STUDENT ALTERNATIVES PROGRAM, INC. DBA TRIUMPH PUBLIC HIGH SCHOOLS (TPHS)
BOARD POLICY MANUAL
POLICY GROUP 5 – FISCAL MANAGEMENT
AUTHORITY OVER FISCAL MATTERS **PG-5.001**

Sec. 1. PURPOSE OF POLICY.

Through this policy, the Board of Directors (hereafter, the "Board") of Student Alternatives Program, Inc. (SAPI) doing business as Triumph Public High Schools (TPHS) (hereafter, the "Charter District") shall address the legal requirements, as applicable, pertaining to the Board's final authority over the Charter District.

Sec. 2. APPLICABILITY.

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

Sec. 3. FINAL AUTHORITY.[1]

Sec. 3.1. Powers and Duties. Absent a specific delegation of a power or duty (as approved by the commissioner of education, where applicable), the Board may not delegate, and thus retains, functioning as a body corporate, final authority to exercise the following powers and duties:

(a) Adopt and amend policy;

(b) Adopt and amend the budget, including the number and type of personnel units to be employed by the Charter District;

(c) Approve amendments to Charter District's charter with TEA, including the organizational structure of the Charter District;

(d) Approve the obligation and expenditure of funds;

(e) Approve the use of property;[2]

(f) Approve the purchase, lease or sale of real property;[3]

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1 *Tex. Bus. Org. Code §§ 3.101; 22.201; Tex. Educ. Code §§ 12.111(a)(16); 12.121; 19 Tex. Admin. Code § 100.1113(a)(1)*

2 At *19 Tex. Admin. Code § 100.1001(22)*, certain economic and financial resources, such as cash, bank accounts, loans and other such items, are defined as personal property. At *19 Tex. Admin. Code § 100.1091(a)*, personal property is public property. Consequently, the use of public property, such as cash, bank accounts, and loans, are subject to the Board's final authority.

3 *Tex. Educ. Code § 12.106(f)(4). 19 Tex. Admin. Code § 100.1113(b)-(c)* requires that the Board of a charter holder maintain the primary responsibility for implementing the public school program authorized by the open-

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(g) Direct the disposition and safekeeping of records, including access to, control over and possession of such records;

(h) Approve the annual financial and compliance report;

(i) Set compensation for the CEO/Superintendent and for officers, as defined in Sec. 5 of this policy, and employees through the adoption of policy and the annual operating budget, including the School's compensation plan and salary and wage schedules;

(j) Approve contracts for the acquisition of personal property[4] and the purchase of goods and services;[5]

(k) Amend its governing documents (articles of incorporation or certificate of formation, corporate bylaws and any other document or record establishing the protocols and practices of the Board and School) subject to approval of a charter amendment by the commissioner of education; and

(l) Establish and staff committees to support the Board with its fiscal oversight of the School's business affairs, finances and operations.

Sec. 3.2. Initial Delegation.

This final authority notwithstanding, the Board hereby authorizes the Chief Financial Officer (the "Delegate") to initially exercise the authority set forth in Section 3.1(d), (e), and (g) of this policy in a manner consistent with this and other Board policy. Notwithstanding the above initial delegation, the Delegate shall bring recommendations through the Board's committee process and to the Board for final review and consideration of approval.[6]

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enrollment charter and ensuring the performance of the students enrolled in its charter schools in accordance with the Texas Education Code. The rule further provides, under (b)(1), that "An open-enrollment charter grants to the governing body of a charter holder the authority to operate a charter school" and, under (b)(2), that, "Except as provided by this section, the governing body's powers and duties to operate the charter school shall not be delegated, transferred, assigned, encumbered, pledged, subcontracted, or in any way alienated by the governing body of the charter holder. Any attempt to do so shall be null and void and of no force or effect and shall constitute abandonment of the contract for charter."

4 *See 19 Tex. Admin. Code § 100.1001(22)* and *2 C.F.R. § 200.1* for legal definitions of personal property.

5 *El Paso Education Initiative, Inc. v. Amex Properties, LLC*, 385 S.W.3d 701, 706, 708 (Tex. App.–El Paso 2012, pet. denied.). *Tex. Bus. Org. Code §§ 3.101; 22.201; Tex. Educ. Code §§ 12.115(a)(2); 12.121; 19 Tex. Admin. Code §§ 100.1133(a)(1)(B); 100.1063(a)(2); 100.1113(a)/(d)*

6 Consistent with the *Standards for Internal Control in the Federal Government*, the Board is segregating the duties over finances from the duties over operations. Although, through this and other policy, the Board requires that the Delegate report to the Board and the Board authorizes the Delegate to initially exercise certain authority

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Sec. 3.3. Required Reporting. In accordance with applicable Board policy, the Delegate shall report to the Board any business arrangement or transaction with an individual that is an officer, as defined in Section 5 of this policy, and any conflicted,[7] interested,[8] or related[9] party, as defined in other Board policy or applicable law, expressly including family members by blood or marriage to the third-degree. The School and its officers may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

Sec. 3.4. Board Review and Action. At the Board's discretion, the Board may, at any time, review any business arrangement or transaction subject to this policy and approve or disapprove the Delegate's initial action on the Board's behalf.

Sec. 3.5. Primary Responsibility. Any delegation of authority notwithstanding, the Board remains responsible for any business arrangement or transaction undertaken by the Delegate.[10]

Sec. 4. DESIGNEE.

Sec. 4.1. In Board policy, where the Delegate is authorized to confer authority to a designee (as denoted by the phrase "or designee"), the Delegate may confer such authority to one or more designees. If the Delegate confers authority to a designee, the Delegate shall do so in writing through an administrative procedure, job description, or internal memorandum. The Delegate's conferred authority to a designee must be specific and must cite the policy section from which it is derived. Any delegation of authority to a designee not documented as set forth in this section shall be null and void.

Sec. 4.2. Any delegation of authority notwithstanding, the Delegate remains responsible for the business arrangement or transaction undertaken or that should have been undertaken pursuant to this and other Board policy, including the reporting and accounting of business expenses by School officers and employees.

Sec. 5. OFFICER.

For the purposes set forth in this and other Board policy, *Officer* means a person charged with the duties of, or acting as, a chief executive officer, a central administration officer, a campus

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over the School's finances, the Chief Executive Officer and Superintendent shall be the Chief Financial Officer's immediate supervisor for all purposes.

7 *Tex. Educ. Code § 12.1054; 19 Tex. Admin. Code § 100.1143 through 100.1151*

8 *19 Tex. Admin. Code § 100.1067(f)*

9 *Tex. Educ. Code § 12.1166*

10 *Tex. Educ. Code § 12.121; 19 Tex. Admin. Code § 100.1113(d)*

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administration officer, or a business manager[11] including individuals employed in the following central administrative and campus leadership positions:

(a) Chief Executive Officer and Superintendent,
(b) Curriculum and Instruction Officer
(c) Finance Officer
(d) Director of Human Resources and Risk Management
(e) Director of Special Program
(f) Principal,
(g) Any other person that may be characterized as an officer under applicable law.

Sec. 6. BOARD AUTHORIZATION REQUIRED.

Sec. 6.1. Consistent with Section 3 of this policy and the Board's fiduciary duties and standard of care established under applicable law, the Delegate shall present to the Board for approval or subsequent ratification (or censure), as applicable, any business arrangement or transaction with a cost or value greater than or equal to $50,000 or that relates to an officer, as defined in Section 5 of this policy, or conflicted,[12] interested,[13] or related[14] party, as defined in other Board policy or applicable law. Transactions involving an officer or conflicted, interested, or related party shall remain subject to prior Board Approval.

Sec. 6.2. The Delegate shall present contracts requiring Board action to the Board for its approval[15] or subsequent ratification (or censure), as applicable, in accordance with the purchasing and contracting authority established by the Board.

Sec. 7. PRUDENT PERSON RULE.[16]

In their use of the funds, property and other organizational resources, such as established lines of credit and the talents of and time worked by employees and contractors, officers and employees shall limit their use of funds and property to purposes pertaining to the School's mission and to those activities, functions, programs, and services that are ordinary and necessary for the conduct of the School's mission. Importantly, in their use of funds, officers and employees shall only incur

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11 *19 Tex. Admin. Code § 100.1001(20)*
12 *Tex. Educ. Code 12.1054; 19 Tex. Admin. Code § 100.1143 through 100.1151*
13 *19 Tex. Admin. Code § 100.1067(f)*
14 *Tex. Educ. Code § 12.1166*
15 *El Paso Education Initiative, Inc. v. Amex Properties, LLC*, 385 S.W.3d 701, 706, 708 (Tex. App.–El Paso 2012, pet. denied.). *Tex. Bus. Org. Code §§ 3.101; 22.201; Tex. Educ. Code §§ 12.115(a)(2); 12.121; 19 Tex. Admin. Code §§ 100.1133(a)(1)(B); 100.1063(a)(2); 100.1116(a)/(d)*
16 *Tex. Bus. Org. Code § 22.221; Tex. Prop. Code §§ 163.004, 163.005; 163.006; 2 CFR § 200.303(a); Standards for Internal Control in the Federal Government § 8.03; 2 C.F.R. § 200.404; Government Auditing Standards §§ 6.23; 7.25; 8.122*

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costs that, by their nature and amount, do not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time that the decision was made to incur the cost.

Sec. 8. ABUSE AND WASTE PROHIBITED.

Sec. 8.1. Officers and employees shall not abuse or waste funds, property and other organizational resources, such as established lines of credit and the talents of and time worked by employees and contractors.

Sec. 8.2. For purposes of this policy, abuse is defined as behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate.[17]

Sec. 8.3. For purposes of this policy, waste is defined as the act of using or expending resources carelessly, extravagantly, or to no purpose. In this context, waste relates primarily to mismanagement, inappropriate actions, and inadequate oversight.[18]

Sec. 9. TRAINING AND UPDATES.[19]

The Delegate or designee must properly train or ensure training is provided to School officers and employees on the requirements of all policies adopted by the Board under Policy Group 5, Fiscal Management, and any administrative procedures adopted to implement the Group 5 policies. Additionally, the Delegate or designee must keep School officers and employees informed of any changes to these policies and related requirements.

Sec. 10. ADMINISTRATIVE PROCEDURES.[20]

The Delegate must formally adopt administrative procedures as reasonably necessary to properly administer the policies adopted by the Board under Policy Group 5 and to adhere to applicable law and rule. In doing so, the Delegate must not adopt, and is prohibited from adopting, an administrative procedure that conflicts with applicable law or the policies adopted under Policy

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17 *Government Auditing Standards §§ 6.23; 7.25; 8.122*

18 *Government Auditing Standards §§ 6.21; 7.23; 8.120*

19 *2 C.F.R. § 200.303(a); Standards for Internal Control in the Federal Government §§ 4.02;4.05*

20 Consistent with *19 Tex. Admin. Code § 100.1133(a)(1)(B)*, the Board has the final authority to adopt policies governing charter school operations, including authorizing the Delegate or designee to adopt an administrative procedure to implement the adopted policies. Moreover, as set forth in School's Articles of Incorporation and Bylaws and in accordance with *Tex. Bus. Org. Code §§ 3.101 and 22.201*, the Board is the School's governing authority and, as such, manages and directs the School's business and affairs through Board actions, resolutions and policy.

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Group 5. Accordingly, the Delegate must confer with the Board or legal counsel before deviating from the requirements set forth in the Group 5 policies. If a deviation from any policy becomes necessary, the Delegate must either recommend an amendment to the policy in question or obtain the Board's approval of a specific deviation, including the purpose, scope and duration of the requested deviation.

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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-5.001, Authority Over Fiscal Matters, 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

5/16/2026

Date Certified

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