



Thursday, November 13, 2025
Rocketship Tennessee Business Committee Meeting (2025-26 Q2)

Meeting Time: 12:30pm CT
Webinar Link: <https://rocketshipschools.zoom.us/j/81104467383>
Webinar ID: 811 0446 7383

1. Opening Items

- A. Call to order

2. Consent Items

- A. Approve minutes from the August 14, 2025 meeting of the Rocketship Tennessee Business Committee

3. Information Items

- A. List of checks in excess of \$100k
- B. Development Update
- C. Q1 Financial Review and Next Steps

4. Action Items: Finance - Review and Recommend Approval

- A. Review and Recommend Approval of Revised Rocketship Fiscal Policies to the Rocketship TN Board of Trustees
- B. Review and Recommend Approval of the Rocketship TN Audit to the Rocketship TN Board of Trustees

5. Information Items

- A. Rocketship Dream Community Prep Transaction Update
- B. Family Recruitment and Enrollment Update
- C. Tennessee Four Update

6. Adjourn

- A. Adjourn Meeting

Pursuant to TN Code § 8-44-108(c)(3)(a) this meeting will include members of the governing body who are participating by electronic means of communication.

Rocketship Tennessee Business Committee Meeting (2025-26 Q1) (Thursday, August 14, 2025)

Generated by Cristina Vasquez on Friday, August 15, 2025

1. Opening Items

A. Call to order

At 12:33pm, Mr. Elliott took roll call. With a quorum of board members present, Mr. Elliott called the meeting to order.

Present: John Eason, June Nwabara, Rob Elliott

Absent: Anderson Green

2. Consent Items

A. Approve minutes from the February 13, 2025 meeting of the Rocketship Tennessee Business Committee

At 12:34pm, Mr. Eason made a motion to approve consent item 2(A). This motion was seconded by Ms. Nwabara and carried unanimously by a roll call vote.

Y: John Eason, June Nwabara, Rob Elliott

N: --

Abstain: --

3. Information Items

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

At 12:35pm, the committee reviewed information item 3(A). No action was taken.

B. Regional Health Dashboard Review

At 12:36pm, the committee discussed information item 3(B). No action was taken.

C. 2024-25 EOY Financial Review

At 12:52pm, the committee discussed information item 3(C). No action was taken.

4. Action Items: Finance - Review and Recommend

A. Review and Recommend Approval of 2025-26 Revised Budget to the Rocketship Tennessee Board of Trustees

At 1:19pm, the committee discussed action item 4(A).

At 1:38pm, Mr. Eason made a motion to recommend approval of action item 4(A). This motion was seconded by Ms. Nwabara and carried unanimously by a roll call vote.

Y: John Eason, June Nwabara, Rob Elliott

N: --

Abstain: --

5. Information Items

A. Rocketship Dream Community Prep Transaction Update

At 1:39pm, the committee discussed information item 5(A). No action was taken.

B. 2025-26 Priorities and Initiatives

At 1:44pm, the committee discussed information item 5(B). No action was taken.

5. Adjourn

A. Adjourn Meeting

At 2:14pm, Mr. Eason made a motion to adjourn the meeting. This motion was seconded by Ms. Nwabara and carried unanimously by a roll call vote.

Y: John Eason, June Nwabara, Rob Elliott

N: --

Abstain: --

Rocketship Education Tennessee
Checks signed in excess of \$100,000
Jul 2025 - Sep 2025

Check Date	Check #	Vendor and Invoice #	Invoice Amount	Amount of check
Reoccurring Monthly Budgeted Expenditures (Policy #138 August 2014)				

Subtotal by category

Student Transportation				
8/1/25	ACH	Gray Line Tennessee 71192		129,448.00
9/5/25	ACH	Gray Line Tennessee 71488		129,448.00
				\$ 258,896.00
Example Jumpstart School startup online programs or furnitures.				

Total - All checks signed in excess of \$100,000

\$ 258,896.00

Rocketship Public Schools

Fiscal Policies

Revised and Approved

September 2025

Table of Contents

Contents

Introduction	5
Purpose of the Policies	5
Amending the Policies	5
1.0 Accounting Standards	6
1.1 Basis of Accounting	6
1.2 Accounting Processes	6
1.21 Bank Reconciliations	6
1.22 Stale Check Policy	6
1.23 Payroll Access & Management	6
· Purpose	6
· Scope	6
· Policy Requirements	6
· Roles and Responsibilities Payroll Department:	6
· Human Resources Department:	6
· Managers:	6
· IT Department:	6
· Confidentiality and Security	7
· Policy Review	7
1.24 Monthly Close	7
1.25 Retirement Savings Plan Policy	7
· Purpose	7
· Scope	7
· Contribution Remittance Documentation	7
· Employer Matching Contribution Calculation and True-Up	7
· Timing of Contribution Remittances	7
· Roles and Responsibilities	7
· Record Retention	7
· Compliance Monitoring	7

· Effective Date	7
1.26 Financial Reporting	7
1.27 Audit	7
1.28 Tax Compliance	8
2.0 Internal Controls	8
2.1 Conflict of Interest	8
· Purpose	8
· Policy Statement	9
· Key Requirements and Measures	9
· Disclosure and Review Process	9
· Compliance and Enforcement	9
· Periodic Review	9
· Appendix A: Conflict of Interest Disclosure Form	9
2.2 Lines of Authority	9
2.2 Segregation of Duties	10
· Key Principles:	10
· Best Practice Procedures:	10
· Oversight and Compliance:	10
2.3 Record Keeping	11
2.4 Gift Acceptance	11
3.0 Financial Management	11
3.1 Budgeting Process	11
3.2 Borrowing and Loaning Funds	11
3.3 Operating Cash Reserves	11
3.4 Insurance	12
4.0 Revenue & Accounts Receivable	12
· Purpose:	12
· Policy Statement:	12
· Restricted Funds:	12
· Staff Responsibilities:	12
· Accounts Receivable:	12

· Reporting and Compliance:	12
· Oversight and Review:	12
4.1 Cash Receipts	12
5.0 Expenses & Accounts Payable	13
5.1 Purchases & Procurement Policy	13
· Purpose	13
· General Principles	13
· Strengthened Purchasing Procedures & Best Practices	13
· Related Parties	13
· Contracts for Goods and Services	13
· Competitive Contract Selection	14
· Additional Procurement Requirements	14
· Purchases Using Federal Funds	14
· Purchase and Contract Approval Authority	14
· Invoice Payment	14
· Oversight	14
5.2 Employee and Volunteer Expense Reimbursements	14
Eligibility	14
Reimbursement Requirements	14
Approval Requirements	14
Credit Card Management and Controls	14
Guidelines for Specific Reimbursable Expenses	14
Travel Advances	14
5.3 Governing Board Expenses	14
6.0 Asset Management	14
6.1 Fixed Assets Capitalization	14
6.2 Inventory	15
7.0 Investment Policy	16
8.0 Time and Effort Policies and Procedures	16
9.0 Comparability Policy	21

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

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

2.2 Segregation of Duties

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 * (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 AND Board Chair or Chair of Finance Committee	CEO or CFO AND 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 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 AND Board Chair or Chair of Finance Committee	CEO or CFO AND 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"> • Job applications • Resumes • Letters of recommendation • Other job inquiries sent to the Charter School • Job advertisements/postings • Results of non-medical pre-employment tests • Offers of employment • Employment agreements • Signed pre-employment disclosures (employee handbook acknowledgment, complaint procedures, etc.) • Employee training (harassment prevention, mandated reporting, etc.) • Employee certificates, credentials, licenses, and other evidence of qualifications • Evidence of criminal background check 	3 years after separation, or for the duration of any claim or litigation regarding hiring practices
Employee Performance and Other Personnel Records <ul style="list-style-type: none"> • Job descriptions • Training and testing • Performance goals 	3 years after separation

<ul style="list-style-type: none"> • Performance evaluations • Written feedback and commendations • Promotions and demotions • Letters of reprimand and discipline • Performance Improvement Plans • Termination, resignation, lay-offs, etc. • Notices and letters 	
<p>Employee Medical Leave Records (PDL, FMLA, CFRA, etc.) *</p> <ul style="list-style-type: none"> • Requests for leave • Health care provider notes • Leave calculations • Records of disputes regarding leave • Employee benefits related to leave • Leave policies 	<p>3 years after separation</p> <p>* Records that contain employee confidential medical information should be retained in a separate, secure file.</p>
<p>Employee Wage Records</p> <ul style="list-style-type: none"> • Employment agreements • Wage rates and calculations • Shift schedules (hours and days) • Time cards • Individual calculations for absences, sick days, vacation days, etc. • Itemized wage statements/pay stubs 	<p>3 years after separation</p> <p>Note: If a record is both a wage record and a payroll record, follow the longer retention period.</p>
<p>Employee Payroll Records</p> <ul style="list-style-type: none"> • Employee name, address, age, and occupation • Individual wage records • Regularly hourly rate • Hours worked (daily/weekly) • Weekly overtime earnings • Daily and weekly straight time earnings • Deductions from or additions to wages • Wages paid each pay period • Pay dates and pay periods • Unemployment Insurance Records 	<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"> • First-aid records • Job injuries (causing loss of work time) • Drug and alcohol test records 	<p>5 years after separation</p> <p>* Records that contain employee confidential medical</p>

	information should be retained in a separate, secure file.
Employee Workers' Compensation Records <ul style="list-style-type: none"> • Copies of claim forms • Reports of occupational injury or illness • Letters of denial of benefits • Reports to the Division of Workers' Compensation • Benefits paid • Estimates of future benefits • Applications to the Workers' Compensation Appeals Board • Orders and Awards of the Workers' Compensation Appeals Board 	5 years after date of injury and 2 years after claim has been closed. * Records that contain employee confidential medical information should be retained in a separate, secure file.
Employee Benefit Records <ul style="list-style-type: none"> • Benefits elections • Beneficiary designations • Eligibility determinations • COBRA notices • Summary plan descriptions • Other welfare benefit plan information (life, health, disability, long-term care, post-retirement medical) 	6 years after separation, but not less than 1 year following a plan termination. * 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
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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 Rocketship Education to any of its affiliates shall be approved by the Board of Directors. Rocketship Education shall not extend loans or credit to any organization that is not an affiliate or subsidiary.

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 review.

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 \$0-\$10,000	<ul style="list-style-type: none"> No bid or quote required if price is considered to be reasonable. Reasonableness could be determined by comparing the price to past purchases or other published prices and/or requesting prices from more than one vendor. Distributed equitably among a range of qualified vendors when practical
Small Purchase \$10,001-\$250,000	<ul style="list-style-type: none"> Price or rate quotes must be obtained from adequate number of sources (at least two) Can be informal, e.g., phone call or web search All quotes, including phone calls, web searches, etc., must be documented and kept on file Price does not need to be deciding factor, but all quotes need to be kept in procurement records
Sealed Bid \$250,000 and greater <i>Price is principal basis for selection</i>	<ul style="list-style-type: none"> Bids must be solicited from an adequate number of known suppliers, providing sufficient response time Local and tribal governments must publicly advertise bids Invitation for bids must define the items or services in order for bidders to properly respond All bids will be opened at time and place prescribed in invitation. Local and tribal governments must be opened publicly. Firm fixed price contract made in writing to the lowest responsive and responsible bidder Any or all bids may be rejected if there is a sound documented reason
Competitive Proposal \$250,000 and greater <i>Selection is based on what is most advantageous with price and other factors considered</i>	<ul style="list-style-type: none"> Must be publicized and identify all evaluation factors and their relative importance Must be solicited from an adequate number of qualified sources Must have a written method for conducting technical evaluations of the proposals and selecting recipients Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered
Noncompetitive Proposal (sole source)	<ul style="list-style-type: none"> May be used only when the item is available only from a single source, the public exigency or emergency will not permit a delay resulting from competitive solicitation, federal awarding agency or pass-through entity expressly authorizes its use in response to a written request, or after solicitation of a number of sources competition is determined inadequate by the CEO Justification of the use of noncompetitive proposal must be documented Any research on availability from multiple sources must be documented Documentation of authorization must be retained Any initial solicitations from multiple sources which are concluded to be inadequate, and such reasoning, must be documented

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.

Q2 Rocketship Public Schools Tennessee Business Committee Meeting

November 13, 2025



Agenda

1. Opening Items

- A.** Call to order

2. Consent Items

- A.** Approve minutes from the August 14, 2025 meeting of the Rocketship Tennessee Business Committee 

3. Information Items

- A.** List of checks in excess of \$100k
- B.** Development Update
- C.** Q1 Financial Review and Next Steps

4. Action Items: Finance - Review and Recommend Approval

- A.** Review and Recommend Approval of Revised Rocketship Fiscal Policies to the Rocketship TN Board of Trustees
- B.** Review and Recommend Approval of the Rocketship TN Audit to the Rocketship TN Board of Trustees

5. Information Items

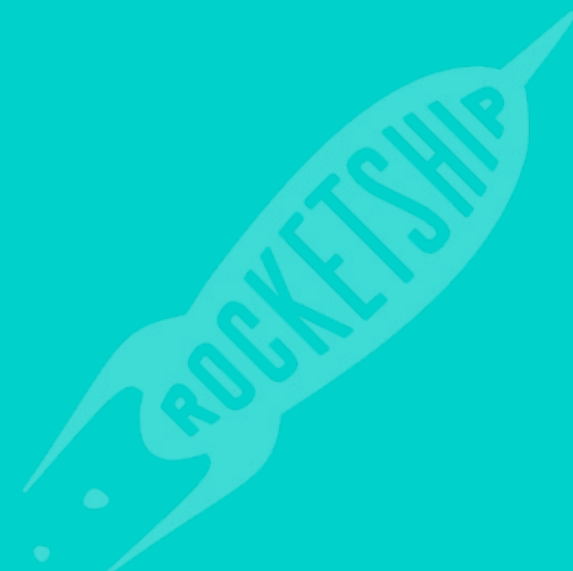
- A.** Rocketship Dream Community Prep Transaction Update
- B.** Family Recruitment and Enrollment Update
- C.** Tennessee Four Update

6. Adjourn

- A.** Adjourn Meeting



Consent Items



List of Checks

Rocketship Education Tennessee
Checks signed in excess of \$100,000
Jul 2025 - Sep 2025

Check Date	Check #	Vendor and Invoice #	Invoice Amount	Amount of check
Reoccurring Monthly Budgeted Expenditures (Policy #138 August 2014)				

Subtotal by category

Student Transportation

8/1/25	ACH	Gray Line Tennessee 71192		129,448.00
9/5/25	ACH	Gray Line Tennessee 71488		129,448.00

\$ 258,896.00

Example	Jumpstart	School startup online programs or furnitures.
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Total - All checks signed in excess of \$100,000

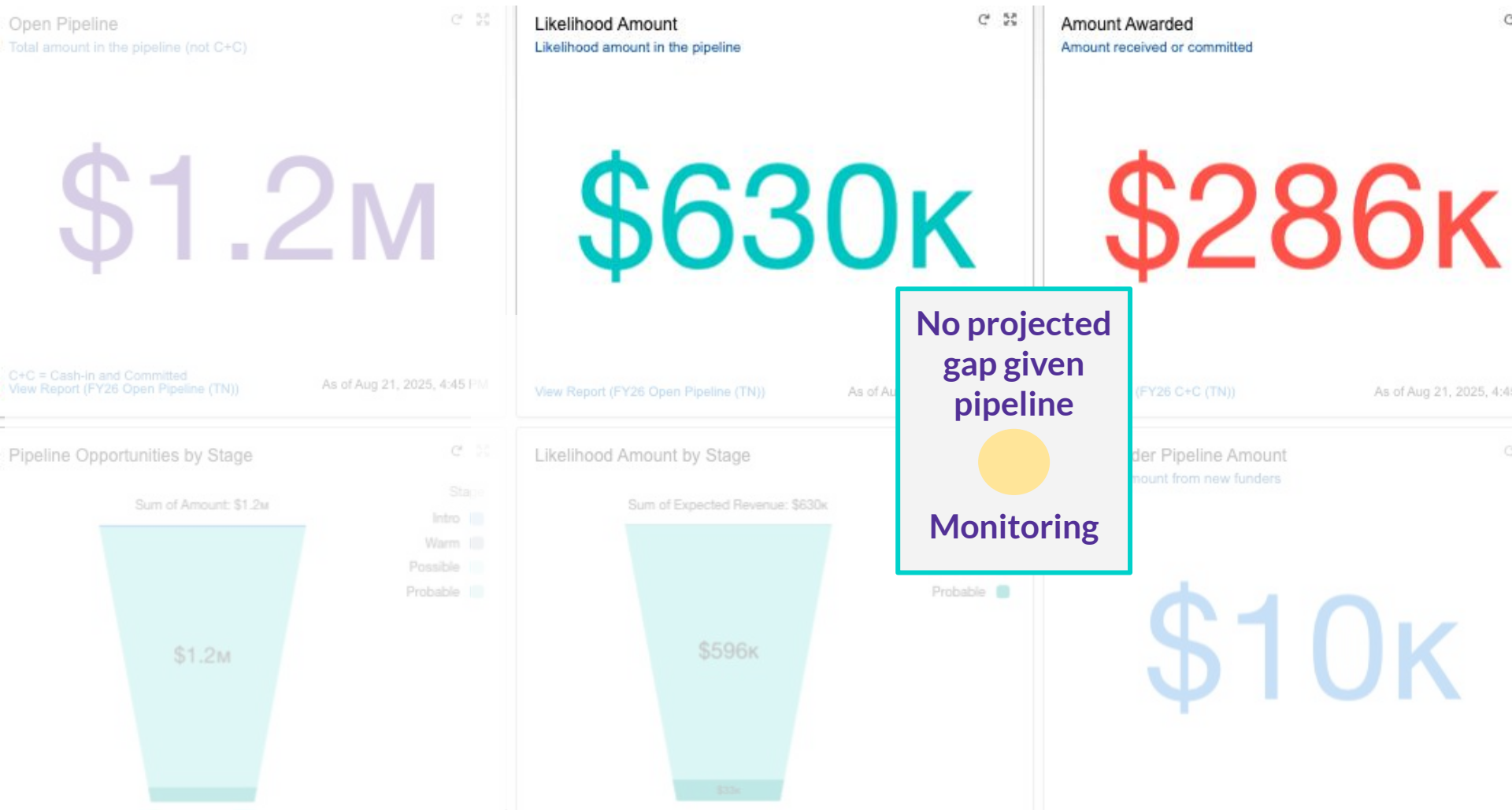
\$ 258,896.00

Development Update



Harnessing Our 10-Year Milestone to Deepen Partnerships and Drive Growth

**FY26 Goal:
\$500K**





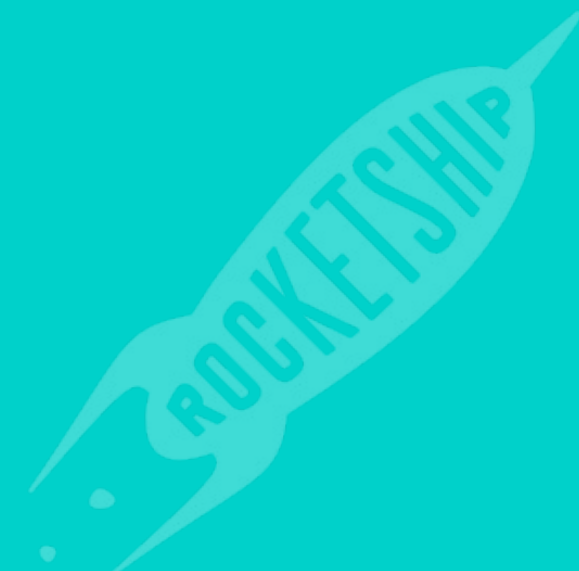
Launching our 10-Year Anniversary Campaign: Together, we're celebrating a decade of impact.

This milestone is not just a reflection of how far we've come, it's an invitation to lead what comes next. Over the coming months, our Board will play a vital role in helping us share our story, engage new partners, and sustain the movement that began a decade ago in Nashville and is now expanding into Rutherford County.

As we launch this campaign, we're asking each of you to **join us in amplifying our impact, by attending upcoming events, connecting us to potential supporters, and championing the Rocketeers** whose success defines our mission.



Q1 Financial Review and Next Steps



Network Themes and Trends

- What is going well:
 - Enrollment: We are currently ~98% enrolled to our budget target across the network.
 - Fundraising: Total fundraising in Q1 exceeds annual budget goal already
 - Q1 Expense Management: Through September, Books and Supplies expenses across the network are 11% under quarter budget (vs prior year 28% over quarter budget)
 - Staffing: Total personnel costs are running right at/below budget. Overtime is down 12% in September and October from a year prior with improved manager trainings.
- Where are we concerned:
 - For another year, we are understaffed in mandatory ISE roles, resulting in increased contractor costs - in September alone, outsourced SPED and substitutes were \$200k/26% greater than prior year. If that trend continues all year, we'll see another \$2mm overage in services.



Tennessee Balance Sheet

The regional balance sheet is strong, with cash about even to June 30 levels and current ratio at 3:1.

The “accrued liabilities” line item reflects reserved funds for repaying MNPS overpayment when the state finalizes true-up calculations (late November/early December).

TN Rocketship Year To Date 09/30/2025	
Actual	
Assets	
Total Cash and cash equivalents	\$6,811,628
Total Accounts Receivable	\$586,738
Total Prepaid expenses and deposits	\$209,713
Total Security Deposits	\$0
Total Property, plant & equipment	\$39,759,251
Total Less: Accumulated depreciation	(\$3,481,208)
Total Note receivable	\$0
Total Assets	\$43,886,122
Liabilities and Net Assets	
Total Accounts payable	\$678,324
Total Accrued liabilities	\$1,051,280
Total Accrued lease payments S-T	\$781,726
Total Deferred Revenue	\$0
Total Deferred management fee S-T	\$0
Total Intercompany Loan	\$0
Total Current Liabilities	\$2,511,330
Total Accrued lease payments L-T	\$36,514,777
Total Loans payable L-T	\$0
Total Long-Term Liabilities	\$36,514,777
Net Assets	\$4,860,015
Total Liabilities and Net Assets	\$43,886,122

How we're approaching projections this year

Similar to last year, the FP&A team is prioritizing providing frequent, timely, accurate data to schools and regions about their performance against budget.

Additionally, we are providing regular forecasts of year-end financial outcomes to guide boards and leadership.

Forecasts are intentionally low-inference:

- Revenue is projected based on current enrollment and any known changes in grant spending or eligibility
- Personnel costs are projected with actuals year-to-date plus current headcount extrapolated for rest of year.
- Non-personnel costs are projected with actuals year-to-date plus budget for the remaining months of the year.

Tennessee Budget vs Projected Actual

- The region is currently projecting to exceed its bottom line CINA target by about \$232k.
- Staffing is the main source of variance, with the schools about 95% staffed on average YTD.
- Hiring efforts are continuing but we don't typically see net growth in payroll post September.
- Services expenses are a point of concern: trending over after the first quarter.
- Not included here is an additional \$300k in network-level staffing and contracts dedicated to TN academics above budget.

Accounts	RDCP	RNNE	RUA	TN Schools Total		
	Projection	Projection	Projection	Budget	Projection	Variance
Revenues	9,781,536	8,693,765	10,372,389	28,925,561	28,847,690	-77,871
Federal Income	721,715	943,493	845,829	2,440,220	2,511,037	70,817
State Revenue Sources	9,041,055	7,734,258	9,491,876	26,430,366	26,267,189	-163,177
Other Local Revenues	18,766	16,014	34,684	54,975	69,464	14,489
Internal Transfers	0	0	0	0	0	0
Grants and Fundraising	0	0	0	0	0	0
Expense	9,767,799	8,552,544	10,077,011	28,706,766	28,397,354	309,412
Personnel & Benefits	4,619,189	4,255,066	5,336,322	14,873,540	14,210,577	662,963
Books and Supplies	452,647	373,659	478,180	1,368,793	1,304,486	64,307
Food Services	503,078	466,060	517,864	1,272,286	1,487,002	-214,716
Services and Other Operating Expenses	1,331,262	1,373,536	1,418,630	3,983,052	4,123,428	-140,376
Travel & Conferences	24,888	23,697	34,034	121,348	82,619	38,729
Dues and Insurance	65,453	62,444	69,276	155,974	197,173	-41,199
Rental, Leases, & Repairs	1,367,137	737,277	707,024	2,784,030	2,811,438	-27,408
Network Support Fee	1,402,560	1,233,823	1,490,014	4,142,929	4,126,397	16,532
Capital Outlay	1,585	26,084	25,667	4,814	53,336	-48,522
Interest Expense	0	0	0	0	0	0
Miscellaneous Expense	0	898	0	0	898	-898
CINA	13,737	141,221	295,378	218,795	450,336	231,541

Review and Recommend Approval of Revised Rocketship Fiscal Policies to the Rocketship TN Board of Trustees



Fiscal Policies Updates since June 2025

Major changes:

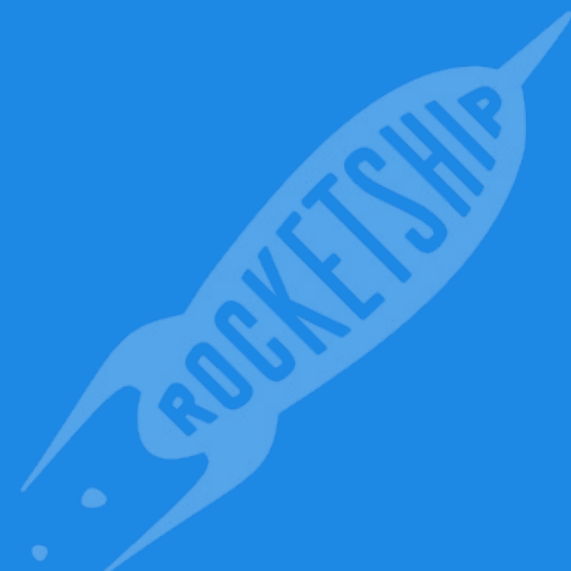
- Enhanced Conflict of Interest, Procurement, and Payroll policy language
- Updates throughout to reflect regions outside California
- Clarifications and enhancements around purchasing thresholds and rules to capture Ramp capabilities

Next steps:

- National Audit and Business Committee reviewed
- National Board adopted September 10
- Regional board ratification in Q2 meetings



Review and Recommend Approval of the Rocketship TN Audit to the Rocketship TN Board of Trustees



Audit Overview

Each year, we are required to undergo an independent audit of our financial statements as well as our controls and policies. This will be the final year that Tennessee is part of a consolidated audit and starting with Fiscal Year ending June 30, 2026 will have its first standalone audit report.

This year, all Rocketship audits were done by one firm: Clifton Larson Allen (CLA). This consolidation of our business resulted in a smoother process, more timely completion of final documents, and a more consistent approach to accounting and controls questions.

The audit process began immediately after closing the fiscal year on June 30 and consisted of internal preparation and validation of our statements, review of financial data and supporting documentation by CLA, and review of samples of payroll, check, and credit card transactions.



Audit Next Steps

Single Audit:

- Currently, with the ongoing government shutdown, auditors are missing final OMB guidance needed to complete single audit
- CLA and Rocketship are monitoring each authorizers handling of this dilemma with TN not yet committed to a solution
- Drop dead date is Thanksgiving to have OMB guidance and issue full audit on time

Next steps:

- National Audit and Business Committee review December 2nd
- Regional Board Review December 4th
- National Board Review December 10th
- Email/Upload to Tennessee Board of Education, Tennessee Public Charter School Commission, Metro Nashville Public Schools and Tennessee Comptroller's office by December 30th Tennessee School Audit Only

Audit Preliminary Results

The audit is currently in progress with the first draft due back on November 6th.

Preliminary findings show that there was a prior year audit adjustment, related to a duplication of the 50Can Summer School program revenue recording. The amount was deemed to be immaterial but resulted in a decline in revenue (non-cash) of \$203,445. This finding has already been mitigated during the fiscal year under audit through bi-monthly meetings with Revenue, Grants and Development teams to review grants and revenues. We do not expect this to be a repeat comment.

No other findings have been noted at this time anywhere else in the audit and we are pleased to note that prior year findings nor questioned costs are present on this year's audit.

RDCP Transaction Update

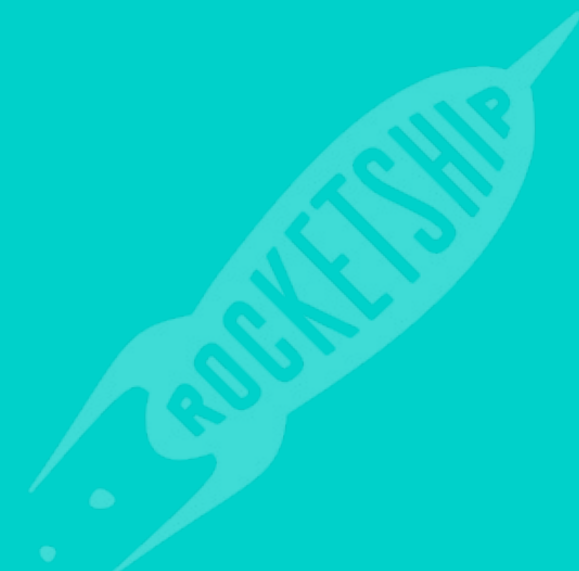


RDCP Pre-closing update

- As of 11/4: The RDCP bond offering documents are publicly available. We intend to formally price and offer the bonds on 11/13, when we'll learn final pricing.
- Rates have moved since our last estimates, **declining by about a half percentage point** since we started underwriting in the summer. This should translate to about an \$80,000 savings per year.
- Following pricing, we'll move to close the loan and real estate transaction before Thanksgiving.
- At its most recent meeting, the national RSED board approved using \$1.3mm of national resources to serve as a debt service reserve fund for the RDCP deal. These will reduce borrowing by same amount and reduce annual costs to RPS TN by about \$100,000.
- All in, we currently project about a \$1.15mm annual cost - creating average annual savings compared to the current lease of about \$350,000 over the first 10 years.



Family Recruitment and Enrollment Update



Tennessee met its budgeted enrollment target for 25-26

Rocketship TN added nearly 500 new students to its schools and met its enrollment target by 101% outpacing all other Rocketship regions.

Region	Budget Goal (25-26)	Enrolled Day 30 (25-26)	% to Goal (25-26)	Returners as of Day 30	New Students
CA	6,158	6,115	99.30%	4672	1,443
DC (K-5)	850	822	96.71%	672	150
TN	1,538	1,563	101.63%	1070	493
WI*	980	986	100.61%	520	466
RPS Total	9,526	9,486	99.58%	6934	2,552

Current Enrollment

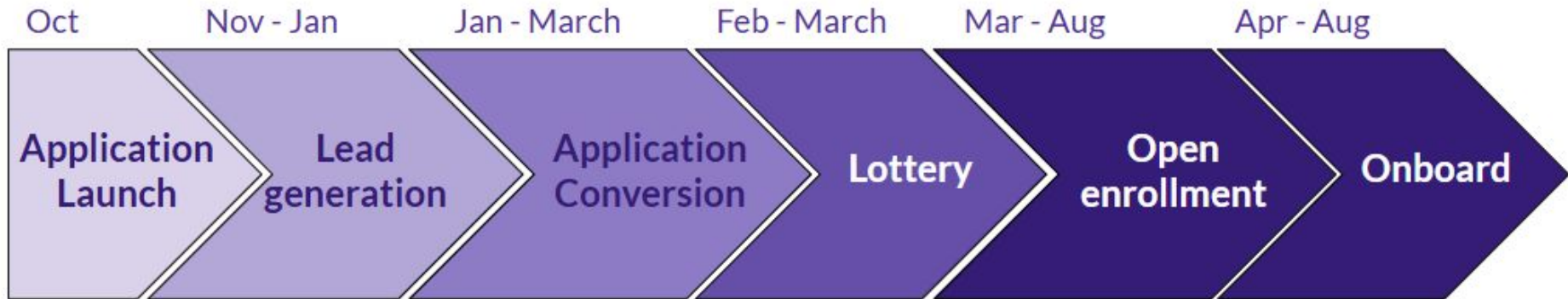
- RNNE- 448
- RDCP- 528
- RUA- 560

Tennessee schools continue to exceed its expected share of their respective markets.

Tennessee						
School name	PS Enrollment	Size of addressable market (10 min radius)	Total competitors within market	Expected Share	Current share	Enrolled students above or below expected share
RNNE	448	4528	12	7.7%	9.9%	100
RUA	560	3196	10	9.1%	17.5%	269
RDCP	528	2749	7	12.5%	19.2%	184

- 5th grade continues to be a challenge given middle school grade configuration.
- RNNE lost around a dozen students from 24-25 to 25-26 reflecting a continued slow decline in enrollment.

Recruitment & Enrollment Arc and Important Dates



Important Dates

2.13.26 - 2.20.26

Application Closes

2.18.26

Application Lottery

Call Day

2.20.26

Lottery Results Made Public

3.06.26

Lottery Response Deadline
Open Enrollment

Application Closes: All application submissions prior to 2.13.26 in SchoolMint will be audited by Recruitment Team & SIS. Applications submitted after 2.12.26 will be automatically waitlisted until 2.20.26.

Application Lottery: Random selection process used to offer seats to applicants.

Call Day: Recruitment & OMs make personal calls to offer and accept seats to applicants prior to results being publicly announced.

Lottery Results Made Public: Recruitment team will send mass communication to applicants notifying them of their lottery results. Any application submitted after 2.12.26 will be offered a seat, if available.

Lottery Response Deadline: Any applicant from our lottery that has not responded will have their offer rescinded.

So far...

96

New applications for the 26-27 school year after only two weeks of the application being opened.

Tennessee Four Update



Rocketship TN4 was approved!



Rocketship TN4 was unanimously approved by the Tennessee Charter School Commission on October 16, 2025.

TN4 represents our first school outside of Davidson County and first in Rutherford County.

We are actively sourcing and reviewing facilities options to determine if we will start this new school in 2026-2027 or 2027-2028.

We expect to make and share a more concrete update and recommendation with the board in December.

Adjourn

