

**STUDENT ALTERNATIVES PROGRAM, INC. DBA TRIUMPH PUBLIC HIGH SCHOOLS (TPHS)
BOARD POLICY MANUAL
POLICY GROUP 5 – FISCAL MANAGEMENT
AUTHORIZATION FOR THE OBLIGATION AND EXPENDITURE OF FUNDS**

PG-5.021

Sec. 1. PURPOSE OF POLICY.

Through this policy, the Board of Directors (hereafter, the “Board”) of Student Alternatives Program, Inc. doing business as Triumph Public High Schools (TPHS) (hereafter, the “Charter District”) shall address the legal requirements, as applicable, pertaining to the commitment of Charter District funds for the employment of personnel, the purchase of goods and services, the settlement of debt, and any other lawful use and the resulting expenditure of Charter District funds.

Sec. 2. APPLICABILITY.

Unless otherwise indicated, this Policy PG-5.021 applies to the Charter District’s administration of funds received for the benefit of the Charter District’s students, including funds deposited into a bank account, held as petty cash, or invested in an authorized investment.¹

Sec. 3. AUTHORITY OVER FISCAL MATTERS.

Unless otherwise indicated, the Board’s Policy PG-5.001, Authority Over Fiscal Matters, will govern and control over the policy statements set forth in this Policy PG-5.021.

For the Board policy pertaining to the Delegate and designee, see Section 3.2 and Section 4 of PG-5.001.

Sec. 4. INITIAL ADOPTION.²

Sec. 4.1. Proposed Budget. In accordance with the policy statements set forth in Section 9 of this policy, the Delegate or designee must prepare and recommend an annual budget for the Charter District (“Proposed Budget”), for consideration and adoption by the Board. In preparing the Proposed Budget, the Delegate or designee must include any and all descriptions and amounts for estimated revenues from all sources of local, state and Federal funding, both known and anticipated, and proposed expenses and outlays for personnel, professional and contracted services, real and personal property, debt service, materials, supplies, and other operating expenses reasonable and necessary for the conduct of the Charter District’s operations and the furtherance of its mission.

Sec. 4.2. TEDS Compliance. The Delegate or designee must prepare the Proposed Budget in a form to facilitate the Charter District’s compliance with the Texas Education Data Standards

¹ *Tex. Educ. Code §§ 12.107(a); 12.128(a); 19 Tex. Admin. Code §§ 100.1001(22)(D); 100.1063(a)(2); 100.11091(b)*

² *F.A.S.R.G. Module 2; Tex. Educ. Code § 44.002; 19 Tex. Admin. Code §100.1113(a)(1)(B)*

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("TEDS") and submission of the required budgeted financial data to the Texas Student Data System Public Education Information Management System.

Sec. 4.3. Coordination and Collaboration. The Delegate or designee must coordinate and collaborate with the Chief Executive Officer and other officers, as defined in Section 5 of PG-5.001, to develop the Proposed Budget.

Sec. 4.4. Compensation Plan. As part of the Proposed Budget, the Delegate or designee must prepare a compensation plan that identifies all remuneration to be provided to Charter District employees, including, but not limited to, salary, hourly wages, stipends and supplemental pay, extra-duty pay, incentives, and fringe benefits.³ In the compensation plan, the Delegate or designee must identify the salary and hourly wage range for each position. Additionally, the Delegate or designee must identify the amount for each stipend and supplemental pay by type of qualification or requirement, such as having an advanced degree or teaching certification, or performing additional duties to chair a campus department. The Delegate or designee must base extra-duty pay upon the position's salary, as an hourly amount, or hourly wage in a manner consistent with applicable law.

Sec. 4.5. Incentives. As part of the compensation plan, the Delegate or designee may develop a performance incentive program that provides incentive compensation to employees for longevity, perfect attendance, retention, safety, student performance, and other data driven, measurable performance related outcomes.

Sec. 4.6. Finance Officer Review. Prior to submitting the Proposed Budget to the Board, the Chief Executive Officer must review and approve the Proposed Budget.

Sec. 4.7. Adopted Budget. After reviewing, deliberating, and as appropriate and necessary, revising the Proposed Budget, the Board must adopt the Proposed Budget during a meeting conducted pursuant to the Texas Open Meetings Act and applicable Board policy ("Adopted Budget").

Sec. 5. AMENDMENT.⁴

Sec. 5.1. During the fiscal year, and in accordance with the policy statements set forth in Section 9 of this policy, the Delegate or designee must prepare a proposed amendment to the Adopted

³ The Delegate or designee must address the reimbursement of travel and other expenses incurred by employees for the official conduct of Charter District business through other Board policy.

⁴ *FASRG Module 2; Tex. Educ. Code § 44.006; 44.052; 19 Tex. Admin. Code § 100.1113(a)(1)(B)*

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Budget (“Proposed Amendment”) to account for any material variances between realized and estimated revenues and actual and budgeted expenses and outlays.

Sec. 5.2. For purposes of this section, a material revenue variance is any difference between realized and estimated revenues that is equal to or greater than ten percent (10%) of the estimated revenues. For purposes of this subsection, the comparison shall be by major object classification.

Sec. 5.3. For purposes of this section, a material expense variance is any difference between actual and budgeted expenses that is equal to or greater than ten percent (10%) of the budgeted expenses. For purposes of this subsection, the comparison shall be at the level of detail as disclosed in the Adopted Budget.

Sec. 5.4. The Delegate must submit a Proposed Amendment(s) to the Board for review and approval. After reviewing, deliberating, and as appropriate and necessary, revising the Proposed Amendment, the Board must approve or disapprove the Proposed Amendment (“Approved Amendment”).

Sec. 5.5. The Delegate must obtain an Approved Amendment required under this section prior to the obligation and expenditure of funds.

Sec. 6. NOTICE TO PUBLIC; POSTING OF BUDGET.

Sec. 6.1. Recognizing that transparency in the administration of public funds is of paramount importance to the administration of the Charter District, the Board or designee must publish a notice to the public of the meeting(s) at which it will deliberate and adopt the Proposed Budget. The notice must conform to the form and content requirements for other notices to the public of the meetings of the Board.

Sec. 6.2. For each meeting at which the Board will discuss or adopt the Proposed Budget, the Delegate or designee must post adjacent to the notice of each meeting:

- (a) A physical copy of the Proposed Budget; or
- (b) Make the Proposed Budget clearly accessible on the home page of the Charter District’s internet website.⁵

⁵ *Tex. Gov’t. Code § 551.043(c); F.A.S.R.G. Module 2*

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Sec. 7. DEADLINE FOR ADOPTION.

The Delegate must submit the Proposed Budget to the Board at least ten (10) business days prior to the start of the fiscal year or school year, whichever date is earliest.⁶

Sec. 8. FORM AND CONTENT OF BUDGET AND AMENDMENTS.

Sec. 8.1. The Proposed Budget and any Proposed Amendment presented by the Delegate to the Board must conform to the requirements set forth in this section. At its discretion, the Board may disapprove any Proposed Budget or Proposed Amendment not conforming to the requirements set forth herein.

Sec. 8.2. The Delegate or designee must prepare the Proposed Budget and Proposed Amendment(s) utilizing the account code structure required by the Texas Education Agency (“TEA”) and with sufficient itemization to provide the Board meaningful financial information to make an informed decision.⁷ In the Proposed Budget, except for net assets (or fund balance), the Delegate or designee must exclude any amounts set aside for future use without a specific purpose in mind and not include any amounts that do not constitute anticipated expenses.

Sec. 8.3. The Delegate or designee must prepare a Proposed Budget and Proposed Amendment(s) that include an adequate and sufficiently descriptive disclosure of the proposed expenses for:

- (a) salaries, wages and fringe benefits, including allowances, awards, gifts, incentives of any kind, and any form of monetary or in-kind benefit, both taxable and tax-exempt and irrespective of value;
- (b) professional services, as defined in state law;
- (c) public works and construction services contracts;
- (d) supplies, materials, travel, non-employee incentives, and other operating costs;
- (e) debt service;
- (f) the acquisition of capital assets, other than for public works; and
- (g) any other cost or expense for any type of activity, function, program, or service.

⁶ F.A.S.R.G. Module 2

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Sec. 9. ACCURACY OF REVENUE ESTIMATE.

Recognizing the critical significance of an accurate revenue estimate upon which to make an informed decision as to the amounts to be appropriated for expenses in the Adopted Budget, the Delegate or designee must prepare a revenue estimate that is found to be within ten percent (10%) of the Charter District's realized revenues.⁸

Sec. 10. PROPOSED EXPENSES TO COMPLY WITH ALLOWABLE USES OF FUNDS.

The Delegate or designee must prepare a Proposed Budget and Proposed Amendment(s) that include proposed expenses that comply with applicable Board policy and state and federal law and are not prohibited as to purpose, for an activity, function, program, or service or for the purchase of a particular item or service.⁹

Sec. 11. FISCAL COMPLIANCE.

The Delegate or designee must prepare a Proposed Budget and Proposed Amendment(s) that ensures the Charter District's compliance with:

- (a) The Financial Integrity Rating System of Texas ("FIRST") to yield a favorable financial accountability rating.
- (b) The maintenance of effort requirements for Federal awards received under the Elementary and Secondary Education Act ("ESEA") and the Individuals with Disabilities Education Act ("IDEA").
- (c) The supplement, not supplant requirement for Federal awards received under the ESEA, IDEA, and Carl D. Perkins Career and Technical Education Act.
- (d) The comparability of services requirement for ESEA Title I, Part A.
- (e) The excess cost requirement for IDEA Part B.
- (f) The application of restricted and unrestricted indirect cost rates to Federal awards.
- (g) State law mandating the minimum percentage that must be expended for the following student-based allotments:

⁸ 19 Tex. Admin. Code § 109.1001(f)(9); FIRST Indicator 10

⁹ Tex. Educ. Code §§ 12.107(a)(3); 45.105(c); 19 Tex. Admin. Code § 100.1063(a)

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- (1) Special education allotment,
- (2) Allotment for student with dyslexia or other related disorder,
- (3) Bilingual education allotment,
- (4) Career and technology education allotment,
- (5) Early education allotment,
- (6) Gifted and talented student allotment, and
- (7) College, career, or military readiness outcomes bonus.

(h) Other applicable Federal or state legal requirements.

Sec. 12. PUBLICATION OF ADOPTED BUDGET.

After the Board adopts the Proposed Budget, the Delegate or designee shall post the Adopted Budget on the Charter District's website.¹⁰

Sec. 13. REPORT TO BOARD.

Within ten (10) business days after each calendar month, the Delegate must provide to the Board a comparison of actual expenses to budgeted expenses, as amended, and provide a statement accounting for any variances exceeding ten percent (10%). In the statement, the Delegate must disclose any corrective measures undertaken to address any and all variances exceeding ten percent (10%), including the preparation of a Proposed Amendment.

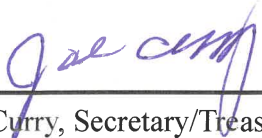
¹⁰ 19 Tex. Admin. Code § 100.1039(2)K)

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CERTIFICATION

The Undersigned, being the Secretary of the Board, hereby certifies that the foregoing represents a true copy of the Board Policy PG-5.021, Authorization for the Obligation and Expenditure of Funds, as adopted by the Board on May 16, 2026, which Policy is in full force and effect and has not been amended or repealed.



Joe Curry, Secretary/Treasurer



Date Certified

DATE ADOPTED: 05/16/2026

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