credit balance |             |             |          |             |             |             |



# FY26 Business Team Priority 1: Expense Management

After a year of getting systems and team up to speed, our priorities in 2025-26 are supporting schools and regions with meeting our collective obligation to steward our resources and manage tightly to the targets we've set in the budget process.

Each year we spend about 28% of network revenue on expenses other than compensation or facilities. Those categories have been our biggest source of expense variance over the last several cycles.

The national business team is committed to giving budget managers (school leaders, regional leaders, NeST leaders) the **knowledge**, **tools**, and **support** they need to own their budget outcomes with focuses on variable non-compensation.

- **Knowledge:** Updated monthly expense dashboard showing timely, easy to understand spending data relative to monthly targets, reporting each payroll showing overtime and missed meal penalties.
- **Tools:** the RAMP purchasing tool giving team leaders pre-approval over their team's spending, Workday hourly staff time review features
- **Support:** Monthly meetings with teams who are off-track of their budget goals, new Senior Director of Business Operations role - providing support with contract management and action planning

# FY26 Business Team Priority 2: Long-Term Financial Planning

While we feel this year's budget process represented an improvement in technical and collaborative terms, we received the (accurate) feedback that budgets were being developed as a one-off exercise, absent the context of a strategic plan.

By the beginning of budget season for 2026-27, our team is committed to developing a multi-year projections tool, to help budget owners see the multi year impacts of enrollment and staffing decisions before they make them, with a focus on:

- Multi year grants
- Long-term enrollment and space needs planning
- Building towards balance sheet goals



# FY26 Business Team Priority 3: Health Care Deep Dive

Total RPS cost of health, dental, and vision exceeded \$10mm in FY24 and FY25, averaging about 11% of salaries, or about \$8,200 per employee overall (\$10k plus per participating employee).

The current fully-insured plan structure has been in place for several years without deep investigation.

While we don't know for certain that we can improve costs, we want to take the year to deep-dive into other options, including self-funding, and make sure we're getting the best possible advice.

Q1: Health broker RFP

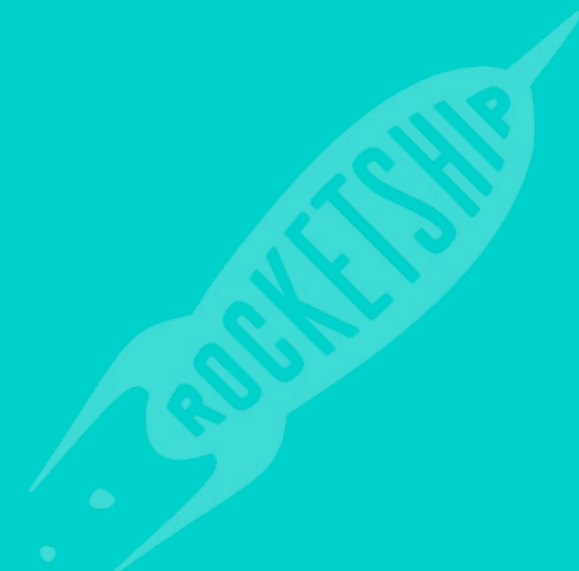
Q2: Plan options review and decision

Q3: Implementation and plan design

Q4: Change management and open enrollment



# Review and Recommend Approval of Revised Fiscal Policies to the Rocketship Board of Directors



# Fiscal Policies Updates since June 2025

## Major changes:

- Enhanced Conflict of Interest, Procurement, and Payroll policy language
- Updates throughout to reflect regions outside California
- Clarifications and enhancements around purchasing thresholds and rules to capture Ramp capabilities

## Next steps:

- National Audit and Business Committee review
- National Board adoption September 10
- Regional board ratification in Q2 meetings



# Review and Recommend Approval of 2025-26 Revised Budget to the Rocketship Board of Directors





# Budget Process Updates

Following board budget approval in June, we started working on revisions for August/September board approval. Priorities for August revisions were:

1. New information on government revenue, contract costs, salary actuals
2. Responding to projected enrollment
3. Correcting errors that made it into the June document.

In general -

1. Revenues per-pupil are up from the June budgets, non-staff expenses are about consistent, staff expenses are up a little (better projected retention = higher average salaries)
2. Projected enrollment is a mixed bag. Our August budgets reduce the network target from 10,058 to 9,918

# FY26 August Budget: RSED Consolidated June vs August

|                                       | August Budget       |                     |                     |                      |                      |                     |                |                      | June Budget          | June to August       |
|---------------------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|----------------|----------------------|----------------------|----------------------|
|                                       | DC Schools          | WI Schools          | TN Schools          | CA Schools           | Total Schools        | Total NeSt          | ELIM           | RSED Total           | RSED Total           | Better/Worse         |
| <b>Enrollment</b>                     | <b>1166</b>         | <b>980</b>          | <b>1538</b>         | <b>6,158</b>         | <b>9,842</b>         |                     |                |                      |                      |                      |
| Federal Income                        | \$3,771,750         | \$2,933,048         | \$2,440,220         | \$11,038,659         | \$20,183,677         |                     |                | \$20,183,677         | \$19,710,731         | \$472,946            |
| State Revenue Sources                 | \$34,398,390        | \$12,560,391        | \$26,430,366        | \$123,978,238        | \$197,367,385        |                     |                | \$197,367,385        | \$198,908,530        | (\$1,541,145)        |
| Other Local Revenues                  | \$288,149           | \$34,300            | \$54,975            |                      | \$377,424            | \$1,000,000         |                | \$1,377,424          | \$1,419,470          | (\$42,046)           |
| Internal Transfers                    |                     |                     |                     |                      | \$0                  | \$29,492,468        | (\$29,492,468) | \$0                  | \$0                  | \$0                  |
| Grants and Fundraising                |                     | \$250,000           |                     |                      | \$250,000            | \$4,900,000         |                | \$5,150,000          | \$5,150,000          | \$0                  |
| Enrollment Contingency                |                     |                     |                     |                      |                      | (\$1,474,623)       |                | (\$1,474,623)        | (\$1,494,967)        | \$20,344             |
| <b>Revenues</b>                       | <b>\$38,458,289</b> | <b>\$15,777,739</b> | <b>\$28,925,561</b> | <b>\$135,016,897</b> | <b>\$218,178,486</b> | <b>\$33,917,845</b> |                | <b>\$252,096,331</b> | <b>\$253,593,106</b> | <b>(\$1,496,775)</b> |
| Personnel & Benefits                  | \$12,756,607        | \$9,799,923         | \$14,873,540        | \$66,436,584         | \$103,866,654        | \$23,356,926        |                | \$127,223,580        | \$127,949,108        | \$725,528            |
| Books and Supplies                    | \$935,515           | \$625,259           | \$1,368,793         | \$5,941,208          | \$8,870,775          | \$1,026,058         |                | \$9,896,833          | \$9,296,841          | (\$599,992)          |
| Food Services                         | \$911,436           | \$642,723           | \$1,272,286         | \$4,759,695          | \$7,586,140          | \$59,613            |                | \$7,645,753          | \$7,784,695          | \$138,942            |
| Services and Other Operating Expenses | \$10,944,666        | \$962,957           | \$3,983,052         | \$21,519,223         | \$37,409,898         | \$4,643,678         |                | \$42,053,576         | \$41,164,822         | (\$888,754)          |
| Travel & Conferences                  | \$138,295           | \$152,097           | \$121,348           | \$384,863            | \$796,603            | \$1,685,533         |                | \$2,482,136          | \$2,484,700          | \$2,564              |
| Dues and Insurance                    | \$154,141           | \$128,787           | \$155,974           | \$732,247            | \$1,171,149          | \$696,132           |                | \$1,867,281          | \$1,827,242          | (\$40,039)           |
| Rental, Leases, & Repairs             | \$7,805,715         | \$1,196,974         | \$2,784,031         | \$12,554,818         | \$24,341,538         | \$747,146           |                | \$25,088,684         | \$25,304,265         | \$215,581            |
| Management Fee                        | \$4,439,689         | \$2,171,685         | \$4,142,929         | \$18,738,165         | \$29,492,468         | \$0                 | (\$29,492,468) | \$0                  | \$0                  | \$0                  |
| Capital Outlay                        | \$3,827             | \$5,500             | \$4,813             | \$287,630            | \$301,770            | \$296,972           |                | \$598,742            | \$598,742            | \$0                  |
| Interest Expense                      |                     | \$60,000            |                     |                      | \$60,000             | \$49,528            |                | \$109,528            | \$109,528            | \$0                  |
| Miscellaneous Expense                 |                     |                     |                     | \$671,525            | \$671,525            | \$760,605           |                | \$1,432,130          | \$1,450,476          | \$18,346             |
| <b>Expense</b>                        | <b>\$38,089,890</b> | <b>\$15,745,905</b> | <b>\$28,706,766</b> | <b>\$132,025,959</b> | <b>\$214,568,520</b> | <b>\$33,322,191</b> |                | <b>\$247,890,711</b> | <b>\$247,869,762</b> | <b>(\$20,949)</b>    |
|                                       |                     |                     |                     |                      | \$0                  |                     |                | \$0                  | \$0                  | \$0                  |
| <b>CINA</b>                           | <b>\$368,399</b>    | <b>\$31,834</b>     | <b>\$218,795</b>    | <b>\$2,990,938</b>   | <b>\$3,609,966</b>   | <b>\$595,654</b>    |                | <b>\$4,205,620</b>   | <b>\$5,723,343</b>   | <b>(\$1,517,723)</b> |

Across the org as a whole, our shifts from June to August reflect a reduction in enrollment and consequently a .6% revenue reduction and a 2% increase in expenses. Overall CINA declines from \$5.7mm to 4.2mm, which would still represent a \$1mm improvement over prior year.



# FY26 August Budget: CA Regional Total compared to June

Overall enrollment target is net -5 though some schools are up (RSK +39, RFZ +22, RRS +16) and others are down (RMS -60, ROMO - 11, RLS -8)/

Overall staffing is up 15, mostly in ISE roles.

Overall CINA is down \$900,000 from previous budget.

Enrollment remains a risk, but we have opportunities to outperform from Attendance Recovery and governor's new block grant.

|   | June Budget<br>CA Schools | August Budget<br>CA Schools |
|---|---------------------------|-----------------------------|
| <b>Enrollment</b>                           | <b>6,163</b>              | <b>6,158</b>                |
| <b>Attendance %</b>                         | <b>92.8%</b>              | <b>1206.3%</b>              |
| <b>Attendance</b>                           | <b>5,721</b>              | <b>5,717</b>                |
| <b>Additional Attendance - ADA Recovery</b> | <b>132</b>                | <b>132</b>                  |
| <b>Staffing</b>                             | <b>576</b>                | <b>591</b>                  |
| Federal Income                              | 10,597,669                | 11,038,659                  |
| State Revenue Sources                       | 122,365,831               | 123,978,238                 |
| Other Local Revenues                        | -                         | -                           |
| Internal Transfers                          | -                         | -                           |
| Grants and Fundraising                      | -                         | -                           |
| <b>Revenues</b>                             | <b>132,963,500</b>        | <b>135,016,897</b>          |
| Certificated Salaries                       | 35,245,570                | 35,559,076                  |
| Classified Salaries                         | 15,495,839                | 16,419,924                  |
| Employee Benefits                           | 14,244,070                | 14,457,584                  |
| Books and Supplies                          | 5,287,058                 | 5,941,208                   |
| Food Services                               | 4,759,210                 | 4,759,695                   |
| Services and Other Operating Expenses       | 20,675,506                | 21,519,223                  |
| Travel & Conferences                        | 381,435                   | 384,863                     |
| Dues and Insurance                          | 653,731                   | 732,247                     |
| Rental, Leases, & Repairs                   | 12,799,167                | 12,554,818                  |
| Management Fee                              | 18,582,259                | 18,738,165                  |
| Capital Outlay                              | 287,630                   | 287,630                     |
| Interest Expense                            | -                         | -                           |
| Miscellaneous Expense                       | 689,871                   | 671,525                     |
| <b>Expense</b>                              | <b>129,101,345</b>        | <b>132,025,959</b>          |
| <b>CINA</b>                                 | <b>3,862,155</b>          | <b>2,990,938</b>            |



# FY26 August Budget: CA Region by School

|                                       | August Budget |           |           |           |            |            |            |            |            |            |            |            |           |             |  |
|---------------------------------------|---------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|-------------|--|
|                                       | RDP           | RSSP      | RMS       | RLS       | RBM        | RSA        | ROMO       | RDL        | RSK        | RFZ        | RRS        | RFA        | RRWC      | CA Schools  |  |
| Enrollment                            | 396           | 261       | 414       | 304       | 507        | 531        | 545        | 521        | 570        | 524        | 624        | 675        | 286       | 6,158       |  |
| Attendance %                          | 93.1%         | 93.1%     | 93.1%     | 93.1%     | 93.1%      | 93.1%      | 93.1%      | 91.1%      | 93.1%      | 93.1%      | 93.1%      | 93.1%      | 91.1%     | 1206.3%     |  |
| Attendance                            | 369           | 243       | 385       | 283       | 472        | 494        | 507        | 475        | 531        | 488        | 581        | 628        | 261       | 5,717       |  |
| Additional Attendance - ADA Recovery  | 8             | 5         | 10        | 6         | 11         | 11         | 12         | 14         | 11         | 10         | 13         | 14         | 8         | 132         |  |
| Staffing                              | 39.5          | 27        | 39        | 31        | 54.0       | 46         | 53         | 52.5       | 54         | 45.5       | 58         | 63         | 29        | 591         |  |
| Federal Income                        | 772,035       | 656,217   | 756,614   | 746,550   | 1,047,387  | 893,373    | 975,121    | 920,545    | 572,496    | 982,813    | 918,663    | 1,096,068  | 700,778   | 11,038,659  |  |
| State Revenue Sources                 | 7,911,786     | 5,999,612 | 8,283,105 | 6,785,184 | 10,922,805 | 9,935,647  | 11,604,970 | 10,579,373 | 10,873,586 | 11,359,909 | 12,689,889 | 11,502,855 | 5,529,516 | 123,978,238 |  |
| Other Local Revenues                  | -             | -         | -         | -         | -          | -          | -          | -          | -          | -          | -          | -          | -         | -           |  |
| Internal Transfers                    | -             | -         | -         | -         | -          | -          | -          | -          | -          | -          | -          | -          | -         | -           |  |
| Grants and Fundraising                | -             | -         | -         | -         | -          | -          | -          | -          | -          | -          | -          | -          | -         | -           |  |
| Revenues                              | 8,683,821     | 6,655,829 | 9,039,719 | 7,531,734 | 11,970,192 | 10,829,020 | 12,580,091 | 11,499,918 | 11,446,082 | 12,342,722 | 13,608,551 | 12,598,923 | 6,230,295 | 135,016,897 |  |
| Certificated Salaries                 | 2,226,528     | 1,678,289 | 2,258,201 | 2,040,603 | 3,150,162  | 2,926,465  | 3,362,860  | 3,131,999  | 3,156,037  | 2,917,488  | 3,399,832  | 3,591,640  | 1,718,970 | 35,559,076  |  |
| Classified Salaries                   | 1,182,459     | 715,202   | 1,129,019 | 797,266   | 1,519,276  | 1,195,126  | 1,442,828  | 1,424,053  | 1,514,863  | 1,223,538  | 1,607,675  | 1,814,881  | 853,740   | 16,419,924  |  |
| Employee Benefits                     | 938,599       | 678,416   | 968,708   | 790,170   | 1,313,541  | 1,177,934  | 1,302,924  | 1,243,754  | 1,308,844  | 1,113,488  | 1,406,575  | 1,497,961  | 716,671   | 14,457,584  |  |
| Books and Supplies                    | 355,993       | 265,919   | 393,865   | 358,041   | 501,360    | 503,371    | 522,096    | 482,484    | 480,660    | 500,806    | 635,859    | 637,585    | 303,170   | 5,941,208   |  |
| Food Services                         | 331,852       | 251,139   | 345,691   | 224,376   | 502,759    | 416,004    | 454,361    | 358,086    | 383,214    | 438,225    | 377,145    | 442,627    | 234,218   | 4,759,695   |  |
| Services and Other Operating Expenses | 1,371,034     | 1,289,631 | 1,471,872 | 1,058,547 | 1,846,742  | 1,935,110  | 1,844,411  | 1,719,723  | 1,688,639  | 1,870,301  | 2,067,985  | 2,114,726  | 1,240,502 | 21,519,223  |  |
| Travel & Conferences                  | 21,410        | 15,520    | 22,775    | 20,940    | 30,609     | 30,300     | 34,704     | 29,302     | 39,263     | 34,572     | 42,983     | 42,784     | 19,701    | 384,863     |  |
| Dues and Insurance                    | 48,562        | 32,908    | 50,604    | 37,971    | 64,243     | 60,010     | 66,012     | 62,115     | 66,476     | 59,470     | 73,398     | 75,724     | 34,755    | 732,247     |  |
| Rental, Leases, & Repairs             | 941,947       | 735,266   | 1,015,571 | 1,090,810 | 1,054,813  | 933,071    | 1,109,730  | 1,332,873  | 1,067,122  | 1,393,416  | 1,157,076  | 547,257    | 175,866   | 12,554,818  |  |
| Management Fee                        | 1,170,146     | 907,167   | 1,255,810 | 1,023,097 | 1,630,429  | 1,524,786  | 1,744,377  | 1,609,055  | 1,617,059  | 1,739,297  | 1,930,036  | 1,748,157  | 838,748   | 18,738,165  |  |
| Capital Outlay                        | 26,690        | 33,695    | 55,754    | 34,018    | 12,587     | 20,447     | 30,710     | 5,172      | 15,036     | 10,460     | 9,288      | 29,784     | 3,990     | 287,630     |  |
| Interest Expense                      | -             | -         | -         | -         | -          | -          | -          | -          | -          | -          | -          | -          | -         | -           |  |
| Miscellaneous Expense                 | 43,140        | 33,170    | 41,229    | 38,342    | 60,951     | 51,427     | 59,715     | 67,568     | 54,616     | 57,210     | 59,226     | 64,876     | 40,054    | 671,525     |  |
| Expense                               | 8,658,360     | 6,636,322 | 9,009,098 | 7,514,181 | 11,687,472 | 10,774,050 | 11,974,728 | 11,466,185 | 11,391,828 | 11,358,270 | 12,767,077 | 12,608,003 | 6,180,384 | 132,025,959 |  |
| CINA                                  | 25,461        | 19,507    | 30,621    | 17,553    | 282,720    | 54,970     | 605,363    | 33,732     | 54,255     | 984,452    | 841,474    | (9,080)    | 49,910    | 2,990,938   |  |

- All but one school are currently projected to break even (with RFA at a \$9k deficit).
- We are seeing a tale of two regions: 80% of positive CINA concentrated in 3 schools with higher revenues



# DC Schools Budget - June vs August Comparison

After monitoring enrollment throughout the summer, we are reducing our target by 115 students, creating a \$2mm revenue reduction. The reduction is less than anticipated due to increase in state funding formula.

In response, we're reducing compensation by \$2.7mm (21 roles). Projected Appletree expenses have risen.

As a result, projected margin is increased by \$182k to \$610k. The region's "break even" enrollment with these expenses is ~1,200.

|                                       | June<br>DC Schools | August<br>DC Schools | Change<br>B/(W)    |
|---------------------------------------|--------------------|----------------------|--------------------|
| <b>Enrollment</b>                     | <b>1333</b>        | <b>1218</b>          | <b>-115</b>        |
| <b>Staffing</b>                       | <b>152.0</b>       | <b>131.0</b>         | <b>21.0</b>        |
| Federal Income                        | 3,645,527          | 3,793,102            | 147,575            |
| State Revenue Sources                 | 37,621,844         | 35,543,532           | (2,078,312)        |
| Other Local Revenues                  | 329,419            | 300,999              | (28,419)           |
| Internal Transfers                    | -                  | -                    | -                  |
| Grants and Fundraising                | -                  | -                    | -                  |
| <b>Revenues</b>                       | <b>41,596,790</b>  | <b>39,637,633</b>    | <b>(1,959,157)</b> |
| Personnel & Benefits                  | 15,082,690         | 12,345,255           | 2,737,435          |
| Certificated Salaries                 | 7,745,467          | 7,132,471            | 612,996            |
| Classified Salaries                   | 4,833,598          | 3,054,116            | 1,779,482          |
| Employee Benefits                     | 2,503,625          | 2,158,668            | 344,957            |
| Books and Supplies                    | 990,733            | 905,261              | 85,472             |
| Food Services                         | 1,035,234          | 945,923              | 89,311             |
| Services and Other Operating Expenses | 10,956,924         | 12,124,109           | (1,167,184)        |
| Travel & Conferences                  | 143,729            | 131,330              | 12,400             |
| Dues and Insurance                    | 208,256            | 150,216              | 58,040             |
| Rental, Leases, & Repairs             | 7,801,721          | 7,807,922            | (6,200)            |
| Management Fee                        | 4,945,628          | 4,612,997            | 332,631            |
| Capital Outlay                        | 3,827              | 3,827                | -                  |
| Interest Expense                      | -                  | -                    | -                  |
| Miscellaneous Expense                 | -                  | -                    | -                  |
| <b>Expense</b>                        | <b>41,168,743</b>  | <b>39,026,839</b>    | <b>2,141,905</b>   |
| <b>CINA</b>                           | <b>428,047</b>     | <b>610,795</b>       | <b>182,748</b>     |



# FY26 Budget: DC Region by School

|                                       | August<br>RISE    | August<br>RLP     | August<br>RIC     | August<br>DC Schools |
|---------------------------------------|-------------------|-------------------|-------------------|----------------------|
| <b>Enrollment</b>                     | <b>384</b>        | <b>486</b>        | <b>348</b>        | <b>1218</b>          |
| <b>Staffing</b>                       | <b>41.0</b>       | <b>49.0</b>       | <b>41.0</b>       | <b>131.0</b>         |
| Federal Income                        | 1,106,235         | 1,668,140         | 1,018,727         | 3,793,102            |
| State Revenue Sources                 | 11,212,909        | 14,164,030        | 10,166,593        | 35,543,532           |
| Other Local Revenues                  | 94,896            | 120,103           | 86,000            | 300,999              |
| Internal Transfers                    | -                 | -                 | -                 | -                    |
| Grants and Fundraising                | -                 | -                 | -                 | -                    |
| <b>Revenues</b>                       | <b>12,414,040</b> | <b>15,952,273</b> | <b>11,271,320</b> | <b>39,637,633</b>    |
| Personnel & Benefits                  | 3,904,384         | 4,583,806         | 3,857,065         | 12,345,255           |
| Certificated Salaries                 | 2,384,896         | 2,608,460         | 2,139,115         | 7,132,471            |
| Classified Salaries                   | 845,025           | 1,170,928         | 1,038,163         | 3,054,116            |
| Employee Benefits                     | 674,463           | 804,418           | 679,787           | 2,158,668            |
| Books and Supplies                    | 285,402           | 361,212           | 258,646           | 905,261              |
| Food Services                         | 298,222           | 377,437           | 270,264           | 945,923              |
| Services and Other Operating Expenses | 3,779,693         | 5,563,356         | 2,781,060         | 12,124,109           |
| Travel & Conferences                  | 41,404            | 52,402            | 37,523            | 131,330              |
| Dues and Insurance                    | 47,781            | 57,965            | 44,471            | 150,216              |
| Rental, Leases, & Repairs             | 2,469,426         | 3,115,907         | 2,222,589         | 7,807,922            |
| Management Fee                        | 1,456,697         | 1,774,815         | 1,381,486         | 4,612,997            |
| Capital Outlay                        | 1,222             | 1,574             | 1,030             | 3,827                |
| Interest Expense                      | -                 | -                 | -                 | -                    |
| Miscellaneous Expense                 | -                 | -                 | -                 | -                    |
| <b>Expense</b>                        | <b>12,284,232</b> | <b>15,888,474</b> | <b>10,854,133</b> | <b>39,026,839</b>    |
| <b>CINA</b>                           | <b>129,808</b>    | <b>63,799</b>     | <b>417,187</b>    | <b>610,795</b>       |

All three campuses are projected to break even in the August budget. Unlike prior years, we are leveling facilities expenses across the campuses (per-pupil) to better see variances in underlying cost structure. Variances in PK enrollment distort revenue and services expenses.



# FY26 Budget: TN Region June vs August

In response to enrollment progress throughout the summer, we are reducing enrollment targets by net 7 (some grades/schools up or down). Expenses have shifted slightly, with net 3 fewer roles but higher compensation per role.

Contract actuals increase benefits and services budget.

Bottom line across the region is nearly the same as June.

|                                       | June<br>TN Schools | August<br>TN Schools | Change<br>B/(W) |
|---------------------------------------|--------------------|----------------------|-----------------|
| <b>Enrollment</b>                     | <b>1545</b>        | <b>1538</b>          | <b>-7</b>       |
| <b>Staffing</b>                       | <b>162.0</b>       | <b>159.0</b>         | <b>3.0</b>      |
| Federal Income                        | 2,465,534          | 2,440,220            | (25,314)        |
| State Revenue Sources                 | 26,463,519         | 26,430,366           | (33,153)        |
| Other Local Revenues                  | 55,226             | 54,975               | (250)           |
| Internal Transfers                    | -                  | -                    | -               |
| Grants and Fundraising                | -                  | -                    | -               |
| <b>Revenues</b>                       | <b>28,984,278</b>  | <b>28,925,561</b>    | <b>(58,717)</b> |
| Personnel & Benefits                  | 14,886,406         | 14,873,540           | 12,866          |
| Certificated Salaries                 | 7,204,299          | 7,136,347            | 67,951          |
| Classified Salaries                   | 4,214,542          | 4,216,127            | (1,585)         |
| Employee Benefits                     | 3,467,565          | 3,521,065            | (53,500)        |
| Books and Supplies                    | 1,374,955          | 1,368,793            | 6,162           |
| Food Services                         | 1,278,077          | 1,272,286            | 5,791           |
| Services and Other Operating Expenses | 3,883,691          | 3,983,052            | (99,360)        |
| Travel & Conferences                  | 121,874            | 121,348              | 526             |
| Dues and Insurance                    | 168,298            | 155,974              | 12,324          |
| Rental, Leases, & Repairs             | 2,821,475          | 2,784,031            | 37,444          |
| Management Fee                        | 4,207,666          | 4,142,929            | 64,736          |
| Capital Outlay                        | 4,813              | 4,813                | -               |
| Interest Expense                      | -                  | -                    | -               |
| Miscellaneous Expense                 | -                  | -                    | -               |
| <b>Expense</b>                        | <b>28,747,255</b>  | <b>28,706,766</b>    | <b>40,489</b>   |
| <b>CINA</b>                           | <b>237,023</b>     | <b>218,795</b>       | <b>(18,228)</b> |



# FY26 Budget: TN Region by School

We are not currently meeting our goal of all schools break even: RDCP's facilities costs are ~2x the other two schools, and distort its bottom line relative to RUA. RNNE is in an investment year and a modest loss to fully staff the school and get achievement back on track is our best path.

|                                       | August<br>RDCP   | August<br>RNNE   | August<br>RUA     | August<br>TN Schools |
|---------------------------------------|------------------|------------------|-------------------|----------------------|
| <b>Enrollment</b>                     | <b>517</b>       | <b>473</b>       | <b>548</b>        | <b>1538</b>          |
| <b>Staffing</b>                       | <b>53.0</b>      | <b>52</b>        | <b>54</b>         | <b>159.0</b>         |
| Federal Income                        | 769,023          | 918,315          | 752,882           | 2,440,220            |
| State Revenue Sources                 | 8,872,810        | 8,133,564        | 9,423,992         | 26,430,366           |
| Other Local Revenues                  | 18,480           | 16,907           | 19,588            | 54,975               |
| Internal Transfers                    | -                | -                | -                 | -                    |
| Grants and Fundraising                | -                | -                | -                 | -                    |
| <b>Revenues</b>                       | <b>9,660,313</b> | <b>9,068,786</b> | <b>10,196,462</b> | <b>28,925,561</b>    |
| Personnel & Benefits                  | 4,905,691        | 4,906,908        | 5,060,941         | 14,873,540           |
| Certificated Salaries                 | 2,403,977        | 2,318,751        | 2,413,619         | 7,136,347            |
| Classified Salaries                   | 1,384,619        | 1,388,760        | 1,442,748         | 4,216,127            |
| Employee Benefits                     | 1,117,094        | 1,199,396        | 1,204,574         | 3,521,065            |
| Books and Supplies                    | 446,049          | 427,481          | 495,263           | 1,368,793            |
| Food Services                         | 427,680          | 391,282          | 453,324           | 1,272,286            |
| Services and Other Operating Expenses | 1,295,405        | 1,266,297        | 1,421,350         | 3,983,052            |
| Travel & Conferences                  | 35,235           | 39,894           | 46,219            | 121,348              |
| Dues and Insurance                    | 51,919           | 49,448           | 54,607            | 155,974              |
| Rental, Leases, & Repairs             | 1,291,073        | 777,293          | 715,664           | 2,784,031            |
| Management Fee                        | 1,384,052        | 1,294,333        | 1,464,544         | 4,142,929            |
| Capital Outlay                        | -                | 2,661            | 2,153             | 4,813                |
| Interest Expense                      | -                | -                | -                 | -                    |
| Miscellaneous Expense                 | -                | -                | -                 | -                    |
| <b>Expense</b>                        | <b>9,837,104</b> | <b>9,155,596</b> | <b>9,714,065</b>  | <b>28,706,766</b>    |
| <b>CINA</b>                           | <b>(176,791)</b> | <b>(86,810)</b>  | <b>482,397</b>    | <b>218,795</b>       |





# FY26 Budget: WI Region June vs August

In response to enrollment progress this summer, we've lowered enrollment targets across the region by 15 students net (-17 at RTP, +2 at RSCP) and reduced staffing by 1 FTE net (-1 at RTP, +2 at Stellar).

Due to increased state funding, overall revenue is actually up despite lower enrollment.

However, compensation per employee is running 2.5% higher than our initial budget, due to stronger than expected staff retention (especially at Stellar) - a good problem to have.

|                                       | June Budget<br>WI Schools | August Budget<br>WI Schools | Change<br>B/(W)  |
|---------------------------------------|---------------------------|-----------------------------|------------------|
| <b>Enrollment</b>                     | <b>995</b>                | <b>980</b>                  | <b>-15</b>       |
| <b>Staffing</b>                       | <b>105</b>                | <b>104</b>                  | <b>1</b>         |
| Federal Income                        | 3,002,001                 | 2,933,048                   | (68,953)         |
| State Revenue Sources                 | 12,457,336                | 12,560,391                  | 103,055          |
| Other Local Revenues                  | 34,825                    | 34,300                      | (525)            |
| Internal Transfers                    | -                         | -                           | -                |
| Grants and Fundraising                | 250,000                   | 250,000                     | -                |
| <b>Revenues</b>                       | <b>15,744,162</b>         | <b>15,777,739</b>           | <b>33,577</b>    |
| Personnel & Benefits                  | 9,637,607                 | 9,799,923                   | (162,316)        |
| Certificated Salaries                 | 5,133,367                 | 5,325,425                   | (192,058)        |
| Classified Salaries                   | 2,569,976                 | 2,540,233                   | 29,743           |
| Employee Benefits                     | 1,934,264                 | 1,934,264                   | -                |
| Books and Supplies                    | 618,037                   | 625,259                     | (7,222)          |
| Food Services                         | 652,561                   | 642,723                     | 9,838            |
| Services and Other Operating Expenses | 1,005,023                 | 962,957                     | 42,066           |
| Travel & Conferences                  | 152,129                   | 152,097                     | 32               |
| Dues and Insurance                    | 100,825                   | 128,787                     | (27,962)         |
| Rental, Leases, & Repairs             | 1,134,756                 | 1,196,974                   | (62,218)         |
| Management Fee                        | 2,163,790                 | 2,171,685                   | (7,895)          |
| Capital Outlay                        | 5,500                     | 5,500                       | -                |
| Interest Expense                      | 60,000                    | 60,000                      | -                |
| Miscellaneous Expense                 | -                         | -                           | -                |
| <b>Expense</b>                        | <b>15,530,228</b>         | <b>15,745,905</b>           | <b>(215,677)</b> |
| <b>CINA</b>                           | <b>213,933</b>            | <b>31,834</b>               | <b>(182,100)</b> |



# FY26 Budget: WI Region by School - August Revision

We are not currently meeting our goal of all campuses individually breaking even, with RSCP continuing to have very high staff costs per student (64% of revenue compared to 55% at RTP) and Stellar's ISE staffing costs being higher than anticipated.

We have opportunities to outperform - if the schools enrolled to their original 995 target, we'd add ~192k in revenue with no new staffing.

|                                       | August Budget<br>RSCP | August Budget<br>RTP | August Budget<br>Stellar | August Budget<br>WI Schools |
|---------------------------------------|-----------------------|----------------------|--------------------------|-----------------------------|
| <b>Enrollment</b>                     | <b>435</b>            | <b>335</b>           | <b>210</b>               | <b>980</b>                  |
| <b>Staffing</b>                       | <b>48</b>             | <b>31</b>            | <b>25</b>                | <b>104</b>                  |
| Federal Income                        | 1,296,863             | 1,035,184            | 601,001                  | 2,933,048                   |
| State Revenue Sources                 | 5,614,464             | 4,332,203            | 2,613,725                | 12,560,391                  |
| Other Local Revenues                  | 15,225                | 11,725               | 7,350                    | 34,300                      |
| Internal Transfers                    | -                     | -                    | -                        | -                           |
| Grants and Fundraising                | -                     | -                    | 250,000                  | 250,000                     |
| <b>Revenues</b>                       | <b>6,926,551</b>      | <b>5,379,112</b>     | <b>3,472,075</b>         | <b>15,777,739</b>           |
| Personnel & Benefits                  | 4,427,003             | 2,999,395            | 2,266,202                | 9,799,923                   |
| Certificated Salaries                 | 2,322,102             | 1,621,690            | 1,381,633                | 5,325,425                   |
| Classified Salaries                   | 1,234,635             | 749,585              | 556,013                  | 2,540,233                   |
| Employee Benefits                     | 870,266               | 628,120              | 435,878                  | 1,934,264                   |
| Books and Supplies                    | 268,976               | 208,705              | 147,579                  | 625,259                     |
| Food Services                         | 285,290               | 219,706              | 137,726                  | 642,723                     |
| Services and Other Operating Expenses | 405,843               | 313,235              | 243,878                  | 962,957                     |
| Travel & Conferences                  | 50,931                | 50,717               | 50,449                   | 152,097                     |
| Dues and Insurance                    | 58,809                | 41,691               | 28,287                   | 128,787                     |
| Rental, Leases, & Repairs             | 533,964               | 446,699              | 216,311                  | 1,196,974                   |
| Management Fee                        | 951,299               | 737,671              | 482,715                  | 2,171,685                   |
| Capital Outlay                        | 500                   | 5,000                | -                        | 5,500                       |
| Interest Expense                      | 60,000                | -                    | -                        | 60,000                      |
| Miscellaneous Expense                 | -                     | -                    | -                        | -                           |
| <b>Expense</b>                        | <b>7,042,616</b>      | <b>5,022,820</b>     | <b>3,680,469</b>         | <b>15,745,905</b>           |
| <b>CINA</b>                           | <b>(116,065)</b>      | <b>356,292</b>       | <b>(208,394)</b>         | <b>31,834</b>               |



# NeST Overall Budget June to August

Very small changes in our NeST planning since the June board budget:

- Small reduction in network service fee payments from schools due to enrollment adjustments.
- Continuing to hold a 5% revenue contingency in case of enrollment miss.
- No change in expense targets for NeST teams.

|                                       | June Budget      | August Budget    |
|---------------------------------------|------------------|------------------|
|                                       | Total NeST       | Total NeST       |
| <b>Enrollment</b>                     |                  |                  |
| Federal Income                        | \$0              |                  |
| State Revenue Sources                 | \$0              |                  |
| Other Local Revenues                  | \$1,000,000      | \$1,000,000      |
| Internal Transfers                    | \$29,899,343     | \$29,492,468     |
| Grants and Fundraising                | \$4,900,000      | \$4,900,000      |
| Enrollment Contingency                | (\$1,494,967)    | (\$1,474,623)    |
| <b>Revenues</b>                       | \$34,304,376     | \$33,917,845     |
| Personnel & Benefits                  | \$23,356,926     | \$23,356,926     |
| Books and Supplies                    | \$1,026,058      | \$1,026,058      |
| Food Services                         | \$59,613         | \$59,613         |
| Services and Other Operating Expenses | \$4,643,678      | \$4,643,678      |
| Travel & Conferences                  | \$1,685,533      | \$1,685,533      |
| Dues and Insurance                    | \$696,132        | \$696,132        |
| Rental, Leases, & Repairs             | \$747,146        | \$747,146        |
| Management Fee                        | \$0              | \$0              |
| Capital Outlay                        | \$296,972        | \$296,972        |
| Interest Expense                      | \$49,528         | \$49,528         |
| Miscellaneous Expense                 | \$760,605        | \$760,605        |
| <b>Expense</b>                        | \$33,322,191     | \$33,322,191     |
|                                       |                  |                  |
| <b>CINA</b>                           | <b>\$982,185</b> | <b>\$595,654</b> |



# School Budget Next Steps

## Finishing the budgets:

- Following regional and national board approval, these become our official annual budgets which we'll share with authorizers and track progress against.
- Risks across the network from enrollment (especially back to school retention), staffing alignment to budget, and expense management (variable compensation and hourly comp).

## Rest of year:

- Regional and school leaders are being invited to a budget management kick off later this month to review their budgets, become acquainted with our Adaptive reporting platform and cadence, and learn about the tools and support they have for budget management and their responsibility to “own” budget outcomes..
- From there, we will have monthly progress reports out to all budget owners in the first half of each month and will meet each month with those teams not on track to meet budget to action plan and provide support.

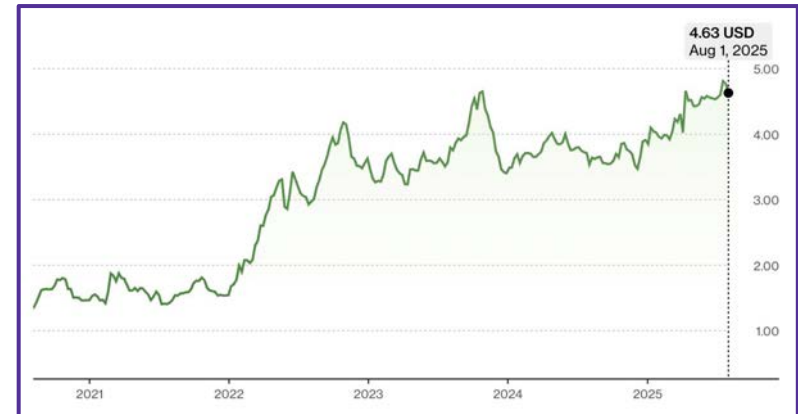
## *National CMO Decision:*

Review and Recommend Approval of  
Documents Related to the Acquisition of  
Rocketship Dream Community Prep to the  
Rocketship Board of Directors



# RDCP Transaction Updates

- Following our first two years of occupancy, we're now obligated to either buy RDCP from its developer, or get locked into the next 28 years of the lease.
- Purchase price will be \$14.9mm.
- We have until 11/30 to buy the building - possibility of extending a month or two but not much longer.
- At current rates, we project a minimal cash savings over the next 2-3 years, but more substantial savings compared to the current lease in the long-term.
- RPS TN board members will have a special meeting in September to approve the transaction.
- RSED national is being asked to continue its management fee subordination to support the deal.



The 30 year AAA municipal bond index is near its post-COVID high point. Rocketship bonds have typically closed between 180 and 220 basis points above AAA.

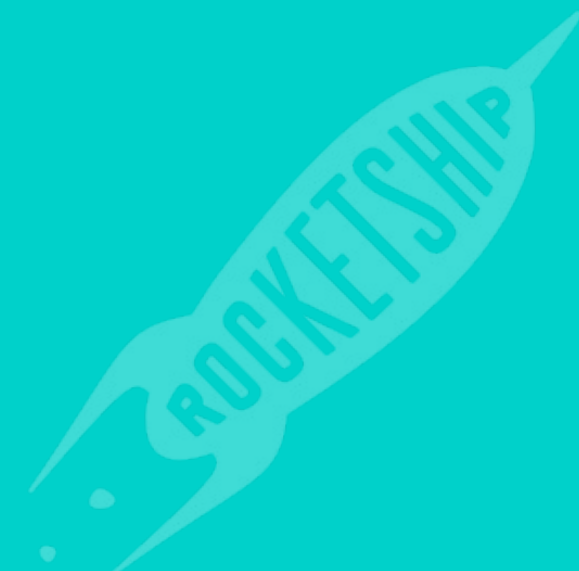


# Today's Vote

The national board is being asked to approve a resolution authorizing:

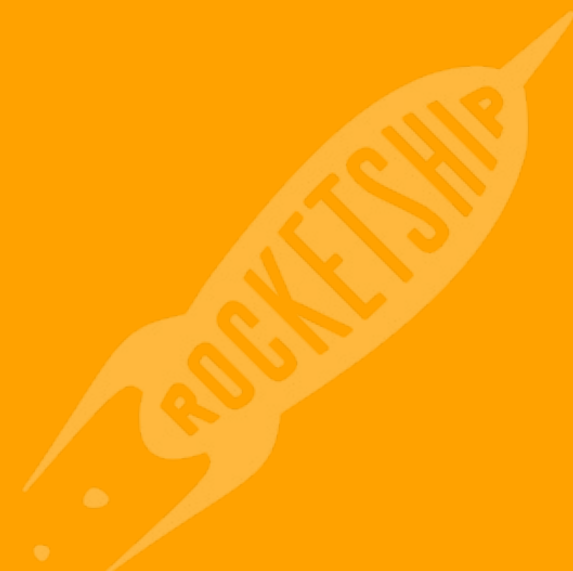
1. The reaffirmation of the existing management fee subordination for Rocketship TN in favor of current and future lenders.
2. The execution of amendments to any prior loan or lease documents signed by Rocketship to facilitate the new bond sale.
3. The execution of any tax certificates or other documents necessary for the new bonds.

Adjourn





# Appendix



# Recruitment and Enrollment Update



# Enrollment Update: Start of 25-26 School Year

|                  | 25-26<br>Budgeted<br>Enrollment | 25-26<br>Enrollment<br>Target | Enrollment<br>Status<br>(as of 8/25/25) | Progress to<br>Budget<br>Target |
|------------------|---------------------------------|-------------------------------|---|---------------------------------|
| CA               | 6,158                           | 6,648                         | 6,087                                   | 99%                             |
| WI               | 980                             | 1,059                         | 1,006                                   | 102%                            |
| TN               | 1,538                           | 1,643                         | 1,556                                   | 101%                            |
| DC<br>(K-5 only) | 870                             | 963                           | 846                                     | 97%                             |

**Budget Target:** The minimum number of students needed to be enrolled throughout the school year to afford the staffing model.

**Enrollment Target:** To account for beginning of year attrition, the total number of students we aim to have enrolled by the beginning of the school year (~108% of budget target).



# **Rocketship Public Schools**

**Fiscal Policies  
Revised and Approved  
September 2025**

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## Introduction

The Governing Board of Rocketship Education (also referred to as Rocketship Public Schools and hereinafter the “RPS Board”) has formally reviewed and adopted the following fiscal policies to promote the effective stewardship of RPS resources in support of its mission. These policies are intended to ensure that all funds are responsibly budgeted, accurately accounted for, prudently expended, and properly safeguarded in accordance with applicable laws, regulations, and best practices.

## Purpose of the Policies

As stewards of both public and private funds dedicated to advancing students’ education and achievement, all RPS personnel are expected to fully comply with and uphold the fiscal policies set forth in this document.

These fiscal policies serve as the formal framework for the Organization’s financial operations. Their primary purpose is to ensure that assets are properly safeguarded, financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP), and all financial activities are conducted with the highest standards of accountability, integrity, and 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**

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 canceled and payees are notified in compliance with state law.

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 Payroll Access & Management

Rocketship Public Schools (RPS) is committed to maintaining accurate, timely, and secure payroll processing and access controls. This policy applies to all RPS employees, managers, payroll staff, and any third-party service providers with authorized access to RPS payroll and timekeeping systems.

### **Audit Reports**

RPS shall utilize Workday's audit reporting features to generate routine reports that monitor and flag any changes to employee data, including pay rates, job classifications, direct deposit details, and tax elections. These audit reports are part of the Payroll period checklist and shall be reviewed regularly by the Payroll Department to detect and resolve discrepancies promptly.

### **New Hire and Termination Notifications**

The Payroll Department shall receive automated notifications for all new hires, terminations, and employee status changes entered into Workday. This ensures timely updates to payroll records and prevents inaccurate or unauthorized payments.

### **Standardized Timekeeping**

RPS shall require all hourly employees to use a standardized timekeeping system for accurate recording and approval of hours worked. Managers are responsible for reviewing and certifying time entries each pay period to confirm that hours worked are complete, accurate, and compliant with applicable labor laws and organizational policies.

## 1.24 Monthly Close

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

## 1.25 Retirement Savings Plan Policy

Rocketship Education Inc is the plan administrator for a 403(b) retirement account. The purpose of this plan is to provide all eligible employees with a compliant, secure, and transparent retirement savings plan. All contribution reconciliations, supporting documentation, and true-up reports shall be retained in compliance with RPS's Records Retention Policy and applicable ERISA requirements.

## 1.26 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 CEO on a monthly basis. They will be reviewed by the Business Committee of the Board of Directors on a quarterly basis.

## 1.27 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 audit scope will be expanded to include items and processes specified in the applicable sections of the Uniform Guidance (2 CFR Part 200) and related OMB requirements. The selected audit firm must be familiar with these standards and the state charter school audit requirements where RPS operates schools 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 each year and from time to time will solicit proposals from interested firms prior to appointing an audit firm.

#### **Audit Committee**

The RPS Board shall appoint an Audit Committee composed of one or more individuals. Members of the Audit Committee shall not include any employees of the organization, including the President or CEO, Treasurer, or CFO. Additionally, no individual with expenditure authorization or responsibility for recording financial transactions within the organization may serve on the Committee.

The Audit Committee shall be responsible for reviewing the results of the annual independent audit and for developing a corrective action plan to address any material weaknesses or deficiencies identified by the auditor. The Committee shall also evaluate the performance of the external auditor and make recommendations to the Board regarding the selection, retention, or replacement of the auditor as appropriate.

The RPS Board shall review and approve the final audited financial statements no later than December 15 of each year.

### **1.28 Tax Compliance**

#### **Exempt Organization Returns**

The RPS Board shall engage an independent external firm to conduct the annual financial audit and to prepare the annual Federal Form 990 and required state tax returns. These tax filings shall be submitted no later than May 15 of each year, unless an extension has been formally obtained. The Board acknowledges that, under certain circumstances, the filing deadline may be extended beyond May 15 in accordance with applicable regulations.

### **2.0 Internal Controls**

The Finance and Accounting teams are entrusted with safeguarding RPS's assets, implementing and upholding management's internal policies, and ensuring full compliance with all applicable local, state, and federal laws and regulations. All financial activities are conducted in strict accordance with Generally Accepted Accounting Principles (US GAAP) to ensure the production of timely, accurate, and reliable financial information. Furthermore, as a publicly supported organization, RPS recognizes its heightened responsibility to maintain the public's trust and to

uphold the highest standards of transparency and integrity in all financial operations, thereby reinforcing confidence in the mission and activities of our schools.

## 2.1 Conflict of Interest

The Rocketship Conflict-of-Interest Policy (COI) is intended to safeguard the organization's interests when considering any transaction or arrangement that could result in a personal benefit to any officer or Director of the Corporation. This policy is designed to supplement, and not supersede, any applicable state or federal laws governing conflicts of interest for nonprofit and charitable organizations. It is intended to promote transparency, accountability, reputation, and adherence to the highest ethical standards in all decision-making processes.

### **Central Registry of Flagged Vendors/Personnel**

RPS shall establish and maintain a centralized registry of any vendors, contractors, or personnel flagged for actual or potential conflicts of interest, ethical concerns, or policy violations.

### **Strengthened COI Clauses in Vendor Agreements**

All RPS vendor contracts and procurement agreements shall include robust COI clauses requiring full disclosure of any actual or potential conflicts. These agreements shall outline RPS's right to terminate the contract if undisclosed conflicts are discovered. Vendors must comply with this policy and fully cooperate with any related review or investigation.

### **Disclosure and Review Process**

Any RPS director, officer, employee, or vendor must promptly disclose any potential conflict of interest in writing to the Executive Director or Compliance Officer. The Board of Directors or its designated committee shall review all disclosures and determine appropriate steps to mitigate or eliminate any conflict, including but not limited to recusal from decision-making, reassignment of responsibilities, or discontinuation of vendor relationships.

### **Compliance and Enforcement**

Failure to disclose a conflict of interest or violation of this policy may result in disciplinary action up to and including termination of employment or contracts. RPS reserves the right to take any action necessary to protect the organization's integrity and to ensure full compliance with this policy and applicable laws.

## 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 in Rocketship's operating locations.
- 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"> <li>• Approve annual budget submitted by CFO</li> <li>• Review financials on a quarterly basis</li> <li>• Contract for audit annually</li> <li>• Approves intercompany and intracompany grants and loans, including management fee deferrals</li> </ul>   | <ul style="list-style-type: none"> <li>• Hold CEO/CFO accountable for financial management and for staying within budget</li> <li>• Review CEO performance and set compensation</li> </ul> |
| CEO/CFO                  | <ul style="list-style-type: none"> <li>• Create annual organizational budget</li> <li>• Monitor to stay within approved budget</li> <li>• Fiscal management, training and oversight</li> </ul>   | <ul style="list-style-type: none"> <li>• Hold budget owners accountable for staying within budget and for execution of fiscal policies</li> </ul>  |
| CFO                      | <ul style="list-style-type: none"> <li>• Responsible for all oversight of RPS's financial management and planning for its ongoing sustainability</li> <li>• Develop the annual budget</li> <li>• Oversee the Business Team and responsibility for all functions that fall within the department.</li> <li>• Ensure adequate internal control and segregation of duties</li> <li>• Cash flow management</li> <li>• Structure and negotiate loans/bonds</li> </ul> | <ul style="list-style-type: none"> <li>• Oversees the adherence to all internal controls.</li> </ul>   |
| National Leadership Team | <ul style="list-style-type: none"> <li>• Create departmental budgets</li> <li>• Monitor to stay within approved budget</li> </ul>  | <ul style="list-style-type: none"> <li>• Hold team accountable for staying within budget, and for execution of fiscal policies</li> </ul>  |

| Role       | Responsibilities   | Accountability  |
|------------|--|---|
| EDs        | <ul style="list-style-type: none"> <li>Create regional budgets</li> </ul>  | <ul style="list-style-type: none"> <li>Hold principals accountable for staying within budget, and for execution of fiscal policies</li> </ul> |
| Principals | <ul style="list-style-type: none"> <li>Create school budget</li> <li>Monitor to stay within approved campus budget</li> <li>Fiscal management and oversight at a school level</li> </ul> | <ul style="list-style-type: none"> <li>Hold team accountable for staying within budget, and for execution of fiscal policies</li> </ul>       |

## 2.2 Segregation of Duties

To safeguard the organization's financial assets and uphold the highest standards of integrity, financial responsibilities shall be systematically and appropriately segregated among multiple individuals. This segregation of duties is a critical internal control designed to mitigate the risks of fraud, misappropriation, and errors while ensuring operational efficiency and accountability.

### Key Principles

- No single individual shall have control over all critical stages of any financial transaction.
- Responsibilities related to authorization, processing, recording, and reconciliation shall be distributed to prevent conflicts of interest and reduce risk.
- The segregation of duties shall be reviewed periodically to adapt to organizational changes and evolving risk profiles.

### Invoice Processing and Approval

- Invoice receipt, verification, and approval must be handled by different individuals.
- Approval authority should be commensurate with predefined financial thresholds aligned with the organization's delegation of authority policy.

### Payment Authorization

- Payment preparation and authorization shall be separated.
- Personnel responsible for payment approval must not be involved in the payment execution process.

### Check Signing and Payment Execution

- The authority to sign checks or authorize electronic payments shall be limited to designated personnel, with dual signatures or approvals required for amounts exceeding established thresholds.

### Contracting Authority

- Contract negotiation, approval, and execution must be conducted by separate individuals or departments according to defined delegation limits.
- Contracts involving financial commitments beyond certain thresholds shall require additional executive or board-level approval.

**Reconciliation and Monitoring**

- Periodic independent reconciliations of accounts and financial records shall be conducted by personnel not involved in transaction initiation or approval.
- Exception reports and irregularities shall be promptly escalated for review and investigation.

**Threshold Governance**

- All financial activities, including invoice approvals, payment authorizations, check signing, and contracting, shall adhere to established monetary thresholds that trigger varying levels of review and approval.
- These thresholds will be documented, communicated, and regularly reviewed to ensure appropriateness.

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



| Contracting Authority requirement           | Value                      | Regional Contracts, purchase orders, or other pre-authorizations *<br>(entered into by regional entities) | National Contracts, purchase orders, or other pre-authorizations             |
|---|----------------------------|---|--|
| <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  |
|   | 500K<1M                    | CEO or CFO<br>AND<br>Board Chair or Chair of Finance Committee  | CEO or CFO<br>AND<br>Board Chair or Chair of Finance Committee               |
|   | >\$1M                      | 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/Transfers/Wires (entered into by regional entities)* | National Invoice/Payments/Transfers/Wires                       |
|--------------------------|-------------|---|---|
|                          | up to 5K    | Principal or AD   | AD  |
|                          | up to 10K   | Director, Schools or AD/Director of Operations                                  | Director  |
|                          | 10K < 25K   | ED  | Senior Director/VP  |
|                          | 25K < 50K   | ED  | Chief or General Counsel<br>Launchpad Executive Director        |
|                          | 50K < 100K  | CEO or CFO  | CEO or CFO  |
|                          | 100K < 500K | CEO <u>and</u> CFO  | CEO <u>and</u> CFO  |
|                          | 500K < 1M   | CEO or CFO<br>AND<br>Board Chair or Chair of Finance Committee                  | CEO or CFO<br>AND<br>Board Chair or Chair of Finance Committee  |
|                          | >\$1M       | Board of Directors or Business Committee  | Board of Directors or Business Committee or Executive 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   |
|--|---|
| <b>Recruitment, Hiring and Job Placement Records</b> <ul style="list-style-type: none"> <li>• Job applications</li> <li>• Resumes</li> <li>• Letters of recommendation</li> <li>• Other job inquiries sent to the Charter School</li> <li>• Job advertisements/postings</li> <li>• Results of non-medical pre-employment tests</li> <li>• Offers of employment</li> <li>• Employment agreements</li> <li>• Signed pre-employment disclosures (employee handbook acknowledgment, complaint procedures, etc.)</li> <li>• Employee training (harassment prevention, mandated reporting, etc.)</li> <li>• Employee certificates, credentials, licenses, and other evidence of qualifications</li> <li>• Evidence of criminal background check</li> </ul> | 3 years after separation, or for the duration of any claim or litigation regarding hiring practices |
| <b>Employee Performance and Other Personnel Records</b> <ul style="list-style-type: none"> <li>• Job descriptions</li> <li>• Training and testing</li> <li>• Performance goals</li> </ul>  | 3 years after separation  |

|   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Performance evaluations</li> <li>• Written feedback and commendations</li> <li>• Promotions and demotions</li> <li>• Letters of reprimand and discipline</li> <li>• Performance Improvement Plans</li> <li>• Termination, resignation, lay-offs, etc.</li> <li>• Notices and letters</li> </ul>  |  |
| <p>Employee Medical Leave Records (PDL, FMLA, CFRA, etc.) *</p> <ul style="list-style-type: none"> <li>• Requests for leave</li> <li>• Health care provider notes</li> <li>• Leave calculations</li> <li>• Records of disputes regarding leave</li> <li>• Employee benefits related to leave</li> <li>• Leave policies</li> </ul>   | <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"> <li>• Employment agreements</li> <li>• Wage rates and calculations</li> <li>• Shift schedules (hours and days)</li> <li>• Time cards</li> <li>• Individual calculations for absences, sick days, vacation days, etc.</li> <li>• Itemized wage statements/pay stubs</li> </ul>   | <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"> <li>• Employee name, address, age, and occupation</li> <li>• Individual wage records</li> <li>• Regularly hourly rate</li> <li>• Hours worked (daily/weekly)</li> <li>• Weekly overtime earnings</li> <li>• Daily and weekly straight time earnings</li> <li>• Deductions from or additions to wages</li> <li>• Wages paid each pay period</li> <li>• Pay dates and pay periods</li> <li>• Unemployment Insurance Records</li> </ul> | <p>4 years, generally</p>  |
| <p>Employment Eligibility (I-9 Forms)</p>   | <p>The later of (a) 1 year after separation, or (b) 3 years from date of hire.</p>   |
| <p>Employee Health Records*</p> <ul style="list-style-type: none"> <li>• First-aid records</li> <li>• Job injuries (causing loss of work time)</li> <li>• Drug and alcohol test records</li> </ul>  | <p>5 years after separation</p> <p>* Records that contain employee confidential medical</p>  |

|   |   |
|---|---|
|   | information should be retained in a separate, secure file.  |
| <b>Employee Workers' Compensation Records</b> <ul style="list-style-type: none"> <li>• Copies of claim forms</li> <li>• Reports of occupational injury or illness</li> <li>• Letters of denial of benefits</li> <li>• Reports to the Division of Workers' Compensation</li> <li>• Benefits paid</li> <li>• Estimates of future benefits</li> <li>• Applications to the Workers' Compensation Appeals Board</li> <li>• Orders and Awards of the Workers' Compensation Appeals Board</li> </ul>   | 5 years after date of injury and 2 years after claim has been closed.<br><br>* Records that contain employee confidential medical information should be retained in a separate, secure file.                |
| <b>Employee Benefit Records</b> <ul style="list-style-type: none"> <li>• Benefits elections</li> <li>• Beneficiary designations</li> <li>• Eligibility determinations</li> <li>• COBRA notices</li> <li>• Summary plan descriptions</li> <li>• Other welfare benefit plan information (life, health, disability, long-term care, post-retirement medical)</li> </ul>  | 6 years after separation, but not less than 1 year following a plan termination.<br><br>* Records required to determine retirement benefits, including 401(k) and similar plans, must be kept indefinitely. |
| <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, RPS encourages the solicitation and acceptance of gifts for purposes that will assist RPS to further and fulfill its mission.

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

### **Restrictions on Gifts**

RPS will accept unrestricted gifts, and gifts for specific schools, programs and purposes, provided that such gifts are consistent with RPS' mission, purposes, and priorities. RPS 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 RPS, 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**

RPS 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, RPS 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 RPS.

All prospective donors shall be urged and encouraged by RPS 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. RPS shall not pay the legal fees or any professional fees of the donor in connection with a gift to RPS. RPS 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**

RPS shall record a gift received by RPS 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**

RPS is responsible for filing IRS Form 8282 upon the sale or disposition of any non-cash donated property sold by RPS within three years of receipt where the charitable deduction value of the item was \$5,000.00 or greater. RPS 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**

RPS 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.

### **Management Fee Applicability**

In consideration for all Management Services, RPS shall receive a monthly Management Fee equal to 15% of "Applicable Revenue." Management Fees shall be used consistent with RSPS's exempt purpose.

Applicable Revenue is defined as local, state and federal revenues of all such Charter Schools, including GP Entitlement Funds and CBG Funds, paid or accrued with regard to a particular year (without regard to the date funds are actually received). Applicable Revenue shall exclude:

1. Lunch reimbursement
2. Uniform reimbursement
3. After school program reimbursement
4. Title V startup funds
5. Private grants, unless otherwise authorized
6. Local fundraising revenues, unless otherwise authorized

## 3.0 Financial Management

### 3.1 Budgeting Process

The CFO will prepare an annual budget and multi-year forecast each year for presentation to the national board of directors and regional boards of directors. The preliminary annual budget is to be reviewed and approved by the RPS Board prior to the start of each fiscal year. During the first quarter of the fiscal year, the CFO will prepare updates to the budget based on the latest information on enrollment, funding sources, staffing, and operational costs. The RPS National Board and regional boards will review and approve this updated budget, which will be used for reporting purposes (e.g., tracking actual vs. budgeted CINA) for the remainder of the 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. The CFO's budget proposal will include any significant capital expenditure projects (significant is defined as over \$500K), as well as any proposed intercompany or intracompany grants or loans, including management fee deferrals.

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.

### 3.2 Borrowing and Loaning 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.

The extension of credit by RPS to Rocketship regions or affiliates shall be documented and approved by the CEO and/or Board of Directors, consistent with the thresholds for any other contracts.

### 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 revenue from multiple sources, including but not limited to federal and state agencies, private grants, and other contributions. Many of these funding sources impose specific restrictions on how funds may be obligated, expended, recorded, and reported. It is the policy of RPS to ensure that all revenues, particularly restricted funds, are managed in full compliance with the terms and conditions specified by the granting authority and applicable laws and regulations.

### Restricted Funds

Restricted funds are awarded to RPS pursuant to unique grant agreements or awards issued by federal, state, or other funding entities. These funds must be utilized solely for their intended purposes as defined by the awarding agency or donor. RPS staff shall ensure that all expenditures of restricted funds strictly adhere to the allowable uses, cost principles, and reporting requirements outlined in each specific grant or award agreement.

### Staff Responsibilities:

All staff responsible for budgeting, spending, or reporting restricted funds shall review and understand the applicable award documents and related compliance requirements prior to obligating or expending any restricted funds.

Grant managers, program directors, and finance staff shall collaborate to ensure expenditures are properly authorized, adequately documented, and appropriately recorded in the financial system according to fund restrictions.

### Accounts Receivable

All receivables shall be recorded timely and accurately in accordance with generally accepted accounting principles (GAAP) and applicable grantor requirements. The Finance Department shall establish procedures to monitor outstanding receivables, follow up on overdue balances, and ensure prompt collection.

RPS shall maintain accurate records to demonstrate compliance with all applicable grant and funding requirements. All required financial reports and supporting documentation shall be

prepared, reviewed, and submitted to granting authorities in accordance with established deadlines.

The Finance Department, in coordination with program managers and grant administrators, shall periodically review revenue and accounts receivable practices to ensure compliance with this policy, grant conditions, and applicable regulations. Any identified discrepancies shall be addressed promptly, and appropriate corrective actions shall be implemented as necessary.

## 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 Expenses & Accounts Payable

### 5.1 Purchases & Procurement Policy

RPS shall procure only those goods and services that are necessary to fulfill its mission and meet bona fide operational needs. All purchasing decisions shall be guided by the principles of price,

quality, and dependability. Vendors may be selected based on any one or a combination of these factors. RPS shall also take affirmative steps to ensure that minority-owned businesses and women's business enterprises are included whenever possible and practical. The overriding goal shall always be to maintain and support high-quality schools and programs.

When engaging in procurement activities, RPS staff shall:

- Remain impartial in the selection process, focusing solely on the merits of supplier or contractor proposals and applicable factors such as delivery, quantity, and specifications.
- Make all purchases in the best interests of RPS and its funding sources.
- Obtain quality supplies and services needed at the time and place required.
- Procure goods and services only from responsible, reputable, and dependable sources.
- Ensure best value for all expenditures.
- Deal fairly and impartially with all vendors.
- Demonstrate conduct that is above reproach, avoiding any conflict of interest, related party transaction, or the appearance of impropriety in all school-supplier relationships.
- Follow strong internal control principles to minimize risk of fraud, including proper segregation of duties and compliance with all policies governing authorization of 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

### **Contracts for Goods and Services**

Where feasible, RPS shall enter into contracts for goods and services that clearly define scope, deliverables, exclusions, delivery schedules, payment terms, and standard legal protections. Contracts should allow for monthly payments with at least 30 days from the date of invoice. Contracts shall be negotiated by a member of the Network Executive Team or an authorized designee, consistent with established contracting thresholds.

All new vendors must complete Form W-9 (except local, state, or federal government entities) prior to payment initiation.

### **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
- Avoid making purchases categorized as “equipment” or other items that would be considered durable assets with federal funds;
- Where appropriate, analyze lease and purchase alternatives to determine which would be the most economical and practical procurement;
- 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

| Methodology & Threshold   | Requirement   |
|---|---|
| Micro-purchase<br>\$0-\$10,000  | <ul style="list-style-type: none"> <li>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.</li> <li>Distributed equitably among a range of qualified vendors when practical</li> </ul>  |
| Small Purchase<br>\$10,001-\$250,000  | <ul style="list-style-type: none"> <li>Price or rate quotes must be obtained from adequate number of sources (at least two)</li> <li>Can be informal, e.g., phone call or web search</li> <li>All quotes, including phone calls, web searches, etc., must be documented and kept on file</li> <li>Price does not need to be deciding factor, but all quotes need to be kept in procurement records</li> </ul>   |
| Sealed Bid<br>\$250,000 and greater<br><i>Price is principal basis for selection</i>  | <ul style="list-style-type: none"> <li>Bids must be solicited from an adequate number of known suppliers, providing sufficient response time</li> <li>Local and tribal governments must publicly advertise bids</li> <li>Invitation for bids must define the items or services in order for bidders to properly respond</li> <li>All bids will be opened at time and place prescribed in invitation. Local and tribal governments must be opened publicly.</li> <li>Firm fixed price contract made in writing to the lowest responsive and responsible bidder</li> <li>Any or all bids may be rejected if there is a sound documented reason</li> </ul>   |
| Competitive Proposal<br>\$250,000 and greater<br><i>Selection is based on what is most advantageous with price and other factors considered</i> | <ul style="list-style-type: none"> <li>Must be publicized and identify all evaluation factors and their relative importance</li> <li>Must be solicited from an adequate number of qualified sources</li> <li>Must have a written method for conducting technical evaluations of the proposals and selecting recipients</li> <li>Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered</li> </ul>  |
| Noncompetitive Proposal<br>(sole source)  | <ul style="list-style-type: none"> <li>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</li> <li>Justification of the use of noncompetitive proposal must be documented</li> <li>Any research on availability from multiple sources must be documented</li> <li>Documentation of authorization must be retained</li> <li>Any initial solicitations from multiple sources which are concluded to be inadequate, and such reasoning, must be documented</li> </ul> |

## Purchase and Contract Approval Authority

All purchases at Rocketship are pre-approved according to the thresholds and requirements outlined in Section 2.2. Pre-approval may be given via a limited, specific contract, a purchase order or work order, or an approval in Ramp to make a specific, time-bound purchase or set of



purchases (eg a work-related trip need only be pre-approved once, allowing purchases of airfare, hotel, and meals subject to a total cost approval and other policies).

Approval requirements for contracts, POs, pre-approvals, and payments are outlined in Section 2.2. Once a contract is approved, no further approval is required for recurring or project-related expenditures covered by that contract (e.g., Board-approved construction budgets).

Approval authority may be delegated to another RPS Leadership Team member if an approver is unavailable.

#### **Invoice Payment**

All invoices shall be paid promptly to avoid late fees and maintain vendor relationships.

#### **Oversight**

The Finance Department shall conduct periodic reviews of procurement activities to verify compliance with this policy and related federal and state requirements. Non-compliance shall be addressed through corrective action, training, and updated procedures as needed.

## **5.2 Employee and Volunteer Expense Reimbursements**

RPS recognizes that employees and authorized volunteers may incur necessary and reasonable business expenses in the course of carrying out duties in support of RPS's mission. This policy outlines clear guidelines to ensure that all expenses are appropriate, properly documented, pre-approved, and reimbursed in compliance with RPS's fiduciary responsibilities and applicable federal, state, and funding agency requirements.

#### **Eligibility**

All RPS employees are eligible for expense reimbursement, provided the expenses:

- Align with this policy and RPS's mission;
- Are pre-approved by the employee's manager when required;
- Are reasonable and necessary;
- Are properly documented with original, itemized receipts; and
- Comply with IRS, state, and grantor/funder requirements.

#### **Reimbursement Requirements**

Employees must submit expense reimbursement requests promptly by completing an accurate expense report and attaching required documentation. Expense reports should be submitted within 30 days of incurring the expense and no later than 30 days after the end of the quarter in which the expense was incurred. Original, itemized receipts are mandatory for all expenditures except mileage. If a receipt is lost, supporting documentation such as a credit card statement may be submitted on an exception basis only. Credit card statements are not an acceptable substitute for receipts.

## **Approval Requirements**

Supervisors must review and approve all expense reports. Approval certifies that:

- Expenses are reasonable, necessary, and directly related to the employee's duties;
- Original, itemized receipts are attached;
- Expenses are accurately coded to appropriate accounts; and
- The expense complies with this policy and any relevant funding restrictions.

## **Credit Card Management and Controls**

To strengthen internal controls and ensure fiscal accountability, RPS shall implement the following practices:

- Require pre-approval for all expense/card use.
- Use Ramp (if available/possible) for travel bookings and shop with preferred vendors.
- Enforce itemized receipts for any expenses.
- Limit credit card thresholds to encourage compliance.

## **Guidelines for Specific Reimbursable Expenses**

**Cell Phone:** Eligible full-time employees may receive up to \$50 per month for work-related cell phone expenses.

**Air Travel:** Air travel should be booked in advance to secure the lowest reasonable fares. Only coach class is reimbursable unless pre-approved. Frequent flyer miles remain employee property. Baggage fees for two or more nights are reimbursable; seat upgrades are not.

**Hotels:** Reasonably priced, standard business-class accommodations only. Detailed hotel bills must be submitted.

**Car Rentals:** Use only when cost-effective. Rent economy-class vehicles. Decline additional insurance. Refuel before return.

**Private Vehicle Mileage:** Reimbursed at the IRS standard rate; excludes commuting mileage.

**Other Transportation:** Reasonable costs for taxis, rideshares, and public transit are reimbursable when necessary.

**Meals:** Reasonable meals reimbursed within GSA per diem; maximum \$75/day. Alcohol is not reimbursed.

**Parking & Tolls:** Business-related parking and tolls are reimbursable.

**Entertainment:** Requires pre-approval.

**Non-Reimbursable:** Movies, clothing, fines, personal expenses.

## **Travel Advances**

In specific cases, travel advances may be issued. Advances must be reconciled with actual expenses within two weeks of trip completion.

## 5.3 Governing Board Expenses

Board members must complete expense reports with original receipts for all authorized expenses. The CEO and/or another Board member must review and approve Board expense reports.

## 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.

Leases within the capitalization thresholds will be accounted for in accordance with ASC 842 – lease accounting.

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. RPS has security cameras at its schools to safeguard its assets. RPS 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.

## 7.0 Investment Policy

The RPS CFO will oversee the investment of cash balances, subject to oversight of the RPS Board and following guidelines that have been established by the RPS Board. The core objective of this investment policy is the protection of the principal amount while achieving modest yield. The strategy is rooted in an unwavering commitment to capital preservation and minimal risk exposure. Investments consistent with this approach include, government backed securities, cash and cash equivalents, money market funds, government bonds, certificates of deposit and others.

## 8.0 Time and Effort Policies and Procedures

### Overview:

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities.

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- This includes verification through (electronic) signatures and documentation from individuals with first-hand knowledge incorporated into official records;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
  - Budgeted estimates do not qualify but may be used for interim accounting purposes if the estimates are reasonable, identified to related work in a timely manner, and after-the-fact review procedures are in place
- Encompass both federally assisted and all other activities compensated by Rocketship;
- Comply with Rocketship's established accounting policies and practices; and

- Support the distribution of the employee's salary or wages among specific activities or cost objectives.

## **Time and Effort Procedures**

To meet the above requirements, all employees who must complete time and effort forms must submit either a semi-annual certification or a personnel activity report (PAR) as required below.

The type of form depends on the number of cost objectives that an employee works on. A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit of which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc.

### **Semi-annual certification - applies to employees who do one of the following:**

- Work 100% of their time on a single grant program and/or single cost objective.
- Work 100% of their time in administering one program such as a Federal Programs Director who administers only one program.
- Work 100% of their time under a single cost objective funded from eligible multiple funding sources.

The semi-annual certification must be:

- Completed twice a year;
- Be signed by the employee or the supervisor with direct knowledge of the work being performed;
- Reflect an after-the-fact distribution of the actual activity; and
- Account for the total activity for which each employee is compensated.
- The semi-annual certifications will be maintained by the business department grants office.

### **PAR - applies to employees who do one of the following:**

- Do not work 100% of their time on a single grant program and/or single cost objective
- Work under multiple grant programs or multiple cost objectives

The PAR provides a written record of an employee's work activities used to document that employee's time to grants or projects. It must be completed monthly and supported by a daily calendar of activities.

All employees who work on multiple cost objectives must complete PARs that support the distribution of their salaries /wages that meet the following standards:

- Reflect an after-the-fact distribution of the actual activity, not a budget estimate;
- Account for the total work activity for which each employee is compensated;
- Be prepared at least monthly (a separate PAR for each month) and coincide with one (1) or more pay periods; and
- Be signed by the employee.

## **Reconciliation Procedures**

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

In order to reconcile actual costs to budgeted distributions, the business team grants office will conduct quarterly reconciliations of payroll charges to the actual time and effort reflected in employees' time and effort records. This will include review of form ratios versus budgeted distributions after each review.

All the time and effort certifications are collected by the business team grants office, reviewed for accuracy, appropriate signatures, dates and copied to the Grants Accounting Office.

ROCKETSHIP PUBLIC SCHOOLS

## Semi-annual Certification

**Name:**

**Job Title:**

**School:**

**July 20XX - December 20XX**

| Actual Work Activity |                    |                          |
|----------------------|--------------------|--------------------------|
| FUNDING SOURCE       | PERCENTAGE OF TIME | DESCRIPTION OF FUNCTIONS |
|                      |                    |                          |

### EMPLOYEE AND SUPERVISOR SIGNATURES

|                 |                      |             |
|-----------------|----------------------|-------------|
| EMPLOYEE NAME   | EMPLOYEE SIGNATURE   | DATE SIGNED |
|                 |                      |             |
| SUPERVISOR NAME | SUPERVISOR SIGNATURE | DATE SIGNED |
|                 |                      |             |

ROCKETSHIP PUBLIC SCHOOLS

## Personnel Activity Report

### Monthly

Name:

Job Title:

School:

Pay Period \_\_\_\_\_

| Actual Work Activity |                    |  |
|----------------------|--------------------|--|
| FUNDING SOURCE       | PERCENTAGE OF TIME | DESCRIPTION OF FUNCTIONS                       |
| Title I              | 75%                | Providing target support to students requiring |
|                      |                    |  |
|                      |                    |  |
|                      |                    |  |

#### EMPLOYEE AND SUPERVISOR SIGNATURES

|                 |                      |             |
|-----------------|----------------------|-------------|
| EMPLOYEE NAME   | EMPLOYEE SIGNATURE   | DATE SIGNED |
| SUPERVISOR NAME | SUPERVISOR SIGNATURE | DATE SIGNED |



## 9.0 Comparability Policy

### Overview

It is the policy of Rocketship Public Schools to provide services that are substantially comparable to Title I and non-Title I schools within the grade span

- State and local funds will not replace federal funds
- Title I receiving schools will not receive less state or local funds because they receive federal funds

### Methods of Determining Comparability

In order to achieve comparability, Rocketship Public Schools relies on the following: LEA Salary Schedule, Staffing Equivalence, and Centralized Procurement.

- LEA Salary Schedule: All Rocketship schools use a common regional salary schedule, ensuring that teachers, principals, and other staff are paid the same (adjusted for experience and performance) from school to school, regardless of Title I funding status.
- Staffing Equivalence: Rocketship follows a common staffing model across all of its schools. While staffing headcounts will vary as enrollment and school needs dictate, the staffing model (the number of teachers per classroom, the number of administrative staff) is consistent from school to school with equivalent total enrollment. This consistent staffing model ensures that each student, regardless of if they are in a Title I or non-Title I school, receives a substantially comparable level of staffing support.
- Centralized Procurement: Rocketship deploys a common national curriculum, technology program, furniture plan, and facilities management plan. These universal, centrally-managed functions, ensure that students at each Rocketship school, regardless of if they are in a Title I or non-Title I school, receive an equivalent provision of supplies, technology, curriculum, facilities, and other non-personnel services.

Supporting documentation must be kept as a record to show implementation and demonstrate that equivalence was achieved.

In accordance with Federal regulations, the determination of the comparability of services may exclude: state and local funds spent on compensatory education programs, bilingual education programs, and programs for educationally-disabled students. The determination of comparability will not take into account unpredictable changes in student enrollments or personnel assignments.

# **Rocketship Public Schools**

**Fiscal Policies  
Revised and Approved  
June 2025**

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## Introduction

The Governing Board of Rocketship Education (also known as Rocketship Public Schools, and hereinafter 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**

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 business 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"> <li>• Approve annual budget submitted by CFO</li> <li>• Review financials on a quarterly basis</li> <li>• Contract for audit annually</li> <li>• Approves intercompany and intracompany grants and loans, including management fee deferrals</li> </ul> | <ul style="list-style-type: none"> <li>• Hold CEO/CFO accountable for financial management and for staying within budget</li> <li>• Review CEO performance and set compensation</li> </ul> |
| CEO/CFO         | <ul style="list-style-type: none"> <li>• Create annual organizational budget</li> <li>• Monitor to stay within approved budget</li> <li>• Fiscal management, training and oversight</li> </ul>   | <ul style="list-style-type: none"> <li>• Hold budget owners accountable for staying within budget and for execution of fiscal policies</li> </ul>  |



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

## 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, purchase orders, or other pre-authorizations *<br>(entered into by regional entities) | National Contracts, purchase orders, or other pre-authorizations             |
|---|----------------------------|---|--|
| <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  |
|   | 500K<1M                    | CEO or CFO<br>AND<br>Board Chair or Chair of Finance Committee  | CEO or CFO<br>AND<br>Board Chair or Chair of Finance Committee               |
|   | >\$1M                      | 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/Transfers/Wires (entered into by regional entities)* | National Invoice/Payments/Transfers/Wires                       |
|--------------------------|-------------|---|---|
|                          | up to 5K    | Principal or AD   | AD  |
|                          | up to 10K   | Director, Schools or AD/Director of Operations                                  | Director  |
|                          | 10K < 25K   | ED  | Senior Director/VP  |
|                          | 25K < 50K   | ED  | Chief or General Counsel<br>Launchpad Executive Director        |
|                          | 50K < 100K  | CEO or CFO  | CEO or CFO  |
|                          | 100K < 500K | CEO <u>and</u> CFO  | CEO <u>and</u> CFO  |
|                          | 500K < 1M   | CEO or CFO<br>AND<br>Board Chair or Chair of Finance Committee                  | CEO or CFO<br>AND<br>Board Chair or Chair of Finance Committee  |
|                          | >\$1M       | Board of Directors or Business Committee  | Board of Directors or Business Committee or Executive 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"> <li>• Job applications</li> <li>• Resumes</li> <li>• Letters of recommendation</li> <li>• Other job inquiries sent to the Charter School</li> <li>• Job advertisements/postings</li> <li>• Results of non-medical pre-employment tests</li> <li>• Offers of employment</li> <li>• Employment agreements</li> <li>• Signed pre-employment disclosures (employee handbook)</li> </ul> | 3 years after separation, or for the duration of any claim or litigation regarding hiring practices |

|   |  |
|---|--|
| <p>acknowledgment, complaint procedures, etc.)</p> <ul style="list-style-type: none"> <li>• Employee training (harassment prevention, mandated reporting, etc.)</li> <li>• Employee certificates, credentials, licenses, and other evidence of qualifications</li> <li>• Evidence of criminal background check</li> </ul>   |  |
| <p>Employee Performance and Other Personnel Records</p> <ul style="list-style-type: none"> <li>• Job descriptions</li> <li>• Training and testing</li> <li>• Performance goals</li> <li>• Performance evaluations</li> <li>• Written feedback and commendations</li> <li>• Promotions and demotions</li> <li>• Letters of reprimand and discipline</li> <li>• Performance Improvement Plans</li> <li>• Termination, resignation, lay-offs, etc.</li> <li>• Notices and letters</li> </ul> | 3 years after separation   |
| <p>Employee Medical Leave Records (PDL, FMLA, CFRA, etc.) *</p> <ul style="list-style-type: none"> <li>• Requests for leave</li> <li>• Health care provider notes</li> <li>• Leave calculations</li> <li>• Records of disputes regarding leave</li> <li>• Employee benefits related to leave</li> <li>• Leave policies</li> </ul>   | <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"> <li>• Employment agreements</li> <li>• Wage rates and calculations</li> <li>• Shift schedules (hours and days)</li> <li>• Time cards</li> <li>• Individual calculations for absences, sick days, vacation days, etc.</li> <li>• Itemized wage statements/pay stubs</li> </ul>   | <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"> <li>• Employee name, address, age, and occupation</li> </ul>   | 4 years, generally   |

|  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Individual wage records</li> <li>• Regularly hourly rate</li> <li>• Hours worked (daily/weekly)</li> <li>• Weekly overtime earnings</li> <li>• Daily and weekly straight time earnings</li> <li>• Deductions from or additions to wages</li> <li>• Wages paid each pay period</li> <li>• Pay dates and pay periods</li> <li>• Unemployment Insurance Records</li> </ul>   |   |
| Employment Eligibility (I-9 Forms)   | The later of (a) 1 year after separation, or (b) 3 years from date of hire.   |
| Employee Health Records* <ul style="list-style-type: none"> <li>• First-aid records</li> <li>• Job injuries (causing loss of work time)</li> <li>• Drug and alcohol test records</li> </ul>  | 5 years after separation<br><br>* Records that contain employee confidential medical information should be retained in a separate, secure file.   |
| Employee Workers' Compensation Records <ul style="list-style-type: none"> <li>• Copies of claim forms</li> <li>• Reports of occupational injury or illness</li> <li>• Letters of denial of benefits</li> <li>• Reports to the Division of Workers' Compensation</li> <li>• Benefits paid</li> <li>• Estimates of future benefits</li> <li>• Applications to the Workers' Compensation Appeals Board</li> <li>• Orders and Awards of the Workers' Compensation Appeals Board</li> </ul> | 5 years after date of injury and 2 years after claim has been closed.<br><br>* Records that contain employee confidential medical information should be retained in a separate, secure file.                |
| Employee Benefit Records <ul style="list-style-type: none"> <li>• Benefits elections</li> <li>• Beneficiary designations</li> <li>• Eligibility determinations</li> <li>• COBRA notices</li> <li>• Summary plan descriptions</li> <li>• Other welfare benefit plan information (life, health, disability, long-term care, post-retirement medical)</li> </ul>  | 6 years after separation, but not less than 1 year following a plan termination.<br><br>* Records required to determine retirement benefits, including 401(k) and similar plans, must be kept indefinitely. |

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:

Pension and welfare plan information (6 years)

First aid records of job injuries causing loss of work time (5 years)

Safety and toxic or chemical exposure records, including safety data sheets (30 years)

## 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.

## **Management Fee Applicability**

In consideration for all Management Services, RPS shall receive a monthly Management Fee equal to 15% of "Applicable Revenue." Management Fees shall be used consistent with RPS's exempt purpose.

Applicable Revenue is defined as local, state and federal revenues of all such Charter Schools, including GP Entitlement Funds and CBG Funds, paid or accrued with regard to a particular year (without regard to the date funds are actually received). Applicable Revenue shall exclude:

1. Lunch reimbursement
2. Uniform reimbursement
3. After school program reimbursement
4. Title V startup funds
5. Private grants, unless otherwise authorized
6. Local fundraising revenues, unless otherwise authorized

## **3.0 Financial Management**

### **3.1 Budgeting Process**

The CFO will prepare an annual budget and multi-year forecast each year for presentation to the board of directors. The preliminary annual budget is to be reviewed and approved by the RPS Board prior to the start of each fiscal year. During the first quarter of the fiscal year, the CFO will prepare updates to the budget based on the latest information on enrollment, funding sources, staffing, and operational costs. The RPS Board will review and approve this updated budget, which will be used for reporting purposes (e.g., tracking actual vs. budgeted CINA) for the remainder of the 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. The CFO's budget proposal will include any significant capital expenditure projects (significant is defined as over \$500K), as well as any proposed intercompany or intracompany grants or loans, including management fee deferrals.

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.

### 3.2 Borrowing and Loaning 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.

The extension of credit by Rocketship, including all intercompany loans (e.g., to Rocketship Texas) shall be approved by the Board of Directors. Any intracompany (e.g., to Rocketship Wisconsin) loans or management fee deferrals which remain in effect across fiscal years shall be approved by the Board of Directors.

### 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.
- 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
- Avoid making purchases categorized as “equipment” or other items that would be considered durable assets with federal funds;
- Where appropriate, analyze lease and purchase alternatives to determine which would be the most economical and practical procurement;
- 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<br>\$0-\$10,000 | <ul style="list-style-type: none"> <li>● 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.</li> <li>● Distributed equitably among a range of qualified vendors when practical</li> </ul> |



|  |   |
|--|---|
| <p>Small Purchase<br/>\$10,001-\$250,000</p>   | <ul style="list-style-type: none"> <li>• Price or rate quotes must be obtained from adequate number of sources (at least two)</li> <li>• Can be informal, e.g., phone call or web search</li> <li>• All quotes, including phone calls, web searches, etc., must be documented and kept on file</li> <li>• Price does not need to be deciding factor, but all quotes need to be kept in procurement records</li> </ul>   |
| <p>Sealed Bid<br/>\$250,000 and greater<br/><i>Price is principal basis for selection</i></p>  | <ul style="list-style-type: none"> <li>• Bids must be solicited from an adequate number of known suppliers, providing sufficient response time</li> <li>• Local and tribal governments must publicly advertise bids</li> <li>• Invitation for bids must define the items or services in order for bidders to properly respond</li> <li>• All bids will be opened at time and place prescribed in invitation. Local and tribal governments must be opened publicly.</li> <li>• Firm fixed price contract made in writing to the lowest responsive and responsible bidder</li> <li>• Any or all bids may be rejected if there is a sound documented reason</li> </ul> |
| <p>Competitive Proposal<br/>\$250,000 and greater<br/><i>Selection is based on what is most advantageous with price and other factors considered</i></p> | <ul style="list-style-type: none"> <li>• Must be publicized and identify all evaluation factors and their relative importance</li> <li>• Must be solicited from an adequate number of qualified sources</li> <li>• Must have a written method for conducting technical evaluations of the proposals and selecting recipients</li> <li>• Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered</li> </ul>  |

|                                       |   |
|---------------------------------------|---|
| Noncompetitive Proposal (sole source) | <ul style="list-style-type: none"> <li>• 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</li> <li>• Justification of the use of noncompetitive proposal must be documented</li> <li>• Any research on availability from multiple sources must be documented</li> <li>• Documentation of authorization must be retained</li> <li>• Any initial solicitations from multiple sources which are concluded to be inadequate, and such reasoning, must be documented</li> </ul> |
|---------------------------------------|---|

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, purchase order, pre-approvals, 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

# ROCKETSHIP

## PUBLIC SCHOOLS

should be made to take the lowest fare available unless a flight imposes an unreasonable 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 two 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 rental 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 and published on the IRS website.

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 employees are generally asked not to exceed \$75 per day in meals, using the [GSA's](#) recommended per diem for the city they're travelling to as a guide.

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 obtain approval from 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.

Leases within the capitalization thresholds will be accounted for in accordance with ASC 842 –

lease accounting.

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.

## 7.0 Investment Policy

The RPS CFO will oversee the investment of Rocketship cash balances, subject to oversight of the RPS Board and following guidelines that have been established by the RPS Board. The core objective of this investment policy is the protection of the principal amount while achieving



modest yield. The strategy is rooted in an unwavering commitment to capital preservation and minimal risk exposure. Investments consistent with this approach include, government backed securities, cash and cash equivalents, money market funds, government bonds, certificates of deposit and others.

## 8.0 Time and Effort Policies and Procedures

### Overview:

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities.

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- This includes verification through (electronic) signatures and documentation from individuals with first-hand knowledge incorporated into official records;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
  - Budgeted estimates do not qualify but may be used for interim accounting purposes if the estimates are reasonable, identified to related work in a timely manner, and after-the-fact review procedures are in place
- Encompass both federally assisted and all other activities compensated by Rocketship;
- Comply with Rocketship's established accounting policies and practices; and
- Support the distribution of the employee's salary or wages among specific activities or cost objectives.

### Time and Effort Procedures

To meet the above requirements, all employees who must complete time and effort forms must submit either a semi-annual certification or a personnel activity report (PAR) as required below.

The type of form depends on the number of cost objectives that an employee works on. A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit of which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc.

### Semi-annual certification - applies to employees who do one of the following:

- Work 100% of their time on a single grant program and/or single cost objective.
- Work 100% of their time in administering one program such as a Federal Programs Director who administers only one program.
- Work 100% of their time under a single cost objective funded from eligible multiple funding sources.

The semi-annual certification must be:

- Completed twice a year;
- Be signed by the employee or the supervisor with direct knowledge of the work being performed;
- Reflect an after-the-fact distribution of the actual activity; and
- Account for the total activity for which each employee is compensated.
- The semi-annual certifications will be maintained by the business department grants office.

**PAR - applies to employees who do one of the following:**

- Do not work 100% of their time on a single grant program and/or single cost objective
- Work under multiple grant programs or multiple cost objectives

The PAR provides a written record of an employee's work activities used to document that employee's time to grants or projects. It must be completed monthly and supported by a daily calendar of activities.

All employees who work on multiple cost objectives must complete PARs that support the distribution of their salaries /wages that meet the following standards:

- Reflect an after-the-fact distribution of the actual activity, not a budget estimate;
- Account for the total work activity for which each employee is compensated;
- Be prepared at least monthly (a separate PAR for each month) and coincide with one (1) or more pay periods; and
- Be signed by the employee.

### **Reconciliation Procedures**

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

In order to reconcile actual costs to budgeted distributions, the business team grants office will conduct quarterly reconciliations of payroll charges to the actual time and effort reflected in employees' time and effort records. This will include review of form ratios versus budgeted distributions after each review.

All the time and effort certifications are collected by the business team grants office, reviewed for accuracy, appropriate signatures, dates and copied to the Grants Accounting Office.



ROCKETSHIP PUBLIC SCHOOLS  
**Semi-annual Certification**  
**Name:**  
**Job Title:**  
**School:**  
**July 2024 - December 2025**

| Actual Work Activity |                    |                          |
|----------------------|--------------------|--------------------------|
| FUNDING SOURCE       | PERCENTAGE OF TIME | DESCRIPTION OF FUNCTIONS |
|                      |                    |                          |

**EMPLOYEE AND SUPERVISOR SIGNATURES**

|                 |                      |             |
|-----------------|----------------------|-------------|
| EMPLOYEE NAME   | EMPLOYEE SIGNATURE   | DATE SIGNED |
| SUPERVISOR NAME | SUPERVISOR SIGNATURE | DATE SIGNED |

ROCKETSHIP PUBLIC SCHOOLS

## Personnel Activity Report

Monthly

Name:

Job Title:

School:

Pay Period \_\_\_\_\_

| Actual Work Activity |                    |  |
|----------------------|--------------------|--|
| FUNDING SOURCE       | PERCENTAGE OF TIME | DESCRIPTION OF FUNCTIONS                       |
| Title I              | 75%                | Providing target support to students requiring |
|                      |                    |  |
|                      |                    |  |
|                      |                    |  |

### EMPLOYEE AND SUPERVISOR SIGNATURES

|                 |                      |             |
|-----------------|----------------------|-------------|
| EMPLOYEE NAME   | EMPLOYEE SIGNATURE   | DATE SIGNED |
| SUPERVISOR NAME | SUPERVISOR SIGNATURE | DATE SIGNED |

## 9.0 Comparability Policy

### Overview

It is the policy of Rocketship Public Schools to provide services that are substantially comparable to Title I and non-Title I schools within the grade span

- State and local funds will not replace federal funds
- Title I receiving schools will not receive less state or local funds because they receive federal funds

### Methods of Determining Comparability

In order to achieve comparability, Rocketship Public Schools relies on the following: LEA Salary Schedule, Staffing Equivalence, and Centralized Procurement.

- LEA Salary Schedule: All Rocketship schools use a common regional salary schedule, ensuring that teachers, principals, and other staff are paid the same (adjusted for experience and performance) from school to school, regardless of Title I funding status.
- Staffing Equivalence: Rocketship follows a common staffing model across all of its schools. While staffing headcounts will vary as enrollment and school needs dictate, the staffing model (the number of teachers per classroom, the number of administrative staff) is consistent from school to school with equivalent total enrollment. This consistent staffing model ensures that each student, regardless of if they are in a Title I or non-Title I school, receives a substantially comparable level of staffing support.
- Centralized Procurement: Rocketship deploys a common national curriculum, technology program, furniture plan, and facilities management plan. These universal, centrally-managed functions, ensure that students at each Rocketship school, regardless of if they are in a Title I or non-Title I school, receive an equivalent provision of supplies, technology, curriculum, facilities, and other non-personnel services.

Supporting documentation must be kept as a record to show implementation and demonstrate that equivalence was achieved.

In accordance with Federal regulations, the determination of the comparability of services may exclude: state and local funds spent on compensatory education programs, bilingual education programs, and programs for educationally-disabled students. The determination of comparability will not take into account unpredictable changes in student enrollments or personnel assignments.