

Innovations Academy Board Minutes: 9/13/22 @ 6:00 pm

Meeting location(s)

Innovations Academy 5454 Ruffin Rd San Diego, CA 92123	5519 McMillan Street Oakland, CA 94618	Public call in number 605-313-4802* Access code 151642
--	---	---

*Members of the public need not state their names when entering the conference call. Call-in number is provided as a convenience to the public.

Board Attendance

Stephen Rosen	Nate Cooper	Danielle Strachman	Faraz Sharafi	Cassidy Platt (arrived 6:30)		
---------------	-------------	--------------------	---------------	------------------------------	--	--

Others in Attendance

Christine Kuglen	Joshua Eng	Devon Woodruff	Rose Pappas (joined 6:30)	Natasha Starbuck-Smith (joined 6:30)		
------------------	------------	----------------	---------------------------	--------------------------------------	--	--

Agenda

Topic	Minutes
➤ Call to order / roll call	Date/Time 9/13/22 at 6:04 p.m. Cassidy is absent Roll Call Board in Attendance: 1. Nate Cooper 2. Stephen Rosen 3. Danielle Strachman 4. Faraz Sharafi Other Present: 1. Devon Woodruff (IA admin) 2. Heidi Davis (parent) 3. Christine Kuglen (IA admin) 4. Joshua Eng (CSMC)
➤ Approval of current agenda	Vote to approve current agenda - 1st motion - Stephen Rosen 2nd motion- Danielle Strachman Roll Call Vote: Yes: Nate, Stephen, Faraz, Danielle No: 0 Abstain: 0
➤ Approval of prior month meeting minutes Meeting Minutes 6/28/22	Vote to approve past minutes - 1st motion- Faraz Sharafi 2nd motion- Stephen Rosen Roll Call Vote:

	<p>Yes: Stephen, Faraz, Danielle, Nate No: 0 Abstain: 0</p>
<p>Closed Session Convene in closed session in order to discuss staff compensation</p>	<p>The board exited the phone meeting to go into a closed session meeting via GoogleMeet at 6:10 p.m.</p>
<p>Report back from closed session</p>	<p>Board returns 6:35 p.m.</p>
<p>➤ Public comments (3 mins per person)</p>	
<p>Teacher briefing (Natasha, Performing Arts) She will be sharing about our first performance of the year and the audition process.</p>	<p>Natasha introduced herself as a teacher in Performing Arts (PA) at IA since 2014-15. She teaches performing arts and helps teachers blend PA into curriculum. She announced we just had auditions for the first whole school production of this school year and is a 2nd-5th grade junior production with some older students assisting as support team. She shared the audition process and described the rehearsals and goals she has for PA. She announced the performance opening in December called Aristocats and later in the year the senior cast will perform about an intelligence operation in WWII called “Keep Calm and Carry On”</p>
<p>o Financial Report (CSMC) ✓ Updates ✓ Action Item- Approve Unaudited Actuals</p>	<p>Joshua Eng from CSMC gave the financial report for July 1, 2021- June 30, 2022, This report will be sent to the district, who will send it to the county who will send it to the state. It is considered unaudited because the next step will be that the auditors will audit the school. JE called attention to page 3 of 6 of the unaudited actuals. IA ended the year with a positive balance of \$467,37.00 which is better than the prelim budget proposed. PT F2 ending fund balance is rollover plus what was just mentioned and the new running fund balance is \$3,348,321.41. Stephen asked about Pt E where there is a pos balance, how much of it is one time only special COVID funds?. JE said the majority was ADA, which are ongoing funds. Response at a high level look would be that 20-25% not one time funds.</p>

	<p>JE asked for Motion to approve the 21-22 unaudited Motion: Stephen Rosen Second: Faraz Sharafi Roll Call Vote: Yes: Nate, Stephen, Faraz, Danielle, Cassidy No: 0 Abstain: 0</p>
<p>➤ District Site Visit Report Review feedback from district site visit 21-22 Note from SDUSD Charter Office: board members will receive a “test message” around October.</p>	<p>For retreat the board asked Christine to find an option for a Brown Act training and to add the director’s assessment/eval to the agenda. Christine will look into an online training or in person training of Brown Act for report. Danielle exited at 7 pm.</p>
<p>○ Director update (Christine) ✓ No Universal Pre-K After all</p>	<p><u>Item – Director Update</u> Discussion: Christine announced that UPK will not happen because the legislation changed the requirements.</p>
<p>➤ Action Items</p> <ul style="list-style-type: none"> ○ Comprehensive School Safety Plan Approval ○ Employee Handbook Approval ○ Family Handbook Approval ○ Independent Study Policy Approval 	<p>Christine reviewed the Comprehensive School Safety Plan highlighting any changes, which were minimal and included only updates to the staff. Christine reviewed the Employee and Family Handbooks. A question was asked about the dress code. Christine explained that the lawyers had reviewed the updates and had included new wording for the dress code which was altered by Christine to adjust it to our reality. Independent Study policy changes based on new legislation were reviewed. Christine told the board to anticipate more changes as the year is still settling in with regards to I.S. Motion to approve the CSS Plan, Employee and Family Handbooks and Independent Study Policy for the 22-23 school year Motion: Stephen Rosen Second: Faraz Sharafi Roll Call Vote: Yes: Nate, Stephen, Faraz, Cassidy No:0 Abstain: 0</p>

➤ Next board meeting	October retreat 10/27 Temp 12/6, 3/7, 5/23 and 6/27
○ Confirm date of next meeting	Retreat date proposed Oct 27th 5-9 pm
○ Identify agenda items for next meeting	➤
Meeting adjourned	adjourned 7:15 p.m.

The foregoing minutes were approved by the Board of Directors of Innovations Academy on _____.

Secretary

Please contact Innovations Academy Board @ Board@InnovationsAcademy.org if you require special assistance or a listening device to attend the Board Meeting. Requests must be made 48 hours in advance.

1. TELECONFERENCE MEETINGS. Members of the Board of Directors may participate in teleconference meetings so long as all of the following requirements in the Brown Act are complied with:

- At a minimum, a quorum of the members of the Board of Directors shall participate in the teleconference meeting from locations within the boundaries of the State of California;
- All votes taken during a teleconference meeting shall be by roll call;
- If the Board of Directors elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;
- All locations where a member of the Board of Directors constituting the quorum participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;
- Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board of Directors directly at each teleconference location; and
- The agenda shall indicate that members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.
- The Brown Act prohibits requiring members of the public, to provide their names as a condition of attendance at the meeting; however, those wishing to speak may be required to identify themselves.

**Innovations Academy
Board Narrative
December 7, 2022**

Approval of 2022-23 1st Interim Revised Budget

The last budget approved by the Board occurred in June 2022. With all the latest updates, the Revised Budget calls for the board to approve a more current budget.

The attached labeled “2022-23 Budget Revision - Innovations” shows a summary and detail of how the budget was changed. The column labeled “2022-23 Preliminary Budget”, is the budget that was originally approved by the Board; and the column labeled “2022-23 Revised Budget” is the new proposed budget.

On the first page (the summary) please note the SURPLUS\{(DEFICIT) row is going from a net positive of ~\$18K to a positive of ~\$45K. This is primarily due to increases in LCFF funding from the state, as well as the utilization of restricted revenues to offset expenses. Expenses are increase to account for increases in salaries, food service expenses, and additional utilities and legal expenses (See the second and third pages for an itemized breakdown of the summary).

Approval of 1st Interim Report

The 1st interim is a report sent to the district to show them your latest budget as well as what your actual data is from the period of July 2022 to October 2022. Please see the attached labeled “FY2022-23 First Interim Report – Innovations (DISTRICT TEMPLATE)”. The other attachment labeled “2022-23 Budget Revision - Innovations”, summarizes everything on the DISTRICT TEMPLATE in a more reader friendly format.

See the first page (the summary) on the “2022-23 Budget Revision - Innovations” attachment. The column labeled “Jul-Oct 2022 Actuals (1st Interim) is the actual as of that period and is also on the district template. The school as of Oct 2022 was running at a deficit of <~\$46K>.

Innovations Academy



	NAME	Jul-Oct 2022 Actuals (1st Interim)	2022-23 Preliminary Budget	2022-23 Revised Budget	VARIANCE from Preliminary to Revised Budget
	TOTAL ENROLLMENT		470	466	(4)
	AVERAGE DAILY ATTENDANCE		451.20	442.56	(8.6)
REVENUE	State LCFF Revenue	\$ 1,245,733	\$ 4,313,726	\$ 4,575,536	\$ 261,810
	Federal Revenue	\$ 49,203	\$ 223,548	\$ 305,074	\$ 81,526
	Other State Revenue	\$ 186,788	\$ 681,680	\$ 797,683	\$ 116,003
	Local Revenue	\$ 36,937	\$ 50,000	\$ 58,406	\$ 8,406
	TOTAL REVENUE	\$ 1,518,660	\$ 5,268,954	\$ 5,736,699	\$ 467,746
EXPENSES	Certificated Salaries	\$ 685,072	\$ 2,230,397	\$ 2,391,865	\$ 161,468
	Classified Salaries	\$ 223,103	\$ 745,944	\$ 771,571	\$ 25,627
	Benefits	\$ 228,312	\$ 908,953	\$ 945,946	\$ 36,992
	<i>TOTAL PERSONNEL EXPENSES</i>	<i>\$ 1,136,487</i>	<i>\$ 3,885,294</i>	<i>\$ 4,109,382</i>	<i>\$ 224,087</i>
	Books and Supplies	\$ 147,115	\$ 248,365	\$ 355,068	\$ 106,703
	Services and Other Operating Expen	\$ 280,854	\$ 997,441	\$ 1,107,357	\$ 109,916
	Capital Outlay	\$ -	\$ 120,000	\$ 120,000	\$ -
	Other Outgoing	\$ -	\$ -	\$ -	\$ -
	<i>TOTAL OTHER EXPENSES</i>	<i>\$ 427,969</i>	<i>\$ 1,365,806</i>	<i>\$ 1,582,426</i>	<i>\$ 216,619</i>
	TOTAL EXPENSES	\$ 1,564,455	\$ 5,251,101	\$ 5,691,807	\$ 440,707
FUND BALANCE	SURPLUS\ (DEFICIT)	\$ (45,795)	\$ 17,853	\$ 44,892	
	<i>% of LCFF Revenue</i>	<i>-3.7%</i>	<i>0.4%</i>	<i>1.0%</i>	
	BEGINNING FUND BALANCE	\$ 3,348,321	\$ 3,348,321	\$ 3,348,321	
	ENDING BALANCE	\$ 3,302,526	\$ 3,366,174	\$ 3,393,213	
	<i>% of Expenses</i>	<i>47%</i>	<i>49%</i>	<i>45%</i>	<i>0.0%</i>

REVENUE INPUT

ACCT	ACCOUNT NAME	2022-23 Preliminary Budget	2022-23 Rereforecast	VARIANCE
LCFF				
8011	LCFF; state aid	937,608	1,372,972	435,364
8012	LCFF; EPA	90,240	88,512	(1,728)
8096	In-Lieu of Property Taxes	3,285,878	3,111,626	(174,252)
8019	Prior Year Income/Adjustments	-	2,426	2,426
TOTAL LCFF REVENUE		\$ 4,313,726	\$ 4,575,536	\$ 261,810
FEDERAL				
8181	Special Education - Federal	51,250	51,250	-
8220	Federal Child Nutrition	2,474	84,000	81,526
8290	All Other Federal Revenue	-	-	-
8290-3212	ESSER II	-	-	-
8290-3213	ESSER III	119,000	119,000	-
8291	Title I	33,392	33,392	-
8292	Title II	7,432	7,432	-
8293	Title III	-	-	-
8294	Title IV	10,000	10,000	-
TOTAL FEDERAL REVENUE		\$ 223,548	\$ 305,074	\$ 81,526
OTHER STATE				
8520	State Child Nutrition Program	323	20,000	19,677
8550	MANDATE BLOCK GRANT K-8	6,734	6,734	(0)
8560-12	RESTRICTED LOTTERY	28,426	28,426	-
8560-22	LOTTERY	74,448	74,448	-
8590-66	MENTAL HEALTH	17,738	17,738	-
8590-626	Educator Effectiveness	-	-	-
8590-742	IPI	-	56,704	56,704
8590-742	ELO	190,000	170,572	(19,428)
8590-260	ELOP	67,903	67,903	-
8590	Universal PreK	20,000	-	(20,000)
8599	Prior Year State Income/Adjustments	-	-	-
8792	SPED State/Other Transfers of Apportionment	276,108	355,159	79,051
TOTAL OTHER STATE REVENUE		\$ 681,680	\$ 797,683	\$ 116,003
LOCAL				
8639	Student Lunch Revenue	-	-	-
8650	Rental Income	-	-	-
8660	Interest Income	-	7,001	7,001
8682	Foundation Grants/Donations	-	-	-
8685	School Site Fundraising	50,000	50,000	-
8698	E-rate Revenue	-	-	-
8699	All Other Local Revenue	-	1,405	1,405
TOTAL LOCAL REVENUE		\$ 50,000	\$ 58,406	\$ 8,406
TOTAL REVENUE		\$ 5,268,954	\$ 5,736,699	\$ 467,746

EXPENSES INPUT

ACCT	ACCOUNT NAME	2022-23 Preliminary Budget	2022-23 Reforecast	VARIANCE
1000 - CERTIFICATED				
1100	Teacher Salaries	1,857,481	1,928,365	70,884
1105	Teach Stipends	-	-	-
1120	Substitute Expense	52,000	52,000	-
1200	Certificated Pupil Support Salaries	139,756	139,756	-
1300	Certificated Supervisor and Administrator Salaries	125,000	215,584	90,584
1900	Other Certificated Salaries	56,160	56,160	-
Totals		\$ 2,230,397	\$ 2,391,865	\$ 161,468
2000 - CLASSIFIED				
2100	Instructional Aide Salaries	366,275	310,277	(55,998)
2200	Classified Support Salaries (Maintenance, Food)	211,969	211,969	-
2300	Classified Supervisor and Administrator Salaries	79,300	-	(79,300)
2400	Clerical, Technical and Office Staff Salaries	88,400	249,325	160,925
2900	Other Classified Salaries	-	-	-
Totals		\$ 745,944	\$ 771,571	\$ 25,627
3000 - BENEFITS				
3101	State Teachers' Retirement System, certificated positions	457,196	487,717	30,521
3202	Public Employees Retirement System	-	-	-
3313	OASDI	36,124	37,817	1,693
3323	Medicare	43,157	45,870	2,713
3403	Health & Welfare Benefits	311,507	305,897	(5,610)
3503	State Unemployment Insurance	24,360	29,735	5,375
3603	Worker Compensation Insurance	36,609	38,910	2,301
3703	Other Post Employment Benefits	-	-	-
3903	Other Employee Benefits	-	-	-
Totals		\$ 908,953	\$ 945,946	\$ 36,992
TOTAL PERSONEL EXPENSE		\$ 3,885,294	\$ 4,109,382	\$ 224,087
4000 - BOOKS AND SUPPLIES				
4100	Approved Textbooks and Core Curricula Materials	30,000	30,000	-
4200	Books and Other Reference Materials	8,000	8,000	-
4300	Materials and Supplies	32,000	32,000	-
4309	Sales and Use Tax Expenses	500	500	-
4315	Classroom Materials and Supplies	22,000	22,000	-
4342	Materials for School Sponsored Athletics	865	865	-
4381	Plant/Facilities Maintenance	15,000	15,000	-
4400	Noncapitalized Equipment	30,000	30,000	-
4407	Student Educational Software	15,000	15,000	-
4410	Software & Software Licensing	50,000	51,703	1,703
4430	Noncapitalized Student Equipment	20,000	20,000	-
4700	Food and Food Supplies	25,000	130,000	105,000
4701	Non School District Food	-	-	-
TOTAL BOOKS AND SUPPLIES		\$ 248,365	\$ 355,068	\$ 106,703
5000 - SERVICES AND OTHER OPEX				
5100	Subservices and Subagreements	67,903	67,903	-
5200	Travel and Conferences	5,000	6,336	1,336
5210	Training and Development Expense	35,000	35,000	-
5300	Dues and Memberships	3,500	6,868	3,368
5400	Insurance	53,000	53,000	-
5500	Operation and Housekeeping Services	55,000	55,000	-
5501	Utilities	180,000	240,000	60,000
5600	Space Rental/Leases Expense	120	120	-
5601	Building Maintenance	20,000	20,000	-
5602	Other Space Rental	1,500	1,500	-
5605	Equipment Rental/Lease Expense	17,000	17,000	-
5610	Equipment Repair	4,000	4,000	-
5800	Professional/Consulting Services and Operating Expenditur	19,000	19,000	-
5803	Banking and Payroll Service Fees	14,500	14,500	-
5805	Legal Services and Audit	18,735	38,735	20,000
5806	Audit Services	10,500	10,500	-
5807	Legal Settlements	12,000	12,000	-
5809	Employee Tuition Reimbursement	389	389	-
5810	Educational Consultants	150,000	150,000	-
5811	Student Transportation and Field Trips	5,000	5,000	-
5812	Other Student Activities	580	580	-
5815	Advertising/Recruiting	2,000	2,000	-
5820	Fundraising Expense	3,244	3,244	-
5830	Field Trips	70,000	70,000	-
5836	Transportation Services	-	-	-
5842	Services Student Athletics	-	-	-
5850	Scholarships Awarded	-	-	-
5873	Financial Services	65,000	65,000	-
5874	Personnel Services	1,000	1,000	-
5875	District Oversight Fee	129,412	129,412	0
5877	IT Services	20,000	20,000	-
5890	Interest Expenses/Fees	1,058	1,058	-
5900	Communications (Tele., Internet, Copies, Postage, Messenge	28,000	28,000	-
5998	Unallocated Credit Card Expense	5,000	30,212	25,212
TOTAL SERVICES AND OTHER OPEX		\$ 997,441	\$ 1,107,357	\$ 109,916
6000 - CAPITAL OUTLAY				
6900	Depreciation Expense	120,000	120,000	-
TOTAL DEPRECIATION		\$ 120,000	\$ 120,000	\$ -
7000 - OTHER OUTGOING				
7438	Debt Service Interest	-	-	-
TOTAL OTHER OUTGOING		\$ -	\$ -	\$ -
TOTAL EXPENSES		\$ 5,251,101	\$ 5,691,807	\$ 440,707

Charter School First Interim Report

FY 2022-2023

For the Period July 1, 2022 through October 31, 2022

Accrual Basis

Financial Accounting Department

Charter Schools Accounting Office

Authorizing Agency Contact: Theresa Goody (tgoody@sandi.net)

Authorizing Agency Contact: Nadine Creer (ncreer@sandi.net)

Charter School Name:	Innovations Academy
CDS #:	37 68338 0118083
Charter Approving Entity:	San Diego Unified School District
County:	San Diego
SBE Charter #:	1024

Has board approved a revised budget? (check box below)

No.

Yes. (Enter board approved revision date below)

Revised Date: 12/7/2022

Description	Object Code	A	B	C	D	(A+C) E	(B+D) F	(E+H) G	(G-E) H
		Unrestricted Budget	Unrestricted Actuals through 10/31/22	Restricted Budget	Restricted Actuals through 10/31/22	Total Budget	Total Actuals through 10/31/22	Projected EFB/NP (Higher of Budget or Actual)	Amount over Budget
A. REVENUES (8000-8799)									
1. Local Control Funding Formula (LCFF) Sources - (8011-8097)									
LCFF State Aid - Current Year (CY) (Res 0000)	8011	1,372,972	347,524			1,372,972	347,524	1,372,972	-
Education Protection Account State Aid (EPA) - CY (Res 1400)	8012	88,512	22,774			88,512	22,774	88,512	-
State Aid - Prior Years (LCFF State Aid and EPA) (Res 0000 and Res 1400)	8019	2,426	2,426			2,426	2,426	2,426	-
Transfers to Charter Schools In Lieu of Property Taxes - CY & PY (Res 0000)	8096	3,111,626	873,009			3,111,626	873,009	3,111,626	-
Other LCFF Transfers	8091, 8097					-	-	-	-
Total, LCFF Sources		4,575,536	1,245,733	-	-	4,575,536	1,245,733	4,575,536	-
2. Federal Revenues (8100-8299)									
ESEA (ESSA), Title I, Part A, Basic Grants Low-Income and Neglected (Res 3010)	8290			33,392		33,392	-	33,392	-
ESEA (ESSA): Title II, Part A, Improving Teacher Quality Program (Res 4035)	8290			7,432		7,432	-	7,432	-
ESEA (ESSA): Title III, Limited English Proficient Student Program (Res 4203)	8290					-	-	-	-
ESEA (ESSA): Title III, Immigrant Education Program (Res 4201)	8290					-	-	-	-
ESEA (ESSA): Title IV, 21st Century Learning Communities (Res 4124)	8290					-	-	-	-
ESEA (ESSA): Title IV, Part A, Student Support and Academic Enrichment Grants (Res 4127)	8290			10,000		10,000	-	10,000	-
ESSA: Title V, Part B, Public Charter Schools Grant Program (Res 4610)	8290					-	-	-	-
Fed SpEd, IDEA Basic Local Assistance Entitlement, Part B, Sec 611 (Res 3310)	8181			51,250	6,378	51,250	6,378	51,250	-
Fed Sp Ed, IDEA Mental Health Allocation Plan, Part B, Sec 611 (Res 3327)	8182					-	-	-	-
Child Nutrition - Federal (NSLP) (Res 5310 and others)	8220			84,000		84,000	-	84,000	-
Maintenance and Operations (Public Law 81-874) (Res 0000)	8110					-	-	-	-
Other Federal Revenues (All other resources not reported separately)	8100-8299			119,000	42,825	119,000	42,825	119,000	-
Total - Federal Revenues		-	-	305,074	49,203	305,074	49,203	305,074	-
3. Other State Revenues (8300-8599)									
State Special Education (Res 6500)	8792			355,159	101,405	355,159	101,405	355,159	-
State Special Education Mental Health Services (Res 6512)	8590			17,738		17,738	-	17,738	-
Mandate Block Grant (Res 0000)	8550	6,734				6,734	-	6,734	-
After School Education and Safety (ASES) (Res 6010)	8677, 8590					-	-	-	-
Common Core Standards Implementation (Res 7405)	8590					-	-	-	-
Charter School Facility Grant Program (SB 740) (Res 6030)	8590					-	-	-	-
COVID-19 LEA Response Funds (SB 117) (Res 7388)	8590					-	-	-	-
Lottery, Unrestricted (Res 1100)	8560	74,448				74,448	-	74,448	-
Lottery, Restricted - Prop 20 (Res 6300)	8560			28,426		28,426	-	28,426	-
Proposition 39 - California Clean Energy Jobs Act (Res 6230)	8590					-	-	-	-
Other State Revenues (All other resources not reported separately)	8300-8599		(30)	315,179	85,413	315,179	85,383	315,179	-
Total - Other State Revenues		81,182	(30)	716,501	186,818	797,683	186,788	797,683	-
4. Local Revenue (8600-8799)									
All Local Revenues	8600-8799	8,406	8,406	50,000	28,530	58,406	36,937	58,406	-
Total - Local Revenues		8,406	8,406	50,000	28,530	58,406	36,937	58,406	-
5. TOTAL REVENUES									
		4,665,124	1,254,109	1,071,575	264,551	5,736,699	1,518,660	5,736,699	-
B. EXPENDITURES AND OTHER OUTGO (1000-7499)									
1. Certificated Salaries									
Teachers' Salaries	1100	1,980,365	523,789		46,711	1,980,365	570,500	1,980,365	-
Pupil Support Salaries	1200	139,756	-		25,194	139,756	25,194	139,756	-
Supervisors' and Administrators' Salaries	1300	215,584	73,528			215,584	73,528	215,584	-
Other Certificated Salaries	1900	56,160	15,850			56,160	15,850	56,160	-
Total, Certificated Salaries		2,391,865	613,167	-	71,905	2,391,865	685,072	2,391,865	-

Charter School First Interim Report

FY 2022-2023

For the Period July 1, 2022 through October 31, 2022

Accrual Basis

Financial Accounting Department

Charter Schools Accounting Office

Authorizing Agency Contact: Theresa Goody (tgoody@sandi.net)

Authorizing Agency Contact: Nadine Creer (ncreer@sandi.net)

Charter School Name:	Innovations Academy
CDS #:	37 68338 0118083
Charter Approving Entity:	San Diego Unified School District
County:	San Diego
SBE Charter #:	1024

Has board approved a revised budget? (check box below)

No.

Yes. (Enter board approved revision date below)

Revised Date: 12/7/2022

Description	Object Code	A	B	C	D	(A + C) E	(B + D) F	(E + H) G	(G - E) H
		Unrestricted Budget	Unrestricted Actuals through 10/31/22	Restricted Budget	Restricted Actuals through 10/31/22	Total Budget	Total Actuals through 10/31/22	Projected EFB/NP (Higher of Budget or Actual)	Amount over Budget
2. Classified Salaries									
Instructional Salaries	2100	310,277	83,339		7,801	310,277	91,139	310,277	-
Support Salaries	2200	211,969	46,590		4,082	211,969	50,671	211,969	-
Supervisors' and Administrators' Salaries	2300					-	-	-	-
Clerical and Office Salaries	2400	249,325	63,184		18,108	249,325	81,293	249,325	-
Other Classified Salaries	2900					-	-	-	-
Total, Classified Salaries		771,571	193,112	-	29,990	771,571	223,103	771,571	-
3. Employee Benefits									
STRS	3101-3102	487,717	108,392		11,948	487,717	120,340	487,717	-
PERS	3201-3202					-	-	-	-
OASDI/Medicare (Social Security)	3301-3302	83,687	24,393		3,740	83,687	28,134	83,687	-
Health and Welfare Benefits	3401-3402	305,897	65,709		5,914	305,897	71,623	305,897	-
Unemployment Insurance	3501-3502	29,735	2,440		245	29,735	2,685	29,735	-
Workers' Compensation Insurance	3601-3602	38,910	5,530			38,910	5,530	38,910	-
OPEB, Allocated	3701-3702					-	-	-	-
OPEB, Active Employees	3751-3752					-	-	-	-
Other Employee Benefits	3901-3902					-	-	-	-
Total, Employee Benefits		945,946	206,465	-	21,847	945,946	228,312	945,946	-
4. Books and Supplies									
Approved Textbooks and Core Curricula Materials	4100	30,000	3,181		601	30,000	3,782	30,000	-
Books and Other Reference Materials	4200	8,000	578		1,537	8,000	2,115	8,000	-
Materials and Supplies	4300	70,365	30,890		259	70,365	31,149	70,365	-
Non-capitalized Equipment	4400	116,703	55,867		13,680	116,703	69,548	116,703	-
Food (Food used in food-service activities for which the purpose is nutrition)	4700	15,000	14,545	115,000	25,976	130,000	40,520	130,000	-
Total, Books and Supplies		240,068	105,061	115,000	42,054	355,068	147,115	355,068	-
5. Services and Other Operating Expenditures									
Subagreements for Services	5100	67,903				67,903	-	67,903	-
Travel and Conferences	5200	41,336	14,321		6,347	41,336	20,668	41,336	-
Dues and Memberships	5300	6,868	6,868			6,868	6,868	6,868	-
Insurance	5400	53,000	20,766			53,000	20,766	53,000	-
Operations and Housekeeping Services	5500	295,000	72,406		3,260	295,000	75,666	295,000	-
Rentals,Leases,Repairs,and Noncapitalized Improvements	5600	42,620	9,349			42,620	9,349	42,620	-
Transfer of Direct Costs (MUST net to zero)	5700					-	-	-	-
Prof/Consulting Svcs and Operating Expend (Include District Oversight)	5800	542,418	88,280		23,480	542,418	111,760	542,418	-
Communications	5900	58,212	35,777			58,212	35,777	58,212	-
Total, Services and Other Operating Expenditures		1,107,357	247,767	-	33,087	1,107,357	280,854	1,107,357	-
6. Capital Outlay									
Depreciation Expense (See Sections G.9 & F.2.a)	6900	120,000				120,000	-	120,000	-
Total, Capital Outlay		120,000	-	-	-	120,000	-	120,000	-
7. Other Outgo									
Tuition to Other Schools (Include contribution to unfunded cost of Sp Ed.)	7110-7143					-	-	-	-
Transfers of Pass-Through Revenues to Other LEAs	7211-7213					-	-	-	-
Transfers of Apportionments to Other LEAs - Spec Ed and All Others	7221-7223					-	-	-	-
All Other Transfers	7280-7299					-	-	-	-
Transfers of Indirect Costs (MUST net to zero)	7300-7399					-	-	-	-
Debt Service - Interest	7430-7439					-	-	-	-
Debt Service - Principal (FOR MODIFIED ACCRUAL BASIS ONLY)	7439					-	-	-	-
Total, Other Outgo		-	-	-	-	-	-	-	-
8. TOTAL EXPENDITURES		5,576,807	1,365,573	115,000	198,883	5,691,807	1,564,455	5,691,807	-
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND.									
BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		(911,683)	(111,464)	956,575	65,669	44,892	(45,795)	44,892	

Charter School First Interim Report

FY 2022-2023

For the Period July 1, 2022 through October 31, 2022

Accrual Basis

Financial Accounting Department

Charter Schools Accounting Office

Authorizing Agency Contact: Theresa Goody (tgoody@sandi.net)

Authorizing Agency Contact: Nadine Creer (ncreer@sandi.net)

Charter School Name:	Innovations Academy
CDS #:	37 68338 0118083
Charter Approving Entity:	San Diego Unified School District
County:	San Diego
SBE Charter #:	1024

Has board approved a revised budget? (check box below)

No.

Yes. (Enter board approved revision date below)

Revised Date: 12/7/2022

Description	Object Code	A	B	C	D	(A + C) E	(B + D) F	(E + H) G	(G - E) H
		Unrestricted Budget	Unrestricted Actuals through 10/31/22	Restricted Budget	Restricted Actuals through 10/31/22	Total Budget	Total Actuals through 10/31/22	Projected EFB/NP (Higher of Budget or Actual)	Amount over Budget
D. OTHER FINANCING SOURCES/USES (7600-7699, 8930-8999)									
1. All Other Financing Sources	8930-8979					-	-	-	
2. Other Uses	7630-7699					-	-	-	
3. Contributions between unrestricted and restricted accounts (<i>MUST net to zero</i>) <i>(Include contribution to the unfunded cost of Special Education)</i>	8980-8999					-	-	-	
4. TOTAL OTHER FINANCING SOURCES/USES		-	-	-	-	-	-	-	
E. NET INCREASE (DECREASE) IN FUND BALANCE/NET POSITION (C + D.4.)		(911,683)	(111,464)	956,575	65,669	44,892	(45,795)	44,892	
F. FUND BALANCE/NET POSITION (Budget and Actuals MUST match) (F.1.a-b)									
1. Beginning Fund Balance/Net Position									
a. July 1 (<i>MUST match EFB/Net Position of PY Unaudited Actuals, Section F.2</i>)	9791	3,338,522	3,338,522	9,799	9,799	3,348,321	3,348,321	3,348,321	
b. Adjustments/Restatements	9793, 9795	-	-	-	-	-	-	-	
c. Adjusted Beginning Fund Balance/Net Position		3,338,522	3,338,522	9,799	9,799	3,348,321	3,348,321	3,348,321	
2. Projected Ending Fund Balance/Net Position, June 30 (E + F.1.c.)	See cell M128	2,426,839	3,227,058	966,374	75,468	3,393,213	3,302,526	3,393,213	
Components of Ending Net Position									
a. Net Investment in Capital Assets (<i>See Sections B.6 and G.9</i>)	9796		162,367				162,367		
b. Restricted Net Position	9797				75,468		75,468		
c. Unrestricted Net Position	9791		3,064,692		-		3,064,692		
G. ASSETS									
1. Cash									
In County Treasury	9110		2,614,700				2,614,700		
Fair Value Adjustment to Cash in County Treasury	9111						-		
In Banks	9120		961,128		75,468		1,036,596		
In Revolving Fund	9130		500				500		
With Fiscal Agent/Trustee	9135						-		
Collections Awaiting Deposit	9140						-		
2. Investments	9150						-		
3. Accounts Receivable	9200						-		
4. Due From Grantor Government	9290		71,592				71,592		
5. Due From Other Funds	9310						-		
6. Stores	9320						-		
7. Prepaid Expenditures (Expenses)	9330						-		
8. Other Current Assets	9340		(5,769)				(5,769)		
9. Capital Assets (<i>See Sections B.6 & F.2.a</i>)	9400-9489		162,367				162,367		
10. Total Assets			3,804,518		75,468		3,879,986		
H. DEFERRED OUTFLOWS OF RESOURCES									
1. Deferred Outflows of Resources	9490						-		
2. Total Deferred Outflows			-		-		-		

Charter School First Interim Report

FY 2022-2023

For the Period July 1, 2022 through October 31, 2022

Accrual Basis

Financial Accounting Department
Charter Schools Accounting Office
Authorizing Agency Contact: Theresa Goody (tgoody@sandi.net)
Authorizing Agency Contact: Nadine Creer (ncreer@sandi.net)

Charter School Name: Innovations Academy
CDS #: 37 68338 0118083
Charter Approving Entity: San Diego Unified School District
County: San Diego
SBE Charter #: 1024

Has board approved a revised budget? (check box below)

No.

Yes. (Enter board approved revision date below)

Revised Date: 12/7/2022

Description	Object Code	A	B	C	D	(A + C) E	(B + D) F	(E + H) G	(G - E) H
		Unrestricted Budget	Unrestricted Actuals through 10/31/22	Restricted Budget	Restricted Actuals through 10/31/22	Total Budget	Total Actuals through 10/31/22	Projected EFB/NP (Higher of Budget or Actual)	Amount over Budget
I. LIABILITIES									
1. Accounts Payable	9500		119,397				119,397		
2. Due to Grantor Government	9590		62,242				62,242		
3. Due to Other Funds	9610						-		
4. Current Loans	9640						-		
5. Deferred Revenue	9650		395,821				395,821		
6. Long-term Liabilities	9660-9669						-		
7. Total Liabilities			577,460		-		577,460		
J. DEFERRED INFLOWS OF RESOURCES									
1. Deferred Inflows of Resources	9690						-		
2. Total Deferred inflows of Resources			-		-		-		
K. ENDING FUND BALANCE/NET POSITION, October 31, 2022									
1. Ending Fund Balance/Net Position (G10+H2-I7-J2) <i>(MUST agree with F.2)</i>			3,227,058		75,468		3,302,526		

BUDGET VARIANCE ANALYSIS
1st Interim Budget vs Preliminary Budget
FY 2022-23

Instructions:

Column G "Preliminary Budget" - manual input (data source: Budget submitted in June 2022)
 Column H "1st Interim Budget" - will automatically populate (linked to 1st Interim tab)
 Column I "\$ Difference" - will automatically populate
 Column J "% Change" - will automatically populate
 Column K "Explanation" - will automatically populate
 Column L "Explanation" - provide an explanation if Column J is highlighted in **RED**

Charter School Name:	Innovations Academy
CDS #:	37 68338 0118083
Charter Approving Entity:	San Diego Unified School District
County:	San Diego
SBE Charter #:	1024

Description	Object Code	1st Interim Budget vs Preliminary Budget				Explanation of Change <i>(e.g. enrollment increase from 350 students to 280.; one-time purchase of 100 chrome books, etc.) =>10% and =>(-10%)</i>
		Preliminary Budget (A)	1st Interim Budget (B)	\$ Difference (Col B & A) (C)	% Change (C/A) (D)	
A. REVENUES (8000-8799)						
1. Local Control Funding Formula (LCFF) Sources - (8011-8097)						
LCFF State Aid - Current Year (CY) (Res 0000)	8011	937,608	1,372,972	435,364	46%	LCFF COLA increase.
Education Protection Account State Aid (EPA) - CY (Res 1400)	8012	90,240	88,512	(1,728)	-2%	
State Aid - Prior Years (LCFF State Aid and EPA) (Res 0000 and Res 1400)	8019		2,426	2,426	0%	
Transfers to Charter Schools In Lieu of Property Taxes - CY & PY (Res 0000)	8096	3,285,878	3,111,626	(174,252)	-5%	
Other LCFF Transfers	8091, 8097		-	-	0%	
Total, LCFF Sources		4,313,726	4,575,536	261,810	6%	
2. Federal Revenues (8100-8299)						
ESEA (ESSA), Title I, Part A, Basic Grants Low-Income and Neglected (Res 3010)	8290	33,392	33,392	-	0%	Account for NSLP reimbursement funds.
ESEA (ESSA): Title II, Part A, Improving Teacher Quality Program (Res 4035)	8290	7,432	7,432	-	0%	
ESEA (ESSA): Title III, Limited English Proficient Student Program (Res 4203)	8290		-	-	0%	
ESEA (ESSA): Title III, Immigrant Education Program (Res 4201)	8290		-	-	0%	
ESEA (ESSA): Title IV, 21st Century Learning Communities (Res 4124)	8290		-	-	0%	
ESEA (ESSA): Title IV, Part A, Student Support and Academic Enrichment Grants (Res 4124)	8290	10,000	10,000	-	0%	
ESSA: Title V, Part B, Public Charter Schools Grant Program (Res 4610)	8290		-	-	0%	
Fed SpEd, IDEA Basic Local Assistance Entitlement, Part B, Sec 611 (Res 3310)	8181	51,250	51,250	-	0%	
Fed Sp Ed, IDEA Mental Health Allocation Plan, Part B, Sec 611 (Res 3327)	8182		-	-	0%	
Child Nutrition - Federal (NSLP) (Res 5310 and others)	8220	2,474	84,000	81,526	3295%	
Maintenance and Operations (Public Law 81-874) (Res 0000)	8110		-	-	0%	
Other Federal Revenues (All other resources not reported separately)	8100-8299	119,000	119,000	-	0%	
Total - Federal Revenues		223,548	305,074	81,526	36%	
3. Other State Revenues (8300-8599)						
State Special Education (Res 6500)	8792	276,108	355,159	79,051	29%	Increase in SPED rate.
State Special Education Mental Health Services (Res 6512)	8590	17,738	17,738	-	0%	
Mandate Block Grant (Res 0000)	8550	6,734	6,734	(0)	0%	
After School Education and Safety (ASES) (Res 6010)	8677, 8590		-	-	0%	
Common Core Standards Implementation (Res 7405)	8590		-	-	0%	
Charter School Facility Grant Program (SB 740) (Res 6030)	8590		-	-	0%	
COVID-19 LEA Response Funds (SB 117) (Res 7388)	8590		-	-	0%	
Lottery, Unrestricted (Res 1100)	8560	74,448	74,448	-	0%	
Lottery, Restricted - Prop 20 (Res 6300)	8560	28,426	28,426	-	0%	
Proposition 39 - California Clean Energy Jobs Act (Res 6230)	8590		-	-	0%	
Other State Revenues (All other resources not reported separately)	8300-8599	278,226	315,179	36,953	13%	
Total - Other State Revenues		681,680	797,683	116,003	17%	Utilize additional restricted revenue to offset expenses.
4. Local Revenue (8600-8799)						
All Local Revenues	8600-8799	50,000	58,406	8,406	17%	Account for interest revenue.
Total - Local Revenues		50,000	58,406	8,406	17%	
5. TOTAL REVENUES		5,268,954	5,736,699	467,745		
B. EXPENDITURES AND OTHER OUTGO (1000-7499)						
1. Certificated Salaries						
Teachers' Salaries	1100	1,909,481	1,980,365	70,884	4%	Increase in position rate.
Pupil Support Salaries	1200	139,756	139,756	-	0%	
Supervisors' and Administrators' Salaries	1300	125,000	215,584	90,584	72%	
Other Certificated Salaries	1900	56,160	56,160	-	0%	
Total, Certificated Salaries		2,230,397	2,391,865	161,468	7%	
2. Classified Salaries						
Instructional Salaries	2100	366,275	310,277	(55,998)	-15%	Originally budgeted in different object codes.
Support Salaries	2200	211,969	211,969	-	0%	
Supervisors' and Administrators' Salaries	2300	79,300	-	(79,300)	-100%	Originally budgeted in different object codes.
Clerical and Office Salaries	2400	88,400	249,325	160,925	182%	
Other Classified Salaries	2900		-	-	0%	
Total, Classified Salaries		745,944	771,571	25,627	3%	

BUDGET VARIANCE ANALYSIS
1st Interim Budget vs Preliminary Budget
FY 2022-23

Instructions:

Column G "Preliminary Budget" - manual input (data source: Budget submitted in June 2022)
 Column H "1st Interim Budget" - will automatically populate (linked to 1st Interim tab)
 Column I "\$ Difference" - will automatically populate
 Column J "% Change" - will automatically populate
 Column K "Explanation" - will provide an explanation if Column J is highlighted in **RED**

Charter School Name:	Innovations Academy
CDS #:	37 68338 0118083
Charter Approving Entity:	San Diego Unified School District
County:	San Diego
SBE Charter #:	1024

Description	Object Code	1st Interim Budget vs Preliminary Budget				Explanation of Change <i>(e.g. enrollment increase from 350 students to 280.; one-time purchase of 100 chrome books, etc.)</i> =>10% and =>(-10%)
		Preliminary Budget (A)	1st Interim Budget (B)	\$ Difference (Col B & A) (C)	% Change (C/A) (D)	
3. Employee Benefits						
STRS	3101-3102	457,196	487,717	30,521	7%	
PERS	3201-3202	-	-	-	0%	
OASDI/Medicare (Social Security)	3301-3302	79,281	83,687	4,406	6%	
Health and Welfare Benefits	3401-3402	311,507	305,897	(5,610)	-2%	
Unemployment Insurance	3501-3502	24,360	29,735	5,375	22%	Increase in rate.
Workers' Compensation Insurance	3601-3602	36,609	38,910	2,301	6%	
OPEB, Allocated	3701-3702	-	-	-	0%	
OPEB, Active Employees	3751-3752	-	-	-	0%	
Other Employee Benefits	3901-3902	-	-	-	0%	
Total, Employee Benefits		908,953	945,946	36,993	4%	
4. Books and Supplies						
Approved Textbooks and Core Curricula Materials	4100	30,000	30,000	-	0%	
Books and Other Reference Materials	4200	8,000	8,000	-	0%	
Materials and Supplies	4300	70,365	70,365	-	0%	
Non-capitalized Equipment	4400	115,000	116,703	1,703	1%	
Food (Food used in food-service activities for which the purpose is nutrition)	4700	25,000	130,000	105,000	420%	Account for food expenses.
Total, Books and Supplies		248,365	355,068	106,703	43%	
5. Services and Other Operating Expenditures						
Subagreements for Services	5100	67,903	67,903	-	0%	
Travel and Conferences	5200	40,000	41,336	1,336	3%	
Dues and Memberships	5300	3,500	6,868	3,368	96%	Account for additional expenses.
Insurance	5400	53,000	53,000	-	0%	
Operations and Housekeeping Services	5500	235,000	295,000	60,000	26%	Account for additional utility expenses.
Rentals,Leases,Repairs,and Noncapitalized Improvements	5600	42,620	42,620	-	0%	
Transfer of Direct Costs (MUST net to zero)	5700	-	-	-	0%	
Prof/Consulting Svcs and Operating Expend (Include District Oversight)	5800	522,418	542,418	20,000	4%	
Communications	5900	33,000	58,212	25,212	76%	Account for additional expenses.
Total, Services and Other Operating Expenditures		997,441	1,107,357	109,916	11%	
6. Capital Outlay						
Depreciation Expense (See Sections G.9 & F.2.a)	6900	120,000	120,000	-	0%	
Total, Capital Outlay		120,000	120,000	-	0%	
7. Other Outgo						
Tuition to Other Schools (<i>Include contribution to unfunded cost of Sp Ed.</i>)	7110-7143	-	-	-	0%	
Transfers of Pass-Through Revenues to Other LEAs	7211-7213	-	-	-	0%	
Transfers of Apportionments to Other LEAs - Spec Ed and All Others	7221-7223	-	-	-	0%	
All Other Transfers	7280-7299	-	-	-	0%	
Transfers of Indirect Costs (MUST net to zero)	7300-7399	-	-	-	0%	
Debt Service - Interest	7430-7439	-	-	-	0%	
Debt Service - Principal (FOR MODIFIED ACCRUAL BASIS ONLY)	7439	-	-	-	0%	
Total, Other Outgo		-	-	-	0%	
8. TOTAL EXPENDITURES		5,251,100	5,691,807	440,707		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPEND. BEFORE OTHER FINANCING SOURCES AND USES (A5-B8)		17,854	44,892			
D. OTHER FINANCING SOURCES/USES (7600-7699, 8930-8999)						
1. All Other Financing Sources	8930-8979	-	-	-		
2. Other Uses	7630-7699	-	-	-		
3. Contributions between unrestricted and restricted accounts (MUST net to zero) <i>(Include contribution to the unfunded cost of Special Education)</i>	8980-8999	-	-	-		
4. TOTAL OTHER FINANCING SOURCES/USES		-	-	-		
E. NET INCREASE (DECREASE) IN FUND BALANCE/NET POSITION (C + D.4.)		17,854	44,892	-		

Director Goals 2022-23

- Social-emotional Goal: Make a plan to address the social emotional challenges our students are facing that are impacting our teachers
- Academic goal #1: Continue to get a handle on what scores we need to improve and how we are going to do so such that charter renewal is as possible as it can be in this anti-charter climate.
- Academic goal #2: While continuing to provide freedom to teachers, define the novels read in each grade level to create consistency, define the projects that will consistently be done in grade levels.
- Social Emotional & Academic goal #1: Increase hands on learning moments, general inquiry across the curriculum and decrease technology use in the classroom.
- Administrative Transition: Begin to define a position and identify a person who will succeed me in the director position.

Director Goals 23-24

- Continue to address social emotional issues and expand them to the context of whole school connection (school climate).
- Continue to monitor ways to improve academic test scores without impacting our engaging learning program.
- Implement and evaluate implementation of academic goal #2.
- Administrative Transition continued.

**BYLAWS
OF
INNOVATIONS ACADEMY**

(A California Nonprofit Public Benefit Corporation)

**ARTICLE I
NAME**

Section 1. **NAME.** The name of this corporation is Innovations Academy (referred to herein as “Charter School”).

**ARTICLE II
PRINCIPAL OFFICE OF THE CHARTER SCHOOL**

Section 1. **PRINCIPAL OFFICE OF THE CHARTER SCHOOL.** The principal office for the transaction of the activities and affairs of the Charter School is located in San Diego County, California. The Board of Directors of Innovations Academy (referred to herein as “Board”) may change the location of the principal office. Any such change of location must be noted by the Secretary on these bylaws opposite this Section; alternatively, this Section may be amended to state the new location.

Section 2. **OTHER OFFICES OF THE CHARTER SCHOOL.** The Board may at any time establish branch or subordinate offices at any place or places where the Charter School is qualified to conduct its activities.

**ARTICLE III
GENERAL AND SPECIFIC PURPOSES; LIMITATIONS**

Section 1. **GENERAL AND SPECIFIC PURPOSES.** The purpose of the Charter School is to manage, operate, guide, direct and promote the Charter School, a California public charter school in the San Diego Unified School District. Also in the context of these purposes, the Charter School shall not, except to an insubstantial degree, engage in any other activities or exercise of power that do not further the purposes of the Charter School.

The Charter School shall not carry on any other activities not permitted to be carried on by: (a) a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code; or (b) a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code. No substantial part of the activities of the Charter School shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Charter School shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

**ARTICLE IV
CONSTRUCTION AND DEFINITIONS**

Section 1. CONSTRUCTION AND DEFINITIONS. Unless the context indicates otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, and the plural includes the singular, and the term “person” includes both a legal entity and a natural person.

**ARTICLE V
DEDICATION OF ASSETS**

Section 1. DEDICATION OF ASSETS. The Charter School’s assets are irrevocably dedicated to public benefit purposes as set forth in the Charter School’s Charter. No part of the net earnings, properties, or assets of the Charter School, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Board Member or officer of the Charter School. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Charter School shall be distributed to a nonprofit fund, foundation, or corporation that is organized and operated exclusively for charitable purposes and that has established its exempt status under Internal Revenue Code section 501(c)(3).

**ARTICLE VI
CORPORATIONS WITHOUT MEMBERS**

Section 1. CORPORATIONS WIHOUT MEMBERS The Charter School shall have no voting members within the meaning of the Nonprofit Corporation Law. The Charter School’s Board may, in its discretion, admit individuals to one or more classes of nonvoting members; the class or classes shall have such rights and obligations as the Board finds appropriate.

**ARTICLE VII
BOARD OF DIRECTORS**

Section 1. GENERAL POWERS. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, and subject to any limitations of the articles of incorporation or bylaws, the Charter School’s activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board. The Board may delegate the management of the Charter School’s activities to any person(s), management company or Board Committees, however composed, provided that the activities and affairs of the Charter School shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 2. SPECIFIC POWERS Without prejudice to the general powers set forth in Section 1 of these bylaws, but subject to the same limitations, the Board shall have the power to:

- a. Appoint and remove, at the pleasure of the Board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the articles of incorporation, and these bylaws; fix their compensation; and require from them security for faithful service; subject to the terms of any employment contracts and authority previously delegated to the Director of the Charter School (referred to herein as “Director”).
- b. Change the principal office or the principal business office in California from one location to another; cause the Charter School to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside California; and designate a place in California for holding any meeting of members.
- c. Borrow money and incur indebtedness on the Charter School’s behalf and cause to be executed and delivered for the Charter School’s purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
- d. Adopt and use a corporate seal; prescribe the forms of membership certificates; and alter the forms of the seal and certificates.

Section 3. DESIGNATED BOARD MEMBERS AND TERMS The number of Board Members shall be no less than three (3) and no more than seventeen (17), unless changed by amendments to these bylaws. The number of Board Members shall be established by resolution. All Board Members shall be designated by the existing Board. All Board Members whose terms are expiring are to be designated at the Charter School’s annual meeting of the Board. The Board shall consist of at least three (3) Board Members unless changed by amendment to these bylaws. Terms of the Board Members shall be staggered so that one-third (or as near to one-third as practicable) shall be elected at each annual meeting.

Section 4. RESTRICTION ON INTERESTED PERSONS AS BOARD MEMBERS; QUALIFICATIONS No more than 49 percent of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the Charter School for services rendered to it within the previous 12 months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Board Member as Board Member; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. However, any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the Charter School. The Board may adopt other policies circumscribing potential conflicts of interest.

One Board Member shall be a parent of a student who is currently enrolled in the Charter School designated by the Board from among those nominated by a parent organization or by the nominating committee appointed pursuant to Section 6.

One Board Member shall be a teacher currently employed at the Charter School and designated by the Board from among those nominated by the teachers or by the nominating committee appointed pursuant to Section 6.

The remaining Board Members shall be persons who support the mission of the Charter School and who have expertise in business, education, finance, law, public relations or marketing, government, or represent the community; provided that such persons shall not also be parents of children enrolled at the Charter School at the time of their initial election to the Board. These Board Members shall be elected from among those nominated by the nominating committee appointed pursuant to Section 6, and those nominated by the Chief Educational Officer. Notwithstanding the foregoing, if no more than one candidate is nominated for any position on the Board, the Board may also consider nominations from any other source.

Section 5. BOARD MEMBERS' TERM Each Board Member shall hold office for three (3) years and until a successor Board Member has been designated and qualified.

Section 6. NOMINATIONS BY COMMITTEE The Chairman of the Board or, if none, the Vice-Chairman will appoint a committee to designate qualified candidates for election to the Board at least thirty (30) days before the date of the annual meeting at which the election of Board Members is to occur. The nominating committee shall make its report at least seven (7) days before the date of the election or at such other time as the Board may set and the Secretary shall forward to each Board Member, with the notice of meeting required by these bylaws, a list of all candidates nominated for each Board Member position.

Section 7. USE OF CORPORATE FUNDS TO SUPPORT NOMINEE If more people have been nominated for Board Member than can be elected, no corporation funds may be expended to support a nominee without the Board's authorization.

Section 8. EVENTS CAUSING VACANCIES ON BOARD A vacancy or vacancies on the Board shall occur in the event of (a) the death, resignation, or removal of any Board Member; (b) the declaration by resolution of the Board of a vacancy in the office of a Board Member who has been convicted of a felony, declared of unsound mind by a court order, or found by final order or judgment of any court to have breached a duty under California Nonprofit Public Benefit Corporation Law, Chapter 2, Article, 3; (c) the increase of the authorized number of Board Members; or (d) the failure of the members, at any meeting of members at which any Board Member or Board Members are to be elected, to elect the number of Board Members required to be elected at such meeting; (e) for the parent- Board Member, whenever the Board Member no longer has a child enrolled at the Charter School; and (f) for the teacher- Board Member, upon termination of employment with the Charter School; (g) for any other Board Member, upon taking an office or employment which is inconsistent with, or incompatible with continued service to the Charter School, as determined by the Board.

Section 9. RESIGNATION OF BOARD MEMBERS Except as provided below, any Board Member may resign by giving written notice to the Chairman of the Board, if any, or to the Director, or the Secretary, or to the Board. The resignation shall be effective when the notice is given unless the notice specifies a later time for the resignation to become effective. If a

Board Member's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective.

Section 10. BOARD MEMBER MAY NOT RESIGN IF NO BOARD MEMBER REMAINS. Except on notice to the California Attorney General, no Board Member may resign if the Charter School would be left without a duly elected Board Member or Board Members.

Section 11. REMOVAL OF BOARD MEMBERS Any Board Member may be removed, with or without cause, by the vote of the majority of the members of the entire Board at a special meeting called for that purpose, or at a regular meeting, provided that notice of that meeting and of the removal questions are given in compliance with the provisions of the Ralph M. Brown Act. (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code). Any vacancy caused by the removal of a Board Member shall be filled as provided in Section 12.

Section 12. VACANCIES FILLED BY BOARD. Vacancies on the Board may be filled by approval of the Board or, if the number of Board Members then in office is less than a quorum, by (a) the unanimous consent of the Board Members then in office, (b) the affirmative vote of a majority of the Board Members then in office at a meeting held according to notice or waivers of notice complying with Corporations Code Section 5211, or (c) a sole remaining Board Member. In the event of a vacancy, the Chairman of the Board shall notify the persons or organizations entitled to make nominations pursuant to Section 4 of their right to propose nominees for that vacancy and the date on which the Board will consider filling the vacancy. Notwithstanding Section 6, the Board may consider filling a vacancy at any meeting of the Board which is called in accordance with the Brown Act which occurs at least 7 days after notice is given by the Chairman to the persons or organizations entitled to make nominations.

Section 13. NO VACANCY ON REDUCTION OF NUMBER OF BOARD MEMBERS. Any reduction of the authorized number of Board Members shall not result in any Board Members being removed before his or her term of office expires.

Section 14. PLACE OF BOARD MEETINGS. Meetings shall be held at the principal office of the Charter School. The Board may designate that a meeting be held at any place within the San Diego Unified School District that has been designated by resolution of the Board or in the notice of the meeting. All meetings of the Board shall be called, held and conducted in accordance with the terms and provisions of the Ralph M. Brown Act, California Government Code Sections 54950, et seq., as said chapter may be modified by subsequent legislation.

Section 15. MEETINGS; ANNUAL MEETINGS All meetings of the Board and its Board Committees created pursuant to Section 23 shall be called, noticed, and held in compliance with the provisions of the Ralph M. Brown Act ("Brown Act"). (Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code).

The Board shall meet annually on the first Monday in October, or as soon thereafter as practicable, for the purpose of electing Board Members, organization, appointment of officers, and the transaction of such other busine

ss as may properly be brought before the meeting. This meeting shall be held at a time, date, and place as may be specified and noticed by resolution of the Board.

Section 16. **REGULAR MEETINGS** Regular meetings of the Board, including annual meetings, shall be held at such times and places as may from time to time be fixed by the Board. At least 72 hours before a regular meeting, the Board, or its designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting.

Section 17. **SPECIAL MEETINGS** Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if there is such an officer, or a majority of the Board. The party calling a special meeting shall determine the place, date, and time thereof.

Section 18. **NOTICE OF SPECIAL MEETINGS** In accordance with the Brown Act, special meetings of the Board may be held only after twenty-four (24) hours notice is given to each Board Member and to the public through the posting of an agenda. Pursuant to the Brown Act, the Board shall adhere to the following notice requirements for special meetings:

- a. Any such notice shall be addressed or delivered to each Board Member at the Board Member's address as it is shown on the records of the Charter School, or as may have been given to the Charter School by the Board Member for purposes of notice, or, if an address is not shown on the Charter School's records or is not readily ascertainable, at the place at which the meetings of the Board are regularly held.
- b. Notice by mail shall be deemed received at the time a properly addressed written notice is deposited in the United States mail, postage prepaid. Any other written notice shall be deemed received at the time it is personally delivered to the recipient or is delivered to a common carrier for transmission, or is actually transmitted by the person giving the notice by electronic means to the recipient. Oral notice shall be deemed received at the time it is communicated, in person or by telephone or wireless, to the recipient or to a person at the office of the recipient whom the person giving the notice has reason to believe will promptly communicate it to the receiver.
- c. The notice of special meeting shall state the time of the meeting, and the place if the place is other than the principal office of the Charter School, and the general nature of the business proposed to be transacted at the meeting. No business, other than the business the general nature of which was set forth in the notice of the meeting, may be transacted at a special meeting.

Section 19. **QUORUM** A majority of the number of Board Members currently in office shall constitute a quorum. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, and voting on any matter shall be a

decision of the Board. Should there be fewer than a majority of the Board Members present at any meeting, the meeting shall be adjourned. Voting Board Members may not vote by proxy.

Section 20. TELECONFERENCE MEETINGS. Board Members may participate in teleconference meetings so long as all of the following requirements in the Brown Act are complied with:

- a. At a minimum, a quorum of the Board Members shall participate in the teleconference meeting from locations within the boundaries of the State of California;
- b. All votes taken during a teleconference meeting shall be by roll call;
- c. If the Board elects to use teleconferencing, it shall post agendas at all teleconference locations with each teleconference location being identified in the notice and agenda of the meeting;
- d. All locations where a Board Member constituting the quorum participates in a meeting via teleconference must be fully accessible to members of the public and shall be listed on the agenda;¹
- e. Members of the public must be able to hear what is said during the meeting and shall be provided with an opportunity to address the Board directly at each teleconference location; and
- f. The agenda shall indicate that members of the public attending a meeting conducted via teleconference need not give their name when entering the conference call.²

Section 21. ADJOURNMENT A majority of the Board Members present, whether or not a quorum is present, may adjourn any Board meeting to another time or place and shall cause a notice of adjournment to be posted within 24 hours. If a meeting is adjourned for more than five days, notice of such adjournment to another time or place shall be given, prior to the time schedule for the continuation of the meeting, to the Board Members who were not present at the time of the adjournment, and to the public in the manner prescribed by any applicable public open meeting law.

Section 22. COMPENSATION AND REIMBURSEMENT Board Members may receive such compensation, if any, for their services as Board Members or officers, and such reimbursement of expenses, as the Board may establish by resolution to be just and reasonable as to the Charter School at the time that the resolution is adopted.

¹ This means that Board Members who choose to utilize their homes or offices as teleconference locations must open these locations to the public and accommodate any members of the public who wish to attend the meeting at that location.

² The Brown Act prohibits requiring members of the public, to provide their names as a condition of attendance at the meeting; however, those wishing to speak may be required to identify themselves.

Section 23. CREATION AND POWERS OF BOARD COMMITTEES The Board, by resolution adopted by a majority of the Board Members then in office, may create one or more Board Committees, each consisting of two or more voting Board Members and no one who is not a Board Member, to serve at the pleasure of the Board. Appointments to Board Committees of the Board shall be recommended by the Chairman and approved by majority vote of the Board Members then in office. The Board may appoint one or more Board Members as alternate members of any such Board Committee, who may replace any absent member at any meeting. Any such Board Committee may have all the authority of the Board, if so provided in the Board' resolution, except that no Board Committee may:

- a. Fill vacancies on the Board or any Board Committee of the Board;
- b. Fix compensation of the Board Members for serving on the Board or on any Board Committee;
- c. Amend or repeal bylaws or adopt new bylaws;
- d. Amend or repeal any resolution of the Board that by its express terms is not so amendable or subject to repeal;
- e. Create any other Board Committees of the Board or appoint the members of Board Committees of the Board;
- f. Expend corporate funds to support a nominee for Board Member if more people have been nominated for Board Member than can be elected; or
- g. Approve any contract or transaction to which the Charter School is a party and in which one or more of its Board Members has a material financial interest.

Other committees, not having the authority of the Board and not limited in composition to Board Members, but serving in an advisory capacity either to the Board or to the Director, may be established from time to time by the Board or the Director. Such committees, if created by formal action of the Board, will comply with the Brown Act.

Section 24. MEETINGS AND ACTION OF BOARD COMMITTEES Meetings and actions of Board Committees of the Board shall be governed by, held, and taken under the provisions of these bylaws concerning meetings, other Board' actions, and the Brown Act, if applicable, except that the time for general meetings of such Board Committees and the calling of special meetings of such Board Committees may be set either by Board' resolution or, if none, by resolution of the Board Committee. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any Board Committee as long as the rules are consistent with these bylaws. If the Board has not adopted rules, the Board Committee may do so.

Section 25. NON-LIABILITY OF BOARD MEMBERS No Board Member shall be personally liable for the debts, liabilities, or other obligations of the Charter School.

Section 26. **COMPLIANCE WITH LAWS GOVERNING STUDENT RECORDS** The Charter School and the Board shall comply with an applicable provisions of the Family Education Rights Privacy Act (“FERPA”) as set forth in Title 20 of the United States Code Section 1232g and attendant regulations as they may be amended from time to time.

ARTICLE VIII OFFICERS OF THE CHARTER SCHOOL

Section 1. **OFFICES HELD.** The officers of the Charter School shall be a Chairman of the Board, a Director of the Charter School, a Secretary, and a Chief Financial Officer who shall be referred to as “Treasurer.” The Board shall elect a Chairman of the Board, and may appoint a Vice Chairman, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed under Article VIII, Section 4, of these bylaws. The officers shall have the corporate duties set forth in this Article VIII, and, if employees of the Charter School, shall also have administrative duties as set forth in any applicable contract for employment or job specification.

Section 2. **DUPLICATION OF OFFICE HOLDERS** Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as either the Director or Chairman or Vice-Chairman of the Board.

Section 3. **ELECTION OF OFFICERS** The officers of the Charter School shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights of any officer under any employment contract.

Section 4. **APPOINTMENT OF OTHER OFFICERS** The Board may appoint, or authorize the Chairman of the Board to appoint any other officers that the Charter School may require. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the bylaws or established by the Board.

Section 5. **REMOVAL OF OFFICERS** Without prejudice to the rights of any officer under an employment contract, the Board may remove any officer with or without cause. An officer who was not chosen by the Board may be removed by any other officer on whom the Board confers the power of removal.

Section 6. **RESIGNATION OF OFFICERS** Any officer may resign at any time by giving written notice to the Board. The resignation shall take effect on the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to any rights of the Charter School under any contract to which the officer is a party.

Section 7. **VACANCIES IN OFFICE** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these bylaws for normal appointment to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 8. **CHAIRMAN OF THE BOARD** The Chairman of the Board shall preside at the Board' meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time. If there is no Director, and no interim Director has been appointed, the Chairman of the Board shall also be the Director and shall have the powers and duties of the Charter School set forth in these bylaws. There may also be a Vice-Chairman of the Board. In the absence of the Chairman, the Vice-Chairman shall preside at Board meetings and shall exercise and perform such other powers and duties as the Board may assign from time to time.

Section 9. **DIRECTOR OF THE CHARTER SCHOOL** Subject to such supervisory powers as the Board may give to the Chairman of the Board, if any, and subject to the control of the Board, and subject to the Director's contract of employment, the Director shall be the general manager of the Charter School and shall supervise, direct, and control the Charter School's activities, affairs, and officers as fully described in any applicable employment contract, agreement, or job specification. The Director shall have such other powers and duties as the Board or the bylaws may require.

Section 10. **SECRETARY** The Secretary shall keep or cause to be kept, at the Charter School's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of Board Committees. The Secretary may be, but is not required to be a Board Member. The minutes of meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular, special, or emergency and, if special or emergency, how authorized; the notice given; and the names of the Board Members present at Board and Board Committee meetings.

The Secretary shall keep or cause to be kept, at the principal California office, a copy of the articles of incorporation and bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and Board Committees that these bylaws require to be given. The Secretary shall keep the corporate seal, if any, in safe custody and shall have such other powers and perform such other duties as the Board or the bylaws may require. The Board may appoint one or more deputy secretaries to assist the Secretary.

Section 11. **TREASURER** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Charter School's properties and transactions. The Treasurer may be, but is not required to be a Board member. The Treasurer shall send or cause to be given to Board Members such financial statements and reports as are required to be given by law, by these bylaws, or by the Board. The books of account shall be open to inspection by any Board Member at all reasonable times.

The Treasurer shall (a) deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Charter School with such depositories as the Board may designate; (b) disburse the Charter School's funds as the Board may order, (c) render to the Director, Chairman of the Board, if any, and the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Charter School; and (d) have such other powers and perform such other duties as the Board, contract, job specification, or the bylaws may require.

If required by the Board, the Treasurer shall give the Charter School a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Charter School of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Treasurer on his or her death, resignation, retirement, or removal from office. The Board may appoint one or more deputy treasurers to assist the Treasurer.

ARTICLE IX CONTRACTS WITH BOARD MEMBERS

Section 1. **CONTRACTS WITH BOARD MEMBERS** The Charter School shall not enter into a contract or transaction in which a Board Member directly or indirectly has a material financial interest (nor any other corporation, firm, association, or other entity in which one or more of the Charter School's Board Members are Board Members have a material financial interest) unless all of the following apply:

- a. The Board Member with a material financial interest in the proposed contract or transaction fully discloses his/her financial interest in such contract or transaction in good faith and said disclosure is noted in the Board meeting minutes.
- b. The Board Member with a material financial interest in the proposed contract or transaction recuses himself/herself from any participation whatsoever in the proposed contract or transaction (i.e., the interested Board Member who recuses himself/herself shall refrain from voting on the matter and shall leave the room during Board discussion and when the final vote is taken).
- c. Such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose.
- d. Before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that the Charter School could not obtain a more advantageous arrangement with reasonable effort under the circumstances.
- e. The Charter School for its own benefit enters into the transaction, which is fair and reasonable to the Charter School at the time the transaction was entered into.

This Section does not apply to a transaction that is part of an educational or charitable program of the Charter School if it (a) is approved or authorized by the Charter School in good faith and without unjustified favoritism and (b) results in a benefit to one or more Board Members or their families because they are in the class of persons intended to be benefited by the educational or charitable program of the Charter School.

ARTICLE X
CONTRACTS WITH NON-BOARD MEMBER DESIGNATED EMPLOYEES

Section 1. **CONTRACTS WITH NON-BOARD MEMBER DESIGNATED EMPLOYEES.** The Charter School shall not enter into a contract or transaction in which a non-Board Member designated employee (e.g., officers and other key decision-making employees) directly or indirectly has a material financial interest unless all of the requirements in the Innovations Academy Conflict of Interest Code adopted in accordance with the Political Reform Act have been fulfilled.

ARTICLE XI
LOANS TO BOARD MEMBERS AND OFFICERS

Section 1. **LOANS TO BOARD MEMBERS AND OFFICERS** The Charter School shall not lend any money or property to or guarantee the obligation of any Board Member or officer without the approval of the California Attorney General; provided, however, that the Charter School may advance money to a Board Member or officer of the Charter School for expenses reasonably anticipated to be incurred in the performance of his or her duties if that Board Member or officer would be entitled to reimbursement for such expenses of the Charter School.

ARTICLE XII
INDEMNIFICATION

Section 1. **INDEMNIFICATION** To the fullest extent permitted by law, the Charter School shall indemnify its Board Members, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that section, and including an action by or in the right of the Charter School by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

On written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c) the Board shall promptly decide under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

Section 2. **STANDARD OF CARE**

A Board Member shall perform the duties of a Board Member, including duties as a member of any Board Committee upon which the Board Member may serve, in good faith, in a manner such Board Member believes to be in the best interests of the Charter School and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Board Member, a Board Member

shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

One or more officers or employees of the Charter School whom the Board Member believes to be reliable and competent in the matters presented;

Counsel, independent accountants or other persons as to matters which the Board Member believes to be within such person's professional or expert competence; or

A Board Committee upon which the Board Member does not serve as to matters within its designated authority, provided the Board Member believes the Board Committee merits confidence and the Board Member acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 3. SELF-DEALING TRANSACTIONS.

Self-dealing transactions means transactions to which the Charter School is a party and in which one or more of the Board Members (“interested Board Member(s)”) has a material financial interest. Notwithstanding this definition of self-dealing transaction, the following transactions do not constitute self-dealing transactions:

- A. An action by the Board fixing the compensation of a Board Member as a Board Member or officer of the Charter School;
- B. A transaction which is part of a public or charitable program of the Charter School if the transaction is (1) approved or authorized by the Charter School in good faith and without unjustified favoritism, and (2) results in a benefit to one or more Board Members or their families because they are in a class of persons intended to be benefited by the public or charitable program;
- C. A transaction of which the interested Board Members have no actual knowledge, and which does not exceed the lesser of one percent (1%) of the Charter School’s gross receipts for the fiscal year immediately preceding the year in which such transaction occurs or One Hundred Thousand Dollars (\$100,000).
- D. A transaction the Attorney General has approved either before or after it was consummated.
- E. A transaction with respect to which the following facts are established:

The Charter School entered into the transaction for its own benefit;

The transaction was fair and reasonable as to the Charter School at the time the Charter School entered into the transaction;

Prior to consummating the transaction or any part thereof, the Board authorized or approved the transaction in good faith by vote of a majority of the Board Members then in office excluding the vote of the interested Board Member(s) and with knowledge of the material facts concerning the transaction and the interested Board Member's interest in it. Except as provided in this sub-paragraph of this subsection, action by a Board Committee will not satisfy this requirement; and

Prior to authorizing or approving the transaction, the Board considered and in good faith determined after reasonable investigation under the circumstances that the Charter School could not have obtained a more advantageous arrangement with reasonable effort under the circumstances, or the Charter School in fact could not have obtained a more advantageous arrangement with reasonable effort under the circumstances; *or*

A Board Committee or person authorized by the Board approved the transaction in a manner consistent with the standards prescribed for approval by the Board under this subsection; it was not reasonably practical to obtain approval of the Board prior to entering into the transaction; and the Board, after determining in good faith that the conditions set forth in paragraphs (A) and (B) were satisfied, ratified the transaction at its next meeting by a vote of a majority of the Board Members then in office, excluding the vote of the interested Board Member(s).

Section 4. INTERESTED BOARD MEMBER'S VOTE

In determining whether the Board validly met to authorize or approve a self-dealing transaction, interested Board Members may be counted to determine the presence of a quorum, but an interested shall not vote pursuant to Article 9 Section 1(b).

Section 5. PERSONS LIABLE AND EXTENT OF LIABILITY

If a self-dealing transaction has not been approved as provided in this Article, the interested Board Member(s) may be required to do such things and pay such damages as a court may provide as an equitable and fair remedy to the Charter School, considering any benefit received by it and whether or not the interested Board Member(s) acted in good faith and with the intent to further the best interests of the Charter School.

Section 6. CONTRACTS OR TRANSACTIONS WITH MUTUAL BOARD MEMBERS

No contract or other transaction between the Charter School and any domestic or foreign corporation, firm or association of which one or more of the Charter School's Board Members are Board Members is either void or voidable because such Board Member(s) are present at the meeting of the Board or Board Committee which authorizes, approves or ratifies the contract or transaction if:

The material facts as to the transaction and as to such Board Member's other Board Membership are fully disclosed or known to the Board or Board Committee, and the Board or Board Committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common Board Member(s); or

As to contracts or transactions not approved as provided in subsection (i) of this Section, the contract or transaction is just and reasonable as to the Charter School at the time it is authorized, approved or ratified.

Notwithstanding the foregoing, this Section shall not apply to self-dealing transactions described in this Article.

Section 7. GENERAL PUBLIC AGENCY PROHIBITIONS GOVERNING CERTAIN TRANSACTIONS

Nothing in these bylaws shall be construed to authorize any transaction otherwise prohibited under the Political Reform Act (California Government Code Section 81000 et seq.), or other applicable laws.

**ARTICLE XIII
INSURANCE**

Section 1. **INSURANCE** The Charter School shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Board Members, officers, employees, and other agents, to cover any liability asserted against or incurred by any Board Member, officer, employee, or agent in such capacity or arising from the Board Member's, officer's, employee's, or agent's status as such.

**ARTICLE XIV
MAINTENANCE OF CORPORATE RECORDS**

Section 1. **MAINTENANCE OF CORPORATE RECORDS** The Charter School shall keep:

- a. Adequate and correct books and records of account;
- b. Written minutes of the proceedings of the Board and Board Committees; and
- c. Such reports and records as required by law.

**ARTICLE XV
INSPECTION RIGHTS**

Section 1. **BOARD MEMBERS' RIGHT TO INSPECT.** Every Board Member shall have the right at any reasonable time to inspect the Charter School's books, records, documents of every kind, physical properties, and the records of each subsidiary as permitted by California and federal law. The inspection may be made in person or by the Board Member's agent or attorney. The right of inspection includes the right to copy and make extracts of documents as permitted by California and federal law. This right to inspect may be circumscribed in instances where the right to inspect conflicts with California or federal law (e.g., restrictions on the release of educational records under FERPA) pertaining to access to books, records, and documents.

Section 2. ACCOUNTING RECORDS AND MINUTES. On written demand to the Charter School, any Board Member may inspect, copy, and make extracts of the accounting books and records and the minutes of the proceedings of the Board and Board Committees at any reasonable time for a purpose reasonably related to the Board Member's interest as a Board Member. Any such inspection and copying may be made in person or by the Board Member's agent or attorney. This right of inspection extends to the records of any subsidiary of the Charter School.

Section 3. MAINTENANCE AND INSPECTION OF ARTICLES AND BYLAWS. The Charter School shall keep at its principal California office the original or a copy of the articles of incorporation and bylaws, as amended to the current date, which shall be open to inspection by the Board Members at all reasonable times during office hours. If the Charter School has no business office in California, the Secretary shall, on the written request of any Board Member, furnish to that Board Member a copy of the articles of incorporation and bylaws, as amended to the current date.

ARTICLE XVI REQUIRED REPORTS

Section 1. ANNUAL REPORTS. The Board shall cause an annual report to be sent to itself (the members of the Board) within 120 days after the end of the Charter School's fiscal year. That report shall contain the following information, in appropriate detail:

- a. The assets and liabilities, including the trust funds, or the Charter School as of the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds;
- c. The Charter School's revenue or receipts, both unrestricted and restricted to particular purposes;
- d. The Charter School's expenses or disbursement for both general and restricted purposes;
- e. Any information required under these bylaws; and
- f. An independent accountant's report or, if none, the certificate of an authorized officer of the Charter School that such statements were prepared without audit from the Charter School's books and records.

Section 2. ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS. As part of the annual report to all Board Members, or as a separate document if no annual report is issued, the Charter School shall, within 120 days after the end of the Charter School's fiscal year, annually prepare and mail or deliver to each Board Member and furnish to each Board Member a statement of any transaction or indemnification of the following kind:

- a. Any transaction (i) in which the Charter School, or its parent or subsidiary, was a party, (ii) in which an “interested person” had a direct or indirect material financial interest, and (iii) which involved more than \$50,000 or was one of several transactions with the same interested person involving, in the aggregate, more than \$50,000. For this purpose, an “interested person” is either:
- (1) Any Board Member or officer of the Charter School, its parent, or subsidiary (but mere common Board Membership shall not be considered such an interest); or
 - (2) Any holder of more than 10 percent of the voting power of the Charter School, its parent, or its subsidiary.

The statement shall include a brief description of the transaction, the names of interested persons involved, their relationship to the Charter School, the nature of their interest, provided that if the transaction was with a partnership in which the interested person is a partner, only the interest of the partnership need be stated.

**ARTICLE XVII
BYLAW AMENDMENTS**

Section 1. **BYLAW AMENDMENTS.** The Board may adopt, amend or repeal any of these bylaws by a majority of the Board Members present at a meeting duly held at which a quorum is present, except that no amendment shall change any material provisions of the Charter that created the Charter School or make any provisions of these bylaws inconsistent with that Charter, the Charter School’s Articles of Incorporation, or any laws.

**ARTICLE XVIII
FISCAL YEAR**

Section 1. **FISCAL YEAR OF THE CHARTER SCHOOL.** The fiscal year of the Charter School shall begin on July 1st and end on June 30th of each year.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Innovations Academy, Inc, a California nonprofit public benefit corporation; that these bylaws, consisting of 17 pages, are the bylaws of the Charter School as adopted by the Board on November __, 2013 and that these bylaws have not been amended or modified since that date.

Executed on _____, 20__, at San Diego, California.

Secretary

The Innovations Board is summarized below in the table:

Name	Contact Information	Designation	Term
Nathan Cooper	ncooperia@gmail.com	President	October 2024
Stephen Rosen	Stephen.d.rosen@gmail.com	Treasurer	February 2024
Danielle Strachman	danielle@heightenedlearning.com	Board Member	April 2024
Cassidy Platt	Cassidy@innovationsacademy.org	Secretary/Teacher Rep	No term-TBD
Faraz Sharafi	fsharafi@gmail.com	Parent Rep	June 2023

Charter School Name: Innovations Academy (“Innovations”)
Date of Site Visit: April 21, 2022
Contact Person(s) for this Report: Tiffany DeGraffenreid and Richard Farace

San Diego Unified School District (“District”) is the charter granting authority of Innovations Academy, a charter school operated by the nonprofit public benefit corporation of the same name. Christine Kuglen is the Director. Innovations Academy serves grades K-8 and is located at 5454 Ruffin Road 92123, a District-owned facility that is located within the attendance boundaries of Kearny High. The charter term for Innovations began on July 1, 2018, and ends June 30, 2025, based on the two-year extension in Education Code section 47607.4.

The following staff members held the designated roles for Innovations in 2021-22:

Special Education Administrator	Lisa Smith, lsmith@innovationsacademy.org
504 Coordinator	Devon Woodruff, dwoodruff@innovationsacademy.org
Title IX Coordinator	Christine Kuglen, christine@innovationsacademy.org
Homeless Liaison	
Uniform Complaint Policy Contact	
Free/Reduced Price Meals Contact	

Innovations enrollment information is accessible and available as of June 17, 2022, in the “Admissions” tab on the charter school website (<https://innovationsacademy.org/admissions/how-to-apply/>). Information regarding the enrollment procedure, including information for Kindergarten is provided. During the site visit, Innovations informed the District that Transitional Kindergarten is available solely for siblings of current Innovations students. A lottery date was set for March 7, 2022, and student application information is processed through the Lotterease web-based management system.

The Charter School Complaint Notice and Form was found to be part of the enrollment process and is located within the “Admissions” tab on the website. The District requests that Innovations provide an updated Charter School Complaint Notice with the District’s current contact information for the 2022-23 site visit. For reference, below is the District’s contact information.

Office of Charter Schools
San Diego Unified School District
4100 Normal Street
San Diego, CA 92103
CharterOffice@sandi.net
(619) 725-7107

The table below summarizes enrollment by grade level at Innovations. It is noted that Innovations has shown a growth in enrollment for 2 consecutive years.

	2018-19	2019-20	2020-21	2021-22
K	49	45	40	45
1	47	45	57	49
2	50	46	46	58
3	52	42	46	60
4	53	55	49	47
5	47	54	50	60
6	34	45	55	58
7	27	27	43	48
8	49	26	26	47
Total	408	385	412	472

The table below summarizes Innovations Academy enrollment by subgroup.

Subgroup	2018-19	2019-20	2020-21	2021-22
English Learners	3.9%	3.4%	3.2%	2.8%
Foster Youth	0.2%	0.0%	0.0%	0.4%
Homeless Youth	0.0%	5.7%	0.0%	0.0%
Migrant Education	0.0%	0.0%	0.0%	0.0%
Students with Disabilities	19.6%	16.9%	15.0%	18.2%
Socioeconomically Disadvantaged	25.2%	30.1%	30.1%	26.5%
All Students	408	385	412	472

The schoolwide percentage of Students with Disabilities at Innovations increased from 15.0% in 2020-21 to 18.2% in the 2021-22 school year.

Innovations’ approximate school-wide enrollment was 472, of whom approximately 94 were eligible for individualized education programs (“IEPs”), comprising approximately 19% of the schoolwide enrollment. Eligibility categories included Autism (“AUT”), Other Health Impaired (“OHI”), Speech or Language Impairment (“SLI”), Specific Learning Disability (“SLD”), Traumatic Brain Injury (“TBI”), Intellectual Disability (“ID”), Orthopedic Impairment (“OI”) and Emotional Disturbance (“ED”). Innovations employs and/or contracts with providers who are authorized to provide instruction and support to students with moderate/severe disabilities. Innovations is a local educational agency (“LEA”) member of the El Dorado County Charter Special Education Local Plan Area (“SELPA”).

The table below summarizes the enrollment of students with disabilities in 2021-22.

	Schoolwide	Students with Disabilities
Grade K	45	6
Grade 1	49	10
Grade 2	58	12
Grade 3	60	12
Grade 4	47	10
Grade 5	60	10
Grade 6	58	13
Grade 7	48	12
Grade 8	47	11
Total	472	94

Assembly Bill (“AB”) 1505 amended sections of the Education Code regarding charter renewal which included specific information regarding verified data; see Education Code section 47607(b). Innovations adopted the Northwest Evaluation Association (“NWEA”) Measuring Academic Progress (“MAP”) as its assessment for verified data that may be used as part of the charter renewal criteria for middle and low-performing schools. For additional information regarding verified data criteria, data use procedures, adopted assessments, and postsecondary indicators, please review the California Department of Education (“CDE”) website at <https://www.cde.ca.gov/sp/ch/verifdata.asp>. The District will request the 2021-22 NWEA MAP results as part of the 2022-23 site visit.

The Innovations Board ratified the independent study policy on August 24, 2022. Independent study information is posted on the school website at <https://innovationsacademy.org/parents/forms/> (last visited July 5, 2022). It is noted that the short-term and Home-Learner Program (“HLC”) policy states: “Return to their district of residence for in-person instruction if the Charter School does not have enrollment capacity in the full-time classroom-based program. If the family specifically requests additional in-person options, the Charter School will provide a list of recommended alternatives based on the student’s current address of residence. The charter school shall not have any obligation to assist the family with enrollment in a school district or another charter school, nor can the Charter School guarantee enrollment availability in any school.” The District inquires whether Innovations is limiting students enrolled in its independent study program from accessing the classroom based program while Innovations operates as a single LEA.

Notification of access to mental health services went out to Innovations families via Parent Square on February 9, 2022, and September 13, 2021. Additionally, resources for mental health support can be accessed on the Innovations website: <https://innovationsacademy.org/our-programs/social-emotional-curriculum/> (last accessed June 17, 2022).

A 15-page Suicide Prevention Policy was revised and approved by the Innovation Board on December 8, 2020. This policy includes the recommended prevention, intervention, and postvention information. Information about training and instructional strategies related to suicide prevention are also included.

Information about the California Healthy Youth Act and sexual health education can be found in Innovations “21-22 Family Handbook” link on the website (<https://innovationsacademy.org/parents/forms/>).

Innovations approved its 2021-22 Comprehensive School Safety Plan (“Safety Plan”) at its October 26, 2021, board meeting. Please review the information provided by the CDE on its website regarding when the Safety Plan should be updated and recommended contents at <https://www.cde.ca.gov/lr/ss/vp/safeschlplanning.asp>.

On December 8, 2020, the Innovations Board revised and approved the Uniform Complaint Policy (“UCP”), which includes procedures on how to file a complaint, and information on the appeals process with the CDE. With regard to the UCP information provided for review, it is noted that the total number of complaints filed in 2019-20, 2020-21, and 2021-22 were included in the information provided to the District. Innovations submitted documentation showing complaint data including date, assignment number, type of complaint, and date of resolution.

During the 2021-22 school year, the Innovations Board held the following seven meetings.

August 24, 2021	February 8, 2022
October 26, 2021	March 8, 2022
November 17, 2021	June 14, 2022
December 7, 2021	

Innovation Board meetings are being conducted virtually via Google Meets or conference call number. Innovations meeting information may be accessed via the Innovations website at: <https://innovationsacademy.org/our-team/board/> (last accessed on June 17, 2022).

Board meeting agenda information may be accessed via the Innovations website at: <https://innovationsacademy.org/our-team/board/board-agenda/>.

The Innovations Board is summarized below in the table:

Name, Contact Information	Designation	Term
Nathan Cooper, ncooperia@gmail.com	President	Term expires October 2024
Stephen Rosen, stephen.d.rosen@gmail.com	Treasurer	Term expires February 2024
Danielle Strachman, danielle@heightenedlearning.com	Board Member	Term expires April 2024
Cassidy Platt	Secretary/Teacher	No Term Stated
Faraz Sharafi, fsharafi@gmail.com	Parent Representative	Term expires June 2023

Finance Part One. This section addresses the charter school’s submission of financial reports in a timely and accurate manner.

The preliminary annual budget for fiscal year 2021-22 was submitted on time.	Met
The first interim financial report for fiscal year 2021-22, for the period of July 1 through October 31, was submitted on time.	Met
The annual audits for fiscal year 2019-20 & 2020-21 were submitted on time.	Met
The second interim financial report for fiscal year 2021-22, for the period of July 1 through January 31, was submitted on time.	Met
The unaudited actuals financial report for fiscal year 2020-21, for the period of July 1 through June 30, was submitted on time.	Met

All Education Code required financial reports were board approved and submitted to the district on or before the statutory due dates with the exception of the board reviewing and approving the fiscal year 2020-21 Audit Report. District representative mentioned that it's best practice to have the board review prior to submission in case any questions or changes are brought up.

Finance Part Two. This section addresses financial stability and sustainability of the charter school.

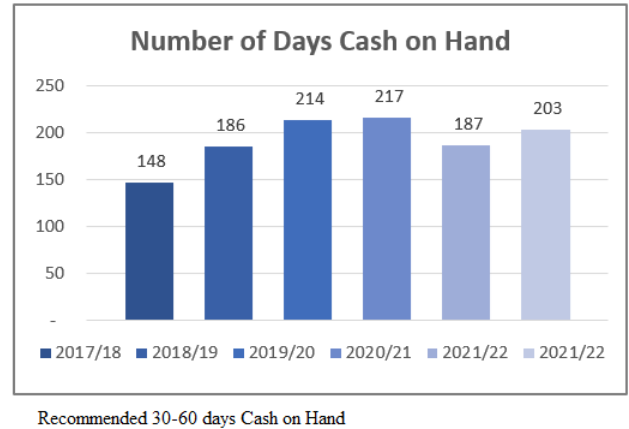
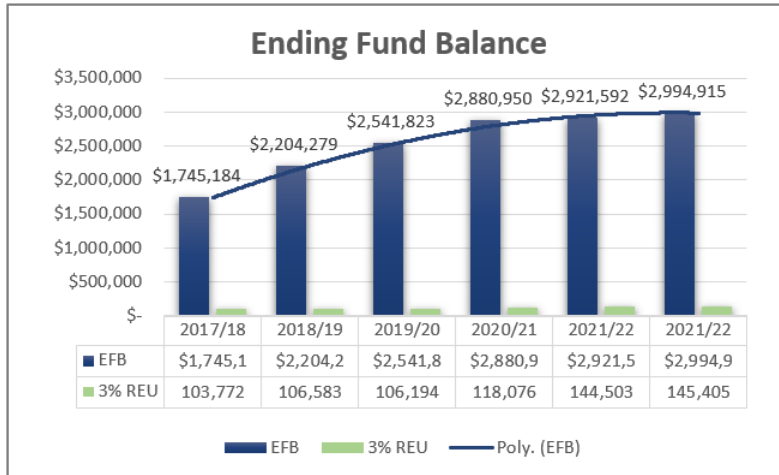
Innovations Academy 09237

Spending Trend | 3% REU

Source	Fiscal Year	A Beg. Balance	B Revenues	C Expense	D EFB	E=D-A Surplus/deficit	E/C Percent Deficit	C * 3% 3% REU	REU Met?
Audit Report	2017/18	\$ 1,761,511	\$ 3,442,726	\$ 3,459,053	\$ 1,745,184	\$ (16,327)	-0.5%	103,772	Met
Audit Report	2018/19	\$ 1,745,184	\$ 4,011,869	\$ 3,552,774	\$ 2,204,279	\$ 459,095	0.0%	106,583	Met
Audit Report	2019/20	\$ 2,204,279	\$ 3,877,339	\$ 3,539,795	\$ 2,541,823	\$ 337,544	0.0%	106,194	Met
Audit Report	2020/21	\$ 2,541,823	\$ 4,275,007	\$ 3,935,880	\$ 2,880,950	\$ 339,127	0.0%	118,076	Met
First Interim Report (projected as of 6/30/22)	2021/22	\$ 2,880,950	\$ 4,857,424	\$ 4,816,782	\$ 2,921,592	\$ 40,642	0.0%	144,503	Met
Second Interim Report (projected as of 6/30/22)	2021/22	\$ 2,880,950	\$ 4,960,798	\$ 4,846,833	\$ 2,994,915	\$ 113,965	0.0%	145,405	Met

Current Ratio | Solvency | Cash on Hand

Source	Fiscal Year	A Assets	B Liability	C = A - B EFB	D Current Assets	E Current Liabilities	F = D/E Ratio ≥ 1	G Total Cash	H = G - E Solvency	I Expenses	J = G/(I/365) No. of Days
Audit Report	2017/18	1,841,963	96,779	1,745,184	1,800,296	96,779	18.60	1,398,481	1,301,702	3,459,053	148
Audit Report	2018/19	2,280,548	76,269	2,204,279	2,248,881	76,269	29.49	1,811,964	1,735,695	3,552,774	186
Audit Report	2019/20	2,665,455	123,632	2,541,823	2,468,003	123,632	19.96	2,076,903	1,953,271	3,539,795	214
Audit Report	2020/21	3,273,360	392,410	2,880,950	3,110,310	392,410	7.93	2,340,882	1,948,472	3,935,880	217
First Interim Report (as of 10/31/21)	2021/22	2,883,911	319,400	2,564,511	2,710,638	319,400	8.49	2,468,996	2,149,596	4,816,782	187
Second Interim Report (as of 1/31/22)	2021/22	3,076,070	330,335	2,745,735	2,898,326	326,102	8.89	2,701,050	2,374,948	4,846,833	203



Per the FY21-22 Second Interim Report, the school is projected to meet all the district’s criteria of financial stability and sustainability.

Per the FY19-20 & FY20-21 Audit Reports, Innovations Academy (“Innovations”) met all the district’s criteria of financial stability and sustainability.

There were no findings and questioned costs related to the basic financial statements, or state awards during FY19-20 or FY20-21.

Finance Part Three. This section addresses financial management topics.

<u>Chart of Accounts and Restricted Funding:</u> Chart of Accounts corresponds to appropriate Standardized Account Code Structure (“SACS”) compliant object and resource codes, as per Procedure 810, Charter Schools of the California School Accounting Manual (“CSAM”). Restricted funds are accounted for separately and expenditures are limited to those allowed by grantors.	Met
<u>Accounting System:</u> Accounting system utilizes a SACS compliant Chart of Accounts. Tracks unrestricted and restricted resources in order to meet various specialized reporting requirements and categorical activities. Provides data necessary for accurate completion of reports such as, but not limited to, those required by Education Code section 47604.33(a) (3-5), including, First Interim Report, Second Interim Report, and Charter School Unaudited Actuals Financial Report – Alternative Form.	Met
<u>Safeguarding of Assets:</u> The Fiscal Control Policy includes internal control procedures to protect their assets and prevent misuse of charter school funds.	Met
<u>Liabilities:</u> Loans, debts and outstanding obligations are properly accounted for and paid in a timely manner, as required by legal agreements.	Met
<u>Budget Development:</u> The staff, management, and governing board are involved in the charter school’s budget development.	Met
<u>Board Oversight:</u> The management and governing board regularly review the budget in comparison to actual revenue and expenditures and make necessary adjustments to the budget as new information is available to the charter school.	Met
<u>Adjusted Budgets:</u> The current fiscal year’s operating budget is updated for new revenue received and new expenses incurred.	Met
<u>Other observations:</u> As applicable.	See Below

Innovations contracts with Charter School Management Corporation (“CSMC”) for accounting and financial reporting services.

Article XIII, Section 36, Subdivision (e), Paragraph (6) of the California Constitution requires all districts, counties and charter schools to report on their websites an accounting of how much money was received from the Education Protection Account (“EPA”) and how that money was spent. Innovations was informed of the requirement to include its Board-approved fiscal year 2021-22 estimated expenditure plan and 2020-21 actual expenditures on its website. Following the site visit, EPA expenditure plans were uploaded to the website.

COVID 19 one-time relief funds were recorded under the correct resource codes as reflected in the school’s FY20-21 and FY21-22 general ledger reports.

Entries for credit card transactions on the fiscal year 2020-21 general ledger have descriptions that contain only the vendor name and “CC Activity” as the description. The District requests that transactions entered into the general ledger include a more detailed description of the items and/or services purchased.

District staff inquired as to what the threshold for capitalized assets is for the school, follow up emails requesting the information were sent 5/06/2022 and 5/25/2022. As of 6/30/2022 no response was provided.

Charter School's Response (Optional):

1) *The District inquires whether Innovations is limiting students enrolled in its independent study program from accessing the classroom based program while Innovations operates as a single LEA.*

When a student is accessing our independent study program (2 day and 3 day programs) and they wish to transfer to our seat based program, they are allowed to do so, depending on space. We have a maximum capacity in each of our classrooms of 25 students. Typically, if an IS family wants to switch programs, they do so at the start of the year or they come and inquire as to if there is space. We do not have any records or recollection of any IS families ever leaving our school for this reason.

2) *Entries for credit card transactions on the fiscal year 2020-21 general ledger have descriptions that contain only the vendor name and "CC Activity" as the description. The District requests that transactions entered into the general ledger include a more detailed description of the items and/or services purchased.*

Innovations Academy director and office manager met with CSMC staff to discuss detail in the ledger regarding credit card activity. This has since been remedied.

3) *District staff inquired as to what the threshold for capitalized assets is for the school, follow up emails requesting the information were sent 5/06/2022 and 5/25/2022. As of 6/30/2022 no response was provided.*

After reviewing our bylaws and fiscal policies document and discussing with CSMC, we determined that we will need to review and revise our fiscal policies to include a threshold for capitalized assets at our board retreat on October 27, 2022.



INNOVATIONS ACADEMY

FISCAL AND OPERATING POLICIES

Approved March 14, 2017

100 INTERNAL CONTROL POLICIES

101 Introduction

Internal control policies provide the Charter School with the foundation to properly safeguard its assets, implement management's internal policies, provide compliance with state and federal laws and regulations and produce timely and accurate financial information. Additionally, as a publicly supported entity, the Charter School has additional responsibilities to ensure the public's confidence and the integrity of the School's activities.

102 COMPLIANCE WITH LAWS

The Charter School will follow all the relevant laws and regulations that govern The Charter School. Additionally, any Federal Government laws and regulations that relate to grant funding will be adopted as the grant funding is received. The following are specific policies of the Charter School:

A. Political Contributions

No funds or assets of the Charter School may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. The direct or indirect use of any funds or other assets of the Charter School for political contributions in any form, whether in cash or other property, services, or the use of facilities, is strictly prohibited. The Charter School also cannot be involved with any committee or other organization that raises funds for political purposes.

Following are examples of prohibited activities

1. Contributions by an employee that are reimbursed through expense accounts or in other ways.
2. Purchase by the organization of tickets for political fundraising events.
3. Contributions in kind, such as lending employees to political parties or using the School assets in political campaigns.

B. Record Keeping

To provide an accurate and auditable record of all financial transactions, the School's books, records, and accounts are maintained in conformity with generally accepted accounting principles as applicable to Charter Schools.

Further, the School specifically requires that:

1. No funds or accounts may be established or maintained for purposes that are not fully and accurately described within the books and records of the Charter School.
2. Receipts and disbursements must be fully and accurately described in the books and records.
3. No false entries may be made on the books or records nor any false or misleading reports issued.
4. Payments may be made only to the contracting party and only for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

200 Organizational Conflict Of Interest Or Self-Dealing (Related Parties)

The School will not be operated for the benefit of an affiliated or unaffiliated organization or an individual in his or her own private capacity or individuals related to the Charter School or members of its management, unless the private benefit is considered merely incidental. This private benefit preclusion will extend to:

- A. Sale or exchange, or leasing, of property between the agency and an affiliated or unaffiliated organization or a private or related individual.
- B. Lending of money or other extension of credit between an agency and an affiliated or unaffiliated organization or a private or related individual.
- C. Furnishing of goods, services or facilities between the agency and an affiliated or unaffiliated organization or a private or related individual.
- D. Payment of compensation, unless authorized by the Board of Directors or its governing body, by the School to an affiliated or unaffiliated organization or a private or related individual.
- E. Transfer to, use by, or for the benefit of a private or related individual of the income or assets of the School.

201 *Organizational Conflict Of Interest Or Self-Dealing (Related Parties) - continued*

Thus, the Charter School will be guided by the principle of arms-length standards with all affiliated or unaffiliated organizations or with a private or related individual(s).

Related party transactions shall include transactions between a school and members of the board, management, contracted management organization, employees, related individuals and affiliated companies. Related individuals within the scope of this definition include spouses, parents, children, spouses of children, grandchildren, siblings, father in law, mother in law, sister in law and brother in law of a board member or school employee.

202 *Board Of Directors Authorities*

The Board of Directors shall have the sole authority to approve and will incorporate into its own minutes such matters as (i) change of the School's name, with SDUSD pre-approval (ii) adoption of the annual operating and capital budgets, (iii) selection or termination of the school director (iv) salary and salary changes of the school director, (v) incurrence of debt, mortgages or other encumbrances and their covenants and restrictions, within the terms of the charter (vi) investment policies, (vii) depository and investment banks, (viii) purchase or sale of property and (ix) selection of the Charter School's certified public accountants and (xi) other activities associated with the operations of the Charter School.

The Board of Directors will meet at a minimum quarterly to ensure that its fiduciary duty is maintained. The Board will review the following: prior meeting minutes, business items, educational items, and subcommittee reports.

203 *Signature Authorities*

To properly segregate duties within the Charter School, the Treasurer of the Board and the Charter Executive Director or Designee are the only individuals with signatory authority and are responsible for authorizing all financial transactions. Expenses greater than \$15,000 will require Board of Director approval.

204 *Government Access to Records*

The Business Manager or contracted business back office services provider will provide access to the organization's records to the SDUSD CFO or his designee and provide supporting records, as requested, in a timely manner.

205 *Security of Financial Data*

- A. The system's accounting data must be backed up daily by the business back office services provider to ensure the recoverability of financial information in case of hardware failure. The back-up will be stored in a fire safe area and properly secured.

- C. All other financial data, petty cash box, unused checks and unclaimed checks will be secured by the Business Manager, Executive Director, Designee or the business back office services provider from unauthorized access.

206 *Security of School Documents*

Originals of the following corporate documents are maintained and their presence is verified on a periodic basis:

- A. Charter and all related amendments
- B. Minutes of the Board of Directors and subcommittees
- C. Banking agreements
- D. Leases
- E. Insurance policies
- F. Vendor invoices
- G. Grant and contract agreements
- H. Fixed asset inventory list

2079 *Use of School Assets*

- A. No employee may use any of the School property, equipment, material or supplies for personal use without the prior approval of the Business Manager, Executive Director or Designee.

208 *Use of School Credit Cards*

- A. Business credit cards, issued by the School's bank, will be used only for school-related expenditures. All charges must be supported by invoices or travel reports to be eligible for payment by the Charter School.

- B. Monthly credit card statements are reconciled to invoices and travel reports and are approved by the Executive Director/Designee.

- C. Business credit cards will be issued to teachers only for school related specific travel events by approval of Executive Director. In these cases, the business card will be issued only for the specific travel time period needed and the card will have spending limits designated for said travel.

300 FINANCIAL MANAGEMENT POLICIES

301 *Basis Of Accounting*

The Charter School will maintain their accounting records and related financial reports on the accrual basis of accounting.

302 *Accounting Policies*

The accounting policies and financial reporting adopted are consistent with the special purpose governmental unit requirements of the Accounting Standards Board (FASB), including Statement of Financial Accounting Standards No. 34 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

303 *Basis of Presentation*

The accounts of the Charter School are organized on a basis of the School Account Code Structure or SACS. The operations of the fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, net assets, revenues and expenditures. The Charter School uses the following fund:

Main Fund - This fund of the Charter School is used to account for all financial resources associated with the operation of the school. In addition, all activities relating to Student Activities should be separately identified and recorded within this fund.

304 *Revenues*

Under the accrual basis of accounting, revenues recognized when earned.

305 *Expenditures*

Under the accrual basis of accounting, expenses are recognized when services are incurred or goods are received.

306 *Incurred Costs*

For the purpose of invoicing funding sources for allowable costs under cost reimbursement contracts, the term "costs incurred" is defined as follows:

costs related to items or services incurred directly for the contract and received at the time of the request for reimbursement and not specifically disallowed by the funding source.

307 *Cash Management*

A. The School maintains cash accounts at the following banks:

1. Operating – Chase Bank
2. Fundraising- Mission Federal Credit Union

308 *Grants Receivable Aging Criteria*

Accounts receivable outstanding are aged on a thirty, sixty, ninety, and over-ninety day basis.

309 *Grant/Contract Invoicing*

- A. All invoices are submitted to the funding sources by dates specified in the grant or contract agreement.
- B. The invoicing format is that specified by the funding source.

310 *Budgets*

- A. The Charter School prepares an annual operating budget of revenues and expenses and a cash flow projection. These budgets and projection will be reviewed and approved by the Board of Directors at a minimum annually unless modified as necessary.
- B. Financial statements displaying budget vs. actual results are prepared by the back office service provider and reviewed by the Executive Director and presented to the Board of Directors at each board meeting.

311 *Insurance And Bonding*

- A. The School maintains minimum levels of coverage, as deemed appropriate by the Board of Directors, for the following policies:
 - 1. General liability
 - 2. Business & personal property (including auto/bus)
 - 3. Computer equipment
 - 4. Workers' compensation
 - 5. Personal injury liability
- B. The School requires proof of adequate insurance coverage from all prospective contractors, as deemed applicable by the Board of Directors.

312 *Record Retention And Disposal*

- A. Records are maintained for the following indicated minimum periods:
 - 1. Books, records, documents and other supporting evidence including paid, cancelled or voided checks, accounts payable records, vendors' invoices, payroll sheets and registers of salaries and wages, tax withholding statements, employees' timesheets and other public documents are retained for seven years after the original entry date.
- B. All records not supporting government grants or otherwise covered by rules of the Internal Revenue Service are retained for three years from the end of the fiscal year in which the records were originally prepared.

312 *Record Retention And Disposal - continued*

- E. All financial records are maintained in chronological order, organized by fiscal year.
- F. In connection with the disposal of any records, a memorandum of record disposal is prepared by the Business Manager listing the record or the class of records disposed of. The Board of Directors certifies this memorandum of records disposal.

313 *Financial Reporting*

The back office services provider maintains supporting records in sufficient detail to prepare the School's financial reports, including:

- A. Annually:
 - 1. Financial statements for audit
 - 2. Annual budget
- B. Monthly:
 - 1. Trial balance

2. Internally generated budget vs. actual financial statements
3. Billing invoices to funding sources
4. Updating the cash flow projection

C. Periodically:

1. IRS Forms 941 and payroll tax returns and comparable state taxing authority returns
2. Other reports upon request

314 *Audit*

The Board of Directors selects a qualified certified public accounting firm to conduct an audit of the Charter School's financial statements in accordance with *Government Auditing Standards* and the *Governmental Accounting Standards Board*. The Board of Directors approves final audits.

The audit reports will be submitted to the granting agency, (starting 2002) California Department of Education, (starting 2003) County Superintendent of Schools, and State Controller's Office by December 15 of each year. (Education Code 47605(m))

400 **POLICIES RELATED TO ASSETS, LIABILITIES AND FUND EQUITY**

401 *ASSETS*

402 *Bank Accounts*

- A. Bank accounts for the indicated purpose and limitation(s) have been authorized by the Board of Directors of the School at the indicated Federal Deposit Insurance Corporation (FDIC)-insured banks :

403 *Petty Cash Payments*

- B. Petty cash payments are made from a fund not to exceed \$500, and should be for cash advances, local expense reimbursement and small-dollar vendor purchases, provided proper documentation is furnished with each request. Proper documentation is defined as an actual itemized receipt or invoice. No individual payment shall be greater than \$250.

- C. The petty cash account is balanced on a monthly basis by the petty cash custodian. The replenishment check is made out to “Cash” on an as needed basis.

403 *LIABILITIES AND FUND EQUITY*

404 *Accounts Payable*

Only valid accounts payable transactions based on documented vendor invoices, receiving report or other approved documentation are recorded as accounts payable.

405 *Accounts Payable Payment Policy*

Vendors and suppliers are paid as their payment terms require, taking advantage of any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis.

406 *Accrued Liabilities*

Salaries, wages earned, and payroll taxes, together with professional fees, rent, and insurance costs incurred, but unpaid, are reflected as a liability when entitlement to payment occurs.

407 *Liability For Compensated Absences*

- A. Compensated absences arise from employees' absences from employment due to vacation leave. When the Charter School expects to pay an employee for such compensated absences, a liability for the estimated probable future payments is accrued if all of the following conditions are met:
 - 1. The employee's right to receive compensation for the future absences is attributable to services already performed by the employee.
 - 2. The employee's right to receive the compensation for the future absences is vested or accumulates.
 - 3. It is probable that the compensation will be paid.
 - 4. The amount of compensation is reasonably estimable.
- B. Compensated absences not required to be paid upon employee termination is only recorded when paid.

408 *Debt*

- A. When applicable, short-term debt consists of financing expected to be paid within one year of the date of the annual audited financial statements. Long-term debt consists of financing that is not expected to be repaid within one year and is recorded in the Enterprise Fund.
- B. Loan agreements approved by the Board of Directors should be in writing and should specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule.

500 REVENUE

501 Revenue Recognition

The School records revenue on the accrual basis of accounting, consistent with generally accepted accounting principles applicable to special purpose governmental units.

600 FACILITIES

601 Disposal of Property and Equipment

- A. No item of property or equipment shall be removed from the premises without prior approval from the Executive Director/Designee.
- B. The School has adopted standard disposition procedures for Charter School staff to follow, which include an ~~Asset Disposal Form~~, which identifies the asset, the reason for disposition, and signature of the requester. The form also allows for an identification of the asset's book value, condition of the asset, and supervisory approval or denial.
- C. When property is retired, the appropriate asset in the fixed asset subsidiary will be adjusted and properly reflected in the Enterprise Fund.

700 PROCUREMENT POLICIES

701 The School adheres to the following objectives:

- 1. Procurements will be completely impartial based strictly on the merits of supplier and contractor proposals and applicable related considerations such as delivery, quantity, etc.
- 2. Make all purchases in the best interests of the School and its funding sources.
- 3. Obtain quality supplies/services needed for delivery at the time and place required.
- 4. Buy from responsible sources of supply.
- 5. Obtain maximum value for all expenditures.
- 6. Deal fairly and impartially with all vendors.
- 7. Maintain dependable sources of supply.
- 8. Be above suspicion of unethical behavior at all times; avoid any conflict of interest, related parties or even the appearance of a conflict of interest in the Charter School supplier relationships.

- A. All lease agreements will be evidenced by a lease or sublease agreement approved by the Board of Directors and signed by the Executive Director. The agreement will identify all the terms and conditions of the lease.

800 TRAVEL POLICIES

801 Employee Mileage Reimbursement

- A. All employees are reimbursed at the standard mileage rate per mile as determined by the Internal Revenue Service for use of their own vehicle for business related travel. In addition, parking fees and tolls paid are reimbursable if supported by invoices.
- B. All employees requesting such mileage reimbursement are required to furnish a *Travel Report* containing the destination of each trip, its purpose and the miles driven, parking fees and tolls, within one month after the travel date, supported by invoices, if applicable.
- C. Employees will be reimbursed for food costs incurred while participating in professional development that requires an overnight stay. All such reimbursements will be approved by the director in advance. No alcohol costs will be reimbursed by the school.

900 CONSULTANTS AND CONTRACTORS

901 Consultant Utilization

The utilization of all consultants and contract personnel are sufficiently evidenced by:

- A. Details of all agreements (e.g., work requirements, rate of compensation, nature and amount of other expenses, if any) with the individuals or organizations providing the services and details of actual services performed.
- B. Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services performed.
- C. The use of a management contract for educational and administrative services will clearly identify the contractor's performance requirements, including students' academic achievement, contractor's compensation and the Charter School's rights to educational curricula and intellectual property developed.

902 Independent Contractors

The use of consultants is closely monitored so as not to vary from the rules of the Internal Revenue Code. In particular, consultants will:

- A. Not be controlled as to what services will be performed and how these services will be performed. Consultants will not have set hours of work.
- B. Adhere to a precise contract scope of services, recomputed or at least adjusted annually. This consultant agreement will specify the obligation of the consultant to pay his or her own self-employment taxes, if applicable.
- C. Not receive any fringe benefits as such, although their fee may include provision for fringe benefits.
- D. Not be assigned a permanent workstation.
- E. Make their services available or work for a number of firms or persons at the same time.
- F. Will use his/her own stationery or time sheet in billing for services.
- G. Provide proof of insurance and their own equipment/tools.

PART II

1000 - GENERAL ACCOUNTING PROCEDURES

In this section, procedures are described for the overall accounting system design, General Ledger activity and General Ledger closeout for the Charter School.

GENERAL LEDGER ACTIVITY

Control Objective

To ensure that all General Ledger entries are current, accurate and complete.

Major Controls

A. Timeliness of Entries

All entries are made soon after the underlying accounting event to ensure the financial records and reporting is current.

B. Support Documentation

All entries are supported by adequate documentation that clearly shows the justification and authorization for the transaction.

C. Audit Trail

A complete audit trail is maintained by the use of reference codes from source documentation through the books of original entry and General Ledger, to periodic reporting statements.

Procedures

1. Financial data on source documentation is verified against original documents (e.g., invoice, purchase order, etc.) by the Business Manager before entering into the accounting system.
2. Each entry in the accounting system is reviewed and approved by the Business Manager.
3. Provision is made for using recurring General Journal entries for certain transactions, such as recording the monthly portion of prepaid insurance.
4. Non-recurring entries, such as for correcting entries, recording accruals and recording non-cash transactions, are prepared as circumstances warrant and on a monthly basis.
5. All entries in the books of original entry (e.g., cash receipts journal and checkbook) are made soon after the accounting event from authorized forms, and are prepared and reviewed by qualified accounting personnel.
6. All General Journal entries are supported by General Journal Vouchers that have supporting documentation attached, and are approved by the Executive Director/Designee.

GENERAL LEDGER CLOSE-OUT

Control Objective

To ensure the accuracy of financial records and reports.

Major Controls

A. Trial Balance

Monthly, a trial balance is prepared to ensure the accuracy of the General Ledger account balances.

B. Reconciliation of General Ledger Control Accounts with Subsidiary Ledgers

Reconciliations are prepared on a monthly basis.

Procedures

1. At the end of each month, a trial balance of all General Ledger accounts is prepared by the back office business services provider to the Executive Director.
1. Reconciliation between the General Ledger control accounts and the subsidiary ledgers are completed by the back office business services provider.
2. At fiscal year-end and after the annual audit, all income and expense accounts are closed out, and the general ledger balances are agreed to the audited financial statements.

1100 - CASH MANAGEMENT PROCEDURES

In this section, procedures are described for cash receipts, cash disbursements, and petty cash funds and prepaid items.

CASH RECEIPTS

Control Objective

To record cash receipts completely and accurately and to prevent the diversion of cash assets.

Major Controls

A. Cash Flow Projection

The Charter School annually prepares and updates monthly a cash flow projection for operations and capital cash needs to monitor and ensure adequate cash flow.

B. Cash Receipts Policies

The School has internal control systems in place to monitor cash receipts, and ensure that deposits are made in a timely manner. The School also uses electronic fund transfers to accelerate deposits.

C. Internal Accounting Controls

- (i) Opening of mail assigned to an employee with responsibilities independent of access to files or documents pertaining to accounts receivable or cash accounts.
- (ii) Listed receipts and credits compared to accounts receivable and bank deposits.
- (iii) General Ledger control accounts reconciled with Accounts Receivable Subsidiary Ledger

Procedures

A. General

1. Mail is opened by the Receptionist who sorts the checks and forwards them to the Executive Director/Designee or the appropriate recipient.
2. All checks are restrictively endorsed immediately by the Executive Director/Designee.
3. The Executive Director/Designee prepares a deposit recap and deposit.
4. A copy of the deposit recap and bank receipt are scanned to the back office service provider and then filed to provide support for all deposits.
5. The back office business services provider prepares journal entries
6. The back office business services provider reviews and signs off on journal entries.
7. The back office business services provider inputs journal entries.
8. The Executive Director/Designee makes deposits on a weekly basis. If deposits are made other than weekly, the deposit should be maintained in a secure area with limited access.
9. Reconciliation of cash receipts to deposit slips and bank statements are performed by the back office business services provider on a monthly basis.

CASH DISBURSEMENTS

Control Objective

To disburse cash for authorized purposes and record cash disbursements completely and accurately.

Major Controls

A. Cash Disbursement Policies

It is not a policy of Innovations Academy to disburse cash except from the petty cash fund (see Petty Cash Funds below).

~~CHECK DISBURSEMENTS~~

Control Objective

To issue and records checks for authorized purposes, completely and accurately

B. Internal Accounting Controls

- (i) Pre-numbered checks and special check protective paper.
- (ii) Match disbursement records against accounts payable/open invoice files.
- (iii) Bank statements reconciled to cash accounts and any outstanding checks verified by either the back office business services provider, if applicable.
- (iv) Supporting documentation canceled to prevent resubmission for payment.
- (v) Detailed comparison of actual vs. budget disbursements on a periodic basis.
- (vi) Separation of duties to the extent possible for an organization the size of the School.

Procedures

1. When the transaction is complete and payment is due, a pre-numbered check is prepared by the back office business services provider who attaches all supporting documentation: (e.g. vendor invoice, purchase order, purchase requisition, etc.) and submits the package to the Executive Director/Designee for approval.
2. All invoices submitted for signature will include approvals for payment, expense account charged, check number and date of payment.
3. The Executive Director/Designee approves checks, after examining the supporting documentation.
4. After having been approved and/or signed, the checks are mailed directly to the payee by receptionist.

5. All supporting documents are canceled (i.e. stamped *PAID*) by the signatory and filed by back office business services provider.
6. Bank statements are reconciled soon after receipt by the back offices business services provider and reviewed by the Executive Director/Designee.

PETTY CASH FUNDS

Control Objective

To control the use of petty cash funds for valid transactions

Major Controls

A. Internal Accounting Controls

- (i) Reconcile petty cash funds by employees with responsibilities independent of cash receipts, disbursements or custody.

Procedures

1. The Charter School will maintain an imprest petty cash system of \$500, which will be maintained and secured by the Executive Director or their designee.
2. The Executive Director/Designee maintains a log of all disbursements made from the petty cash fund. No disbursements will be for greater than \$250.
3. When the fund needs to be replenished, a check request is prepared by the Executive Director/Designee attaching the log of disbursements and the supporting receipts.
4. Any differences between the check request to bring the fund up to the petty cash amount and total disbursements made are reviewed and a justification is prepared.
5. The petty cash account is balanced on a monthly basis by the petty cash custodian. The replenishment check is made out to "cash," on an as needed basis.
6. Funds disbursements are entered into the General Ledger by expense category when the fund is replenished.

1200 - PAYROLL PROCEDURES

Payroll procedures are organized under six categories: personnel requirements, personnel data, timekeeping, preparation of payroll, payroll payment, and payroll withholdings.

PERSONNEL REQUIREMENTS

Control Objective

To ensure that the School hires only those employees, full or part-time, it absolutely needs and exerts tight control over hiring new employees

Major Controls

Payroll Policies

Procedures

New Employees

1. Requests for new employees are initiated by the Executive Director and compared with the approved annual personnel budget.
2. New employees complete an *Application for Employment*.
3. New employees complete all necessary paperwork for payroll.
4. Employee is fingerprinted. Fingerprint clearance must be received by the school before an employee may start work.

Vacation and Sick Pay

1. Employees accrue vacation time based on personnel policy of the Charter School.
2. Employee is required to provide at least two weeks advanced notice to supervisors for a vacation request.
3. Regular part-time employees will earn vacation time on a pro-rated bases based on personnel policy of the CharterSchool.
4. Employees' earned vacation balances are adjusted monthly to reflect vacation time earned and taken and reviewed by the Executive Director.
1. Sick leave taken is monitored against each employee's available sick time on an electronic spreadsheet and reviewed by the Executive Director.
2. Before vacation time is paid, a *Vacation Authorization Request* is to be prepared by the employee, which is reviewed and approved by the Executive Director.
3. The back office business services provider monitors vacation and sick time by maintaining a log for each individual.
4. A General Journal entry is prepared at year-end to record the accrued vacation liability.
5. Unused vacation time is based on personnel policy of the Charter School.

PERSONNEL DATA TIMEKEEPING

Control Objective

To ensure that payment for salaries and wages is made in accordance with documented time records.

Major Controls

A. Timekeeping Policies

Employees are instructed on the proper charging of time to assure the accuracy of recorded time to cost objectives.

B. Time Sheet

Labor hours are accurately recorded and any corrections to timekeeping records, including the appropriate authorizations and approvals, are documented.

C. Internal Accounting Controls

- (i) Reconciliation of hours charged on time sheets to attendance records.

Procedures

Time Sheet Preparation

1. Hourly and salary employees prepare time sheets on a bi-weekly basis.
2. In preparing time sheets, employees:
 - (i) Enter hours in ink and sign the completed timekeeping record
 - (ii) Make all corrections in ink by crossing out the error and initialing the change.
 - (ii) Submit the completed time sheet to the Executive Director.

Approval and Collection of Time Sheets

1. Each employee's time sheet is forwarded to the Executive Director/Designee on a bi-weekly basis, which ensures all the timesheets are submitted in a timely manner. The Executive Director/Designee reviews and approves them.
2. Payroll hours are submitted to the back office business services provider for processing.

Reconciliation of Payroll to Time Sheets

1. Hours shown on time sheets are reconciled to the hours recorded on the Payroll Register by the Executive Director or their designee for each time sheet period.

PREPARATION OF PAYROLL

Control Objective

To ensure that payment of salaries and wages is accurately calculated.

Major Controls

A. Internal Accounting Controls

- (i) Time records are periodically reconciled with payroll records.

Procedures

1. The total time recorded on time sheets and the number of employees is calculated by Executive Director/Designee.
2. The Executive Director/Designee submits hours to the back office services provider for processing.
3. Recorded hours from the bi-weekly time sheets are accumulated by the back office business services provider and communicated to the Payroll Service via modem or input into the in-house payroll software.
4. The payroll documents received from the in-house payroll software (e.g., calculations, payrolls and payroll summaries) are compared with time sheets, pay rates, payroll deductions, compensated absences etc. by the back office business services provider.
5. The back office business services provider verifies gross pay and payroll deductions.
6. The total hours and number of employees are compared with the totals in the Payroll Register by the back office business services provider.
7. The Payroll Register is reviewed and approved by the Executive Director/Designee.

PAYROLL PAYMENT

Control Objective

To ensure payment for salaries and wages by check, direct deposit, cash or other means is made only to employees entitled to receive payment.

PAYROLL WITHHOLDINGS

Control Objective

To ensure that payment withholdings are correctly reflected and paid to the appropriate third parties.

Major Controls

A. Reconciliation of Payment and Payroll Withholdings

Payroll withholdings are recorded in the appropriate General Ledger control accounts and reconciled with payments made to third parties.

B. Internal Accounting Controls

The in-house payroll software calculates payroll withholdings, which are reviewed and verified by the back office business services provider.

Procedures

1. The in-house payroll software calculates payroll withholdings for each employee. These are summarized by pay period and recorded in General Ledger.
2. Payments for payroll withholdings are reconciled with the amounts recorded in the General Ledger control accounts by the back office business services provider.
3. The back office business services provider reviews the accuracy and timeliness of payments made to third parties for payroll withholdings.
4. Original withholding and benefit election forms, maintained in the employee file, are prepared by employee and reviewed and approved on a periodic basis by the back office business services provider.

PAYROLL ADVANCES

Control Objective

To ensure that payroll advances are properly monitored, recorded and paid back in a timely manner.

Procedures

1. All payroll advances must be approved by the Executive Director in advance.
2. A payroll advance will not exceed the amount of one pay period.
3. Before receiving an advance, the employee will agree to a repayment schedule in which funds are deducted automatically from each subsequent paycheck until full repayment is made.

1300 DEPRECIATION

Procedures

1. The School capitalizes all fixed assets when acquired, and records the historical cost of these items in the Enterprise Fund. The Charter School will use the straight line method of depreciation over the assets useful life as determined as follow:

Computers	3 years
Office Equipment	5 years
Vehicles	5 years
Office Furniture	7 years
Leasehold Improvements	Life of lease or 5 years whichever is greater
Building Improvements	20 years
Building	30 years

1400 EXPENSE REIMBURSEMENT

Control Objective

To ensure the School pays for only authorized business expenses.

21 Major Controls

A. Travel Policies

The School has adopted policies on travel reimbursement within this document.

B. Employee Expense Reimbursement Documentation

Employees are required to receive approval before incurring expenses that require reimbursement.

Employees are required to obtain and furnish documentation for all individual expenses that require reimbursement.

C. Internal Accounting Controls

(i) Justification for travel approved by Executive Director/Designee

(ii) Documentation for incurred employee expenses.

(iii) Documentation for company credit card purchase.

Expense Advance or Reimbursement

Expense Reimbursement:

1. Soon after traveling, but not exceeding 30 days, an employee who seeks reimbursement for authorized expenses completes a *Travel Report* detailing the expenses incurred, attaching originals of supporting documentation.
2. All credit card purchases are supported by invoices in order to be reimbursed.
2. The employee's *Travel Report* and credit card purchases invoices are reviewed and approved by the Executive Director/Designee.

1500 - MANAGEMENT REPORTING PROCEDURES

In this section, procedures are covered for supporting the annual budget, financial reporting and tax compliance.

ANNUAL BUDGET

Control Objective

To effectively support the preparation of the annual budget and its periodic review.

Major Controls

A. Budget Process

The Executive Director works with the back office business services provider and prepares the annual operating and capital budgets and cash flow projection, with input from the school's community. The budgets and projection are submitted to the Board of Directors for approval.

B. Internal Accounting Controls

Accuracy and completeness of the budget and projections

Procedures

1. In preparation of the annual operating and capital budget and cash flow projection, the back office business services provider prepares a preliminary budgets and projection for review by the Executive Director in consultation with the school staff.
2. To support budgets and projection estimates, the back office business services provider prepares current year-to-date financial data with projections of year-end totals.
3. The back office business services provider and the Executive Director review the budgets and projection submitted for completeness and reasonableness.
4. The Board of Directors approves and adopts the final budgets and projection.
5. The adopted budgets totals are entered in the General Ledger by the back office business services provider for the new fiscal year, in order to prepare budget to actual reports.

FINANCIAL REPORTING

Control Objective

To ensure the accuracy, completeness and timeliness of financial reporting to support decision making.

Major Controls

A. Schedule

Monthly managerial reports are prepared based on a schedule.

B. Review and Approval

Financial reports are reviewed for accuracy and completeness.

C. Audit

The annual financial statements of the School are audited by a certified public accounting firm.

Procedures

1. The back office business services provider prepares monthly budget vs. actual financial reports and cash flow projection for the Board of Directors meetings.
2. The Charter School submits to an audit of its financial statements by a qualified certified public accounting firm, in accordance with *Governmental Auditing Standards*
3. The School shall automatically submit all financial reports required under Education Code Section 47604.33 and 47605(m).

PAYROLL TAX COMPLIANCE

Control Objective

To accurately prepare and file required tax documents on a timely basis.

Procedures

1. The School maintains a schedule of required filing due dates for:
 - (i) *IRS Form W-2* - Wage and Tax Statement.
 - (ii) *IRS Form W-3* - Transmittal of Income and Tax Statements.
 - (iii) *IRS Form 940* - Employer's Federal Unemployment (FUTA) Tax Return.
 - (iv) *IRS Form 941* - Employer's Quarterly Federal Tax Return for Federal Income Tax Withheld from Wages and FICA Taxes.
 - (v) *IRS Form 1099 MISC* (also *1099-DIV*, *1099-INT*, *1099-OID*) - U.S. Annual Information Return for Recipients of Miscellaneous Income.
 - (i) Quarterly and annual state(s) unemployment tax return(s).
2. Before submission, all payroll tax documents and the supporting schedules are reviewed and approved by the back office business services provider for accuracy and completeness.



Christine Kuglen <christine@innovationsacademy.org>

Capitalized Assets to the school- ding on district site visit

Leah Stewart <lstewart@csmci.com>

Mon, Sep 12, 2022 at 5:09 AM

To: Christine Kuglen <christine@innovationsacademy.org>, Joshua Eng <jeng@csmci.com>, Wendy Kaveney <officemanager@innovationsacademy.org>

Good Morning Christine,

Yes we are being more descriptive with the credit card entries.

As for the Capitalization threshold, this can only come from you. Perhaps this is in your charter bylaws? But we do highly suggest making the minimum, in any case, \$5000.



Leah Stewart

Account Manager

 951-694-3050 ext. 286

 951-257-7471

 lstewart@csmci.com

HELPING THE EDUCATION MOVEMENT SUCCEED ONE SCHOOL AT A TIME

43460 Ridge Park Dr., Ste. 100, Temecula, CA 92590

www.csmci.com



[Quoted text hidden]

Table of Contents

100. INTERNAL CONTROL POLICIES	1
200. ORGANIZATIONAL CONFLICT OF INTEREST OR SELF-DEALING	2
300. FINANCIAL MANAGEMENT POLICIES.....	5
400. POLICIES RELATED TO ASSETS, LIABILITY, AND FUND EQUITY	8
500. REVENUE.....	9
600. FACILITIES	9
700. PROCUREMENT POLICIES.....	9
800. TRAVEL POLICES	11
900. CONSULTANTS AND CONTRACTORS	11
1000. GENERAL ACCOUNTING PROCEDURES.....	12
1100. CASH MANAGEMENT PROCEDURES	13
1200. PAYROLL PROCEDURES	16
1300. DEPRECIATION	18
1400. EXPENSE REIMBURSEMENT	18
1500. MANAGEMENT REPORTING PROCEDURES	20

100. INTERNAL CONTROL POLICIES

101. Introduction

Internal control policies provide XXXXXXXX with the foundation to properly safeguard its assets, implement management's internal policies, provide compliance with state and federal laws and regulations and produce timely and accurate financial information. Additionally, as a publicly funded entity, XXXXXhas additional responsibilities to ensure the public's confidence and the integrity of the Charter School's activities.

102. Compliance with Laws

XXXXX will follow all the relevant laws and regulations that govern the Charter School. Additionally, any Federal Government laws and regulations that relate to grant funding will be adopted as the grant funding is received. The following are specific policies of the Charter School:

Political Contributions

No funds or assets of XXXXX may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. The direct or indirect use of any funds or other assets of XXXXX for political contributions in any form, whether in cash or other property, services, or the use of facilities, is strictly prohibited. XXXXX cannot be involved with any committee or other organization that raises funds for political purposes.

The following are examples of prohibited activities:

Contributions by an employee that are reimbursed through expense accounts or in other ways.
Purchase by the organization of tickets for political fundraising events.
Contributions in kind, such as lending employees to political parties or using the Charter School assets for political campaigns.

Record Keeping

To provide an accurate and auditable record of all financial transactions, the Charter School's books, records, and accounts are maintained in conformity with generally accepted accounting principles as applicable to Charter Schools. Further, the Charter School specifically requires that:

1. No funds or accounts may be established or maintained for purposes that are not fully and accurately described within the books and records of the Charter School.

2. Receipts and disbursements must be fully and accurately described in the books and records.
3. No false entries may be made on the books or records nor any false or misleading reports issued.
4. Payments may be made only to the contracting party and only for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

**200. ORGANIZATIONAL CONFLICT OF INTEREST OR SELF-DEALING
(RELATED PARTIES)**

XXXXX will not be operated for the benefit of an affiliated or unaffiliated organization or an individual in his or her own private capacity or individuals related to XXXXX or members of its management, unless the private benefit is considered merely incidental. This private benefit preclusion will extend to:

1. Sale or exchange, or leasing, of property between the agency and an affiliated or unaffiliated organization or a private or related individual.
2. Lending of money or other extension of credit between an agency and an affiliated or unaffiliated organization or a private or related individual.
3. Furnishing of goods, services or facilities between the agency and an affiliated or unaffiliated organization or a private or related individual.
4. Payment of compensation, unless authorized by the Governing Board or its governing body, by the Charter School to an affiliated or unaffiliated organization or a private or related individual.
5. Transfer to, use by, or for the benefit of a private or related individual of the income or assets of the Charter School.

201. Organizational Conflict Of Interest Or Self-Dealing (Related Parties)

Thus, XXXXX will be guided by the principle of arms-length standards with all affiliated or unaffiliated organizations or with a private or related individual(s).

Related party transactions shall include transactions between a Charter School and members of the board, management, contracted management organization, employees, related individuals and affiliated companies. Related individuals within the scope of this definition include spouses, parents, children, spouses of children, grandchildren, siblings, father in law, mother in law, sister in law and brother in law of a board member or Charter School employee.

202. Governing Board Authorities

The Governing Board shall have the sole authority to approve and will incorporate into its own minutes such matters as (i) change of the Charter School's name, with chartering districts pre-approval (ii) adoption of the annual operating and capital budgets, (iii) selection or termination of key employees (iv) key employees salary and salary changes, (v) incurrence of debt, mortgages or other encumbrances and their covenants and restrictions, within the terms of the charter (vi) investment policies, (vii) depository and investment banks, (viii) purchase or sale of property (ix) opening up or closing checking or savings accounts, and (x) selection of the Charter School's certified public accountants and (xi) other activities associated with the operations of the Charter School.

The Governing Board will generally meet monthly to ensure that its fiduciary duty is maintained. The Board will review the following: prior meeting minutes, business items, educational items, and subcommittee reports.

203. Signature Authorities

To properly segregate duties within XXXXX, the Board Treasurer and CEO are the only individuals with signatory authority and are responsible for authorizing all cash transactions. Individual checks greater than twenty thousand dollars (\$20,000) will require dual signatures prior to check issuance.

204. Government Access to Records

The Business Manager or contracted business back-office services provider will provide access to the organization's records to the Chartering Districts CFO or his designee and provide supporting records, as requested, in a timely manner.

205. Security of Financial Data

- A. The system's accounting data must be backed up daily by the business back-office services provider to ensure the recoverability of financial information in case of hardware failure. The backup will be stored in a fire safe area and properly secured.
- B. All other financial data, unused checks, and unclaimed checks will be secured by the CEO or the business back-office services provider from unauthorized access.

206. Security of Charter School Documents

Originals of the following corporate documents are maintained and their presence is verified on a periodic basis:

- Charter and all related amendments
- Minutes of the Governing Board and subcommittees
- Banking agreements
- Leases
- Insurance policies

- Vendor contracts
- Grant and contract agreements

207. Use of Charter School Assets

No employee may use any of the Charter School property, equipment, material or supplies for personal use without the prior approval of the CEO .

Use of Charter School Credit Cards

A. Charter School credit cards should only be issued with the formal approval of the Board of Trustees and with proper justification. The cost/benefit to the Charter School should be fully reviewed to ensure that no other method is appropriate. If credit cards are issued, they should be assigned only to the Board of Trustee approved Charter School employees and used only for school-related expenditures. All charges must be supported by invoices/receipts or travel reports to be eligible for payment by the Charter School. Any accidental non-school-related expenditures are the responsibility of the individual to be reimbursed to the Charter School.

Monthly credit card statements are reconciled within two weeks of receipt to invoices and travel reports and are approved by the CEO, unless not deemed independent then the approval would be by the Governing Board.

All charges must be supported by invoices/receipts. Monthly credit card statements are reconciled within two weeks of receipt to invoices, receipts, and travel reports, and are approved by the Chief Executive Officer to ensure all purchases are necessary and appropriate. Receipt of materials, goods and services will be verified by someone designated other than the one making the purchase or a member of those respective departments, maintenance and I.T.

The XXXXX CEO has a credit card with \$10,000 limit.

The Board Treasurer will periodically review the reconciled credit card statements.

Use of Charter School Debit Card

Debit Cards are not authorized.

300. FINANCIAL MANAGEMENT POLICIES

301. Basis of Accounting

XXXXX will maintain their accounting records and related financial reports on the accrual basis of accounting.

302. Accounting Policies

The accounting policies and financial reporting adopted are consistent with the special purpose governmental unit requirements of the Governmental Accounting Standards Board (GASB), including Statement of Governmental Accounting Standards No. 34 – *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles.

303. Basis of Presentation

The accounts of XXXXX are organized on a basis of the Charter School Account Code Structure or SACS. The operations of the fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, net assets, revenues and expenditures. XXXXX uses the following fund:

Main Fund - This fund of XXXXX is used to account for all financial resources associated with the operation of the Charter School. In addition, all activities relating to Student Activities should be separately identified and recorded within this fund.

Revenues

Under the accrual basis of accounting, revenues are recognized when earned.

Expenditures

Under the accrual basis of accounting, expenses are recognized when services are incurred or goods are received.

304. Incurred Costs

For the purpose of invoicing funding sources for allowable costs under cost reimbursement contracts, the term "costs incurred" is defined as follows:

Costs related to items or services incurred directly for the contract and received at the time of the request for reimbursement and is not specifically disallowed by the funding source.

305. Cash Management

The Charter School maintains cash accounts at the following bank/s: Union Bank

306. Grants Receivable Aging Criteria

Accounts receivable outstanding are aged on a 30, 60, 90, and over-90 day basis.

307. Grant/Contract Invoicing

When applicable, invoices are submitted to the funding sources by dates specified in the grant or contract agreement. When applicable, the invoicing format is that specified by the funding source.

308. Budgets

XXXXX prepares an annual operating budget of revenues and expenses, a cash flow projection, and a capital budget. These budgets and projections are reviewed and approved by the Governing Board, at the annual meeting and modified, as necessary.

Financial statements displaying budget versus actual results are prepared by the back-office services provider and reviewed by the CEO and Finance Committee, and presented to the Governing Board at each monthly board meeting.

309. Insurance and Bonding

The Charter School maintains minimum levels of coverage, as deemed appropriate by its Governing Board, for the following policies:

1. General liability
2. Directors and Officers; Errors and Omissions
3. Business & personal property (including auto/bus)
4. Workers' compensation
5. Personal injury liability

The Charter School requires proof of adequate insurance coverage from all prospective contractors, as deemed applicable by the Governing Board.

310. Record Retention and Disposal

Records are maintained for the following indicated minimum periods:

Books, records, documents and other supporting evidence including paid, cancelled or voided checks, accounts payable records, vendors' invoices, payroll sheets and registers of salaries and wages, tax withholding statements, employees' timesheets and other public documents are retained for seven years after the original entry date.

All records not supporting government grants or otherwise covered by rules of the Internal Revenue Service are retained for three years from the end of the fiscal year in which the records were originally prepared.

All financial records are maintained in chronological order, organized by fiscal year.

In connection with the disposal of any records, a memorandum of record disposal is prepared by the Business Manager listing the record or the class of records disposed of. The Governing Board will certify this memorandum of records disposal.

311. Financial Reporting

The back-office services provider maintains supporting records in sufficient detail to prepare the Charter School's financial reports, including:

Annually:

- Financial statements for audit
- Annual budget

Monthly:

- Trial balance
- Internally generated budget vs. actual financial statements
- Billing invoices to funding sources
- Updating the cash flow projection

Periodically:

- IRS Forms 941 and payroll tax returns and comparable state taxing authority returns
- Other reports upon request

312. Audit

The Governing Board arranges annually for a qualified certified public accounting firm to conduct an audit of the Charter School's financial statements in accordance with *Government Auditing Standards* and the *Governmental Accounting Standards Board*.

The audit reports will be submitted to the granting agency, (starting 2002) California Department of Education, (starting 2003) County Superintendent of Charter Schools, and State Controller's Office by December 15 of each year. (Education Code 47605(m))

314. Audit and Finance Committees

The Governing Board oversees the Audit and Finance Committees. The audit and finance committees shall be comprised of the CEO and board members, but not more than a quorum of the Board.

The Audit Committee will:

1. Nominate to the full board the independent auditor
2. Review the scope and results of the audit.

3. Receive notice of any consequential irregularities and management letter comments that the auditor noted during the engagement.
4. Develop a corrective action plan to address all relevant weaknesses noted by the auditor.

The Finance Committee will:

1. Work with the CEO and back-office provider to create the upcoming fiscal year budget
2. Present budget recommendations to the Board.
3. Monitor implementation of the approved budget on a regular basis and recommend proposed budget revisions.
4. Review all financial statements and provide recommendations to the Governing Board.
5. Recommend to the Board appropriate policies for the management of the Charter School's assets.

400. POLICIES RELATED TO ASSETS, LIABILITIES AND FUND EQUITY

401. Bank Accounts

Bank accounts for the indicated purpose and limitation(s) have been authorized by the Governing Board of the Charter School at the indicated Federal Deposit Insurance Corporation (FDIC)-insured banks:

Union Bank

402. Petty Cash Payments

The Charter School does not currently maintain a petty cash account

402. Accounts Payable

Only valid accounts payable transactions based on documented vendor invoices or other approved documentation are recorded as accounts payable.

403. Accounts Payable Payment Policy

Vendors and suppliers are paid as their payment terms require, taking advantage of any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis or as determined by the CEO

404. Accrued Liabilities

Salaries, wages earned, and payroll taxes, together with professional fees, rent, and insurance costs incurred, but unpaid, are reflected as a liability when entitlement to payment occurs.

405. Liability for Compensated Absences

Compensated absences arise from employees' absences from employment due to vacation leave. When XXXXX expects to pay an employee for such compensated absences, a liability for the estimated probable future payments is accrued if all of the following conditions are met:

1. The employee's right to receive compensation for the future absences is attributable to services already performed by the employee.
2. The employee's right to receive the compensation for the future absences is vested or accumulates.
3. It is probable that the compensation will be paid.
4. The amount of compensation is reasonably estimable.

Compensated absences are not required to be paid upon employee termination.

406. Debt

When applicable, short-term debt consists of financing expected to be paid within one year of the date of the annual audited financial statements. Long-term debt consists of financing that is not expected to be repaid within one year and is recorded in the Enterprise Fund. Loan agreements approved by the Governing Board should be in writing and should specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule.

500. REVENUE

Revenue Recognition

The Charter School records revenue on the accrual basis of accounting, consistent with generally accepted accounting principles applicable to special purpose governmental units.

600. FACILITIES

601. Disposal of Property and Equipment

No item of property or equipment shall be removed from the premises without prior approval from the Business Manager.

The Charter School has adopted standard disposition procedures for XXXXX staff to follow, which include an *Asset Disposal Form*, which identifies the asset, the reason for disposition, and signature of the requester. The form also allows for an identification of the asset's book value, condition of the asset, and supervisory approval or denial.

When property is retired, the appropriate asset in the fixed asset subsidiary will be adjusted and properly reflected in the Enterprise Fund.

700. PROCUREMENT POLICIES

The Charter School adheres to the following objectives:

1. Procurements will be completely impartial based strictly on the merits of supplier and contractor proposals and applicable related considerations such as delivery, quantity, etc.
2. Make all purchases in the best interests of the Charter School and its funding sources.
3. Obtain quality supplies/services needed for delivery at the time and place required.
4. Buy from responsible sources of supply.
5. Obtain maximum value for all expenditures.
6. Deal fairly and impartially with all vendors.
7. Maintain dependable sources of supply.
8. Be above suspicion of unethical behavior at all times; avoid any conflict of interest, related parties or even the appearance of a conflict of interest in the XXXXX supplier relationships.

Procurement and Competitive Bidding Process

- A. For purchases/contracts costing \$0 TO \$4,999, a written proposal from the vendor is optional/not required.
- B. For purchases/contracts costing \$5,000-\$9,999, at least one (1) written proposal must be obtained.
- C. For purchases/contracts costing \$10,000-\$49,999, at least two (2) written proposals must be obtained.
- D. For any purchase/contract costing \$50,000 and above, at least three (3) written proposals must be obtained.

All written proposals should include company name, items, scope of work and amounts requested, and price.

XXXXX may execute a *Purchase Order* for purchases and it shall be approved by the CEO for purchases less than \$20,000 and by the Board Treasurer, if greater than \$20,000.

All lease agreements will be evidenced by a lease or sublease agreement approved by the Governing Board and signed by the CEO. The agreement will identify all the terms and conditions of the lease.

800. TRAVEL POLICIES

801. Employee Mileage Reimbursement

If appropriate, employees are reimbursed at the standard mileage rate per mile as determined by the Internal Revenue Service for use of their own vehicle for business related travel. In addition, parking fees and tolls paid are reimbursable if supported by invoices.

900. CONSULTANTS AND CONTRACTORS

901. Consultant Utilization

The utilization of all consultants and contract personnel are sufficiently evidenced by:

- a. Details of all agreements (e.g., work requirements, rate of compensation, and nature and amount of other expenses, if any) with the individuals or organizations providing the services and details of actual services performed.
- b. Invoices or billings submitted by consultants, including sufficient detail as to the time expended and nature of the actual services performed.
- c. The use of a management contract for educational and administrative services will clearly identify the contractor's performance requirements, including students' academic achievement, contractor's compensation and the Charter School's rights to educational curricula and intellectual property developed.

902. Independent Contractors

The use of consultants is closely monitored so as not to vary from the rules of the Internal Revenue Code. In particular, consultants will:

- a. Not be controlled as to what services will be performed and how these services will be performed. Consultants will not have set hours of work.
- b. Adhere to a precise contract scope of services, recomputed or at least adjusted annually. This consultant agreement will specify the obligation of the consultant to pay his or her own self-employment taxes, if applicable.
- c. Not receive any fringe benefits as such, although their fee may include provision for fringe benefits.
- d. Not be assigned a permanent workstation.
- e. Make their services available or work for a number of firms or persons at the same time.

- f. Will use his or her own stationery or timesheet in billing for services.

1000. GENERAL ACCOUNTING PROCEDURES

In this section, procedures are described for the overall accounting system design, General Ledger activity and General Ledger closeout for the Charter School.

GENERAL LEDGER ACTIVITY

Control Objective: To ensure that all General Ledger entries are current, accurate and complete.
--

Major Controls

- **Timeliness of Entries:** All entries are made soon after the underlying accounting event to ensure the financial records and reporting is current.
- **Support Documentation:** All entries are supported by adequate documentation that clearly shows the justification and authorization for the transaction.
- **Audit Trail:** A complete audit trail is maintained by the use of reference codes from source documentation through the books of original entry and General Ledger, to periodic reporting statements.

Procedures

Financial data on source documentation is verified against original documents (e.g., invoice, purchase order, etc.) by the back-office service provider before entering into the accounting system. Each entry in the accounting system is reviewed and approved by the back-office provider.

Provision is made for using recurring General Journal entries for certain transactions, such as recording the monthly portion of prepaid insurance. Non-recurring entries, such as for correcting entries, recording accruals and recording non-cash transactions, are prepared as circumstances warrant and on a monthly basis. All entries in the books of original entry (e.g., cash receipts journal and checkbook) are made soon after the accounting event from authorized forms, and are prepared and reviewed by qualified accounting personnel.

All General Journal entries are supported by General Journal Vouchers that have supporting documentation attached and are reviewed by the back-office service provider.

GENERAL LEDGER CLOSE-OUT

Control Objective: To ensure the accuracy of financial records and reports.

Major Controls

- **Trial Balance:** A trial balance is prepared monthly to ensure the accuracy of the General Ledger account balances.
- **Reconciliation of General Ledger Control Accounts with Subsidiary Ledgers:** Reconciliations are prepared on a monthly basis by the back-office services provider.
- **Procedures:** At the end of each month, a trial balance of all General Ledger accounts is prepared by the back-office business services provider to the CEO.
- At fiscal year end and after the annual audit, all **income and expense accounts are closed** out, and the general ledger balances are agreed to the audited financial statements.

1100. CASH MANAGEMENT PROCEDURES

In this section, procedures are described for cash receipts, cash disbursements, and petty cash funds and prepaid items.

CASH RECEIPTS

Control Objective: To record cash receipts completely and accurately and to prevent the diversion of cash assets.

Major Controls

Cash Flow Projection

The Charter School annually prepares and updates monthly a cash flow projection for operations and capital cash needs to monitor and ensure adequate cash flow.

Cash Receipts Policies

The Charter School has internal control systems in place to monitor cash receipts, and ensure that deposits are made in a timely manner.

Internal Accounting Controls

Major Controls

- a. Opening of mail assigned to an employee with responsibilities independent of access to files or documents pertaining to accounts receivable or cash accounts.
- b. Listed receipts and credits compared to accounts receivable and bank deposits.
- c. General Ledger control accounts reconciled with Accounts Receivable Subsidiary Ledger

Operating Procedures

1. Mail is opened by a Secretary who sorts the checks and forwards them to the CEO or the appropriate recipient.
2. The back-office business services provider prepares journal entries and deposit slips.
3. A copy of each check to be deposited is made and attached to a copy of the deposit slip and filed to provide support for all deposits.
4. The back-office business services provider reviews and signs off on journal entries.
5. The back-office business services provider inputs journal entries.
6. The CEO makes deposits no less frequently than a weekly basis. If deposits are made other than daily, the deposit should be maintained in a secure area with limited access.
7. Reconciliation of cash receipts to deposit slips and bank statements are performed by the CEO and the back-office business services provider on a monthly basis.

CASH DISBURSEMENTS

Control Objective: To disburse cash for authorized purposes and record cash disbursements completely and accurately.
--

Major Controls

Cash Disbursement Policies

Check preparation and signatures are delayed until the due date, consistent with available discounts if available.

Internal Accounting Controls

- a. Pre-numbered checks and special check protective paper.
- b. Match disbursement records against accounts payable/open invoice files.
- c. Bank statements reconciled to cash accounts and any outstanding checks verified by the back-office business services provider, if applicable.
- d. Supporting documentation canceled to prevent resubmission for payment.
- e. Detailed comparison of actual vs. budget disbursements on a periodic basis.
- f. Separation of duties to the extent possible for an organization the size of the Charter School.

Procedures

- a. When the transaction is complete and payment is due, a pre-numbered check is prepared by the back-office business services provider who attaches all supporting documentation: (e.g. vendor invoice, purchase order, purchase requisition, etc.) and submits the package to the CEO for approval.
- b. All invoices submitted for signature will include approvals for payment, expense account charged, check number and date of payment.
- c. The CEO approves checks, after examining the supporting documentation.
- d. After having been approved and/or signed, the checks are mailed directly to the payee by the back-office service provider.
- e. All supporting documents are canceled (i.e. stamped *PAID*) by the signatory and filed by back-office business services provider.
- f. On a periodic basis, cash disbursement records are matched against accounts payable/open invoice files for any discrepancies.
- g. Bank statements are reconciled soon after receipt by the back-office business services provider.

PETTY CASH FUNDS

Control Objective: To control the use of petty cash funds for valid transactions.

The Charter School does not use petty cash.

1200. PAYROLL PROCEDURES

Payroll procedures are organized under the following categories: personnel requirements, timekeeping, preparation of payroll, payroll payment, and payroll withholdings.

(1) Personnel Requirements

Control Objective: To ensure that the Charter School hires only those employees, full or part-time, it absolutely needs and exerts tight control over hiring new employees.

Major Controls

Policies and Procedures

New Employees

1. Requests for new employees are initiated by the CEO and compared with the approved annual personnel budget.
2. New employees complete an Application for Employment.
3. New employees complete all necessary paperwork for payroll.
4. Employee is fingerprinted. Fingerprint clearance must be received by the Charter School Custodian of Records before any employee may start work.

Vacation and Sick Pay

1. Employees accrue vacation time based on personnel policy of the Charter School.
2. Employee is required to provide at least two weeks advanced notice to supervisors for a vacation request.
3. Regular part-time employees will earn vacation time on a pro-rated bases based on personnel policy of the Charter School.
4. Employees' earned vacation balances are adjusted monthly to reflect vacation time earned and taken and reviewed by the CEO.
5. Sick accruals are tracked and recorded through payroll system. Used sick time will be approved through payroll system by CEO.
6. Vacation and sick time are maintained in payroll system for each individual employee.
7. A General Journal entry is prepared at year-end to record the accrued vacation liability.

8. Unused vacation time is based on personnel policy of the Charter School.

(2) Personnel Timekeeping

Control Objective: To ensure that payment for salaries and wages is made in accordance with documented time records.

Major Controls

Timekeeping Policies: Employees are instructed on the proper charging of time to assure the accuracy of recorded time to cost objectives.

Time Sheet: Labor hours are accurately recorded and any corrections to timekeeping records, including the appropriate authorizations and approvals, are documented.

(3) Preparation of Payroll

Control Objective: To ensure that payment of salaries and wages is accurately calculated.

Major Controls

1. Internal Accounting Controls
2. Time records are reconciled with payroll records.
3. The CEO approves Paycom timekeeping.
4. The CEO reviews and approves the payroll register.
- 5.

(4) Payroll Payment

Control Objective: To ensure payment for salaries and wages by check and direct deposits are made only to employees entitled to receive payment.

(5) Payroll Withholdings

Control Objective: To ensure that payment withholdings are correctly reflected and paid to the appropriate third parties.

Major Controls

Reconciliation of Payment and Payroll Withholdings: Payroll withholdings are recorded in the appropriate General Ledger control accounts and reconciled with payments made to third parties.

Internal Accounting Controls: The payroll software calculates payroll withholdings, which are reviewed and verified by the back-office business services provider.

Procedures:

- a. The payroll software calculates payroll withholdings for each employee. These are summarized by pay period and recorded in General Ledger.
- b. Payments for payroll withholdings are reconciled with the amounts recorded in the General Ledger control accounts by the back-office business services provider.
- c. The back-office business services provider reviews the accuracy and timeliness of payments made to third parties for payroll withholdings.
- d. Original withholding and benefit election forms, maintained in the employee file, are prepared by employee and reviewed and approved by Charter School’s HR department.

1300. DEPRECIATION

The Charter School capitalizes all fixed assets valued at five thousand dollars (\$5,000) or higher when acquired and records the historical cost of these items in the Enterprise Fund.

In accordance with generally accepted accounting principles, as they relate to special purpose business-type activity, government units, under GASB 34 depreciation expense must be recorded in the statement of revenue, expenditures and changes in net assets. The XXXXX will use the straight-line method of depreciation over the assets useful life.

1400. EXPENSE REIMBURSEMENT

Control Objective: To ensure the Charter School pays for only authorized business expenses.

Major Controls

Travel Policies: The Charter School has adopted policies on travel reimbursement.

Employee Expense Reimbursement Documentation: Employees are required to obtain and furnish documentation for individual expenses of \$25 or over (provided they are not on a per diem basis) and company credit card purchases.

Internal Accounting Controls:

- 1. Justification for travel approved by CEO
- 2. Documentation for incurred employee expenses
- 3. Documentation for company credit card purchase.
- 4. Expense Advance or Reimbursement

TRAVEL POLICIES

The CEO must pre-approve all out-of-town travel. Employees will be reimbursed for overnight stays at hotels/motels when pre- approved by an administrator and the event is more than one hundred (100) miles from either the employee's residence or the Charter School site.

Hotel rates should be negotiated at the lowest level possible, including the corporate, nonprofit or government rate if offered, and the lowest rate available. Requests for reimbursement of travel expenses must be submitted on the appropriate expense reimbursement request form. Each expense shall be separately identified. Forms shall be dated and signed by the employee attaching originals of supporting documentation.

The employee's expense reimbursement form and credit card purchases, invoices, or receipts are reviewed and approved by the CEO. Charter School complies with IRS regulations, which require that all travel expenses be substantiated with adequate records. This substantiation must include information relating to:

- The amount of the expenditure
- The time and place of the expenditure
- The purpose of the expenditure

Requests for reimbursement lacking complete information will be returned to the requesting employee.

Reimbursement requests shall be submitted in no event more than thirty (30) days after the expense. Reimbursement requests more than thirty (30) days old may be rejected.

Meal Reimbursement

XXXXX may provide meal reimbursement for travel or business away from Charter School sites that requires overnight stay. Employees are reimbursed up to the per diem rate of \$60.00 for travel related meal expenses for their travel destination. Receipts are required for reimbursement of travel meals using per diem rates. The CEO must approve all requests prior to incurring reimbursable expenses. The actual cost of meals, not to exceed sixty dollars (\$60) per day including tax and gratuities, will be reimbursed.

The following daily amounts shall be followed: Breakfast: \$15.00 Lunch: \$20.00 Dinner: \$25.00
The rates include meals and non-alcoholic beverages.

Employees will not be reimbursed for a) meal expenses exceeding the maximum meal rate, or b) any portion of the per diem that covers meals which are also provided as part of the conference fees or conference provided meals, unless there is a business or health reason for an alternate meal.

To qualify for meal reimbursement, Charter School site employees shall submit an employee expense report for reimbursement to the CEO. An original receipt must be submitted with the expense report regardless of the amount.

1500. MANAGEMENT REPORTING PROCEDURES

In this section, procedures are covered for supporting the annual budget, financial reporting and tax compliance.

ANNUAL BUDGET

Control Objective: To effectively support the preparation of the annual budget and its periodic review.

Major Controls

Budget Process: The CEO works with the back-office business services provider and prepares the annual operating and capital budgets and cash flow projection, with input from the Charter School's community. The budgets and projection are submitted to the Governing Board for approval.

Internal Accounting Controls: The back-office service provider ensures accuracy and completeness of the budget and projections to the extent that the Charter School provides timely and accurate information about school operations and events that may impact the school's financial position.

Procedures

1. In preparation of the annual operating and capital budget and cash flow projection, the back-office business services provider prepares a preliminary budgets and projection for review by the CEO in consultation with the Charter School staff.
2. To support budgets and projection estimates, the back-office business services provider prepares current year-to-date financial data with projections of year-end totals.
3. The back-office business services provider and the CEO review the budgets and projection submitted for completeness and reasonableness.
4. The Governing Board approves and adopts the final budgets and projection.
5. The adopted budgets totals are entered in the General Ledger by the back-office business services provider for the new fiscal year, in order to prepare budget to actual reports.

FINANCIAL REPORTING

Control Objective: To ensure the accuracy, completeness and timeliness of financial reporting to support decision-making.

Major Controls

Schedule: Monthly managerial reports are prepared based on a schedule.

Review and Approval: Financial reports are reviewed for accuracy and completeness.

Audit: The annual financial statements of the Charter School are audited by a certified public accounting firm.

Procedures

1. The back-office business services provider prepares monthly budget vs. actual financial reports and cash flow projection for the Governing Board meetings.
2. The Charter School submits to an audit of its financial statements by a qualified certified public accounting firm, in accordance with Governmental Auditing Standards
3. The Charter School shall automatically submit all financial reports required under Education Code Section 47604.33 and 47605(m).

PAYROLL TAX COMPLIANCE

Control Objective: To accurately prepare and file required tax documents on a timely basis.

Procedures

1. The Charter School maintains a schedule of required filing due dates for:
 - *IRS Form W-2* - Wage and Tax Statement.
 - *IRS Form W-3* - Transmittal of Income and Tax Statements.
 - *IRS Form 940* - Employer's Federal Unemployment (FUTA) Tax Return.
 - *IRS Form 941* - Employer's Quarterly Federal Tax Return for Federal Income Tax Withheld from Wages and FICA Taxes.
 - *IRS Form 1099 MISC* (also *1099-DIV*, *1099-INT*, *1099-OID*)
 - U.S. Annual Information Return for Recipients of Miscellaneous Income.
 - Quarterly and annual state(s) unemployment tax return(s).
2. Before submission, all payroll tax documents and the supporting schedules are reviewed and approved by the back-office business services provider for accuracy and completeness.

Title I, Part A Single-School LEA Parent and Family Engagement Policy

Innovations Academy, with parents and family, have jointly developed, mutually agreed upon, and distributed to the parents of children a written parent and family engagement district-level policy requirements (ESSA Section 1116[a][2]) and school-level policy requirements (ESSA sections 1116[b] and [c]).

Describe how parents and family members are involved in the development of the Title I, Part A parent and family engagement policy (ESSA Section 1116[a][2]):

Innovations Academy uses the LCAP process for engaging with our parents, families and guardians in the development of the Title 1 Parent and Family Engagement Policy. The required LCAP process includes soliciting input from families, students, staff (certificated and classified), community members and the SELPA into the development of one comprehensive plan for the school.

LCAP Goal #5: Provide multiple engagement opportunities for parents through effective communication tools, parent participation opportunities and parent education.

We carefully select materials that meet the parameters of funding so there is alignment and connection throughout our plan. Our school team, which includes our business manager, administration, special education and general education teachers and our SELPA, discuss ESSA and LCAP goals to find these connections and develop continuity in our collaboration, continuously striving to improve instruction for children. We receive feedback from students through our morning meeting and class council process and from parents through surveys, email and meetings.

The director sent five surveys (one for each goal) to families and staff members to educate parents about our goals and actions and to obtain targeted feedback.

Describe how parents and family members will be involved in the development of the LEA Plan and support and improvement plans under ESSA Section 1111(d)(1-2) (ESSA Section 1116[a][2][A]):

The LEA Plan is now incorporated into the LCAP and the LCAP Federal Addendum. The required LCAP process for engaging educational partners supports the inclusion of all funding sources when planning services to meet the needs of all students, and especially of students from groups that may typically not be achieving at grade-level.

Describe how the LEA provides the coordination, technical assistance, and other support necessary to assist and build the capacity of all participating schools within the LEA in planning and implementing effective parent and family involvement activities to improve student academic achievement and school performance, and how this may include meaningful consultation with employers, business leaders, and philanthropic

organizations, or individuals with expertise in effectively engaging parents and family members in education (ESSA Section 1116[a][2][B]):

Not applicable to Innovations Academy, a single school LEA.

Describe how the LEA coordinates or integrates parent and family engagement strategies with other relevant federal, state, local laws, and programs (ESSA Section 1116[a][2][C]):

The LCAP educational partner engagement process uses inclusive strategies that value parent input into all areas of school planning. The goal is to create a comprehensive plan that includes all relevant state, federal and local programs to enhance the success of each student, with support for both academic and social/emotional growth.

We have the special circumstance that we are a one small school entity and allow continuous educational partner input. Innovations Academy solicited recommendations and comments from our educational partners via email, phone calls, open forum meetings, and video conferences.

Describe how the LEA will conduct, with meaningful involvement of parents and family members, an annual evaluation of the content and effectiveness of this Policy on improving academic quality of all schools served under Title I, Part A (ESSA Section 1116[a][2][D]):

Parents are included through surveys, parent meetings and the review of drafts of documents pertaining to school improvement. The director speaks both Spanish and English fluently and is able to communicate directly with parents. Assessment results, including formative, interim and summative assessments (CAASPP), and survey results, will be shared with parents regularly to determine if growth is occurring for all students, and gathering input and ideas for updates to the policy and the plan.

Describe how the LEA includes the following in the annual evaluation of the Title I, Part A parent and family engagement policy: identify barriers to greater participation by parents in activities authorized by this section (with particular attention to parents who are economically disadvantaged, are disabled, have limited English proficiency, have limited literacy, or are of any racial or ethnic minority background); identify the needs of parents and family members to assist with the learning of their children, including engaging with school personnel and teachers; and identify strategies to support successful school and family interactions (ESSA Section 1116[a][2][D][i-iii]):

These areas are all included as part of the LCAP Engagement process. We have the special circumstance that we are a one small school entity and allow continuous educational partner input. Innovations Academy solicited recommendations and comments from our educational partners via email, phone calls, open forum meetings,

and video conferences. All families are provided with the Director's contact information so they can reach out with questions or ideas. (The Director is bilingual.) A special section of the school website was created for parents to interact with the LCAP and to answer their questions. Recently educational partners' input was used to reword actions, to make them more detailed and to help us see how to break up a goal into more understandable parts.

Describe how the LEA will use the findings of such evaluation ESSA Section 1116(a)(2)(D)(i-iii) to design evidence based strategies for more effective parental involvement and to revise, if necessary, the parent and family engagement policy (ESSA Section 1116[a][2][E]):

In response to information gathered previously the following updates were made in 2022-23: We will actively survey parents about their concerns and areas of need to guide the topics of parent education, barriers to parents for engaging in parent education and other school activities. We will hold parent education seminars during the school year. Special invitations will go to families eligible for free and reduced lunch, those with EL students, and those with low academic performance.

Describe how the LEA involves parents in the activities of the schools served under Title I, Part A, which may include establishing a parent advisory board comprised of a sufficient number and representative group of parents or family members served by the LEA to adequately represent the needs of the population served by the LEA for the purposes of developing, revising, and reviewing the parent and family engagement policy (ESSA Section 1116[a][2][F]):

As a small school, it is easier to include all parents in the process. All parents are invited to participate in activities of the school in a variety of ways including through volunteer work, free attendance at school events, free parent education and all LCAP and Title 1 meetings as well as via LCAP and Title 1 surveys and director open office hours.

Describe how parents and family members of participating children in Title I, Part A programs are involved in jointly developing, distributing to, a written school parent and family engagement policy, agreed upon by such parents for carrying out the requirements in ESSA Section 1116(c) through (f) (ESSA Section 1116[b][1]):

See answers above for the LEA. Additionally, Title 1 parents are invited to attend a Title1 meeting to provide input and are sent a Title 1 survey to provide input about the plan, policy and their child's specific needs.

Describe how parents and family members of participating children in Title I, Part A programs, may amend a parent and family engagement school policy that applies to all parents and family members, if necessary, to meet the requirements (ESSA Section 1116[b][2]):

The Parent and Family Engagement Policy will be shared through the LCAP process each year, and input will be solicited and described in the LCAP Educational Partner Engagement section of the LCAP.

Describe how the LEA involved has a school district-level parent and family engagement policy that applies to all parents and family members in all schools served by the LEA, and how the LEA may amend that policy, if necessary to meet the requirements (ESSA Section 1116[b][3]):

Innovations Academy is a single school LEA so the Parent and Family Engagement Policy applies to all parents.

Describe how parents and family members of children participating in Title I, Part A programs can, if they find that the plan under ESSA Section 1112 is not satisfactory to the parents and family members, and the LEA shall submit the parent comments with the plan when the LEA submits the plan to the State (ESSA Section 1116[b][4]):

Any responses or comments will be saved to be submitted if the plan is submitted to the state again in the future.

Describe how the school served by Title I, Part A funds holds an annual meeting, at a convenient time, to which all parents and family members of participating children shall be invited and encouraged to attend, to inform parents of their school's participation under Title I, Part A and to explain the requirements and the rights of the parents to be involved (ESSA Section 1116[c][1]):

An annual Title I Parent/Family meeting will be held in the Fall of each year to review what the Title I program is, how it benefits the students, and how it involves parents in the process. All parents of Title I students will be invited and encouraged to attend.

Describe the steps that the school takes to offer a flexible number of meetings, such as meetings in the morning, afternoon, evening or other ways and may provide, with funds provided under Title I, Part A, for transportation, child care, or home visits, as such services relate to parental involvement (ESSA Section 1116[c][2]):

Innovations Academy is very responsive to the needs of parents and will seek to remove barriers to attendance when possible. Attendance via Zoom is an option that parents have appreciated over the past few years.

Describe how parents and family members of participating children are involved, and in an organized, ongoing, and timely way, in the planning, review, and improvement of programs under Title I, Part A, including the planning, review, and improvement of the school parent and family engagement policy and the joint development of schoolwide program plan under ESSA Section 1114(b), except that if a school has in place a process for involving parents in the joint planning and design of the school's programs,

the school may use that process, if such process includes an adequate representation of parents of participating children (ESSA Section 1116[c][3]):

As a single school LEA this was already addressed in earlier responses. The LCAP process will address this process.

Describe how the school is providing parents and family members of participating children of Title I, Part A programs: timely information about programs under Title I, Part A; a description and explanation of the curriculum in use at the school, the forms of academic assessment used to measure student progress, and the achievement levels of the challenging State academic standards; and if requested by parents, opportunities for regular meetings to formulate suggestions and to participate, as appropriate, in decisions relating to the education of their children, and respond to any such suggestions as soon as practicably possible (ESSA Section 1116[c][4][A-C])

Besides other parent involvement options already listed in previous responses in the director's weekly emails to families, a quarterly update on spending and information related to the LCAP will be included. The director will hold parent meetings on a variety of topics to educate families about how they can support their children and their educational and social-emotional growth. Topics suggested by parents may be included.

Describe how the schoolwide program plan, ESSA Section 1114(b) is not satisfactory to the parents of participating children in Title I, Part A programs, submitting any parent comments on the plan when the school makes the plan available to the LEA (ESSA Section 1116[c][5]):

See above.

Innovations Academy Title I, Part A School Parent and Family Engagement Policy was developed jointly and agreed on with parents and family members of children participating in Title I, Part A programs 11/29/22 and 12/1/22. The School will distribute the policy to all parents and family members of participating Title I, Part A students annually on or before 12/16/2022

This policy was board approved on 12/7/2022

Christine Kuglen, Director

Name and Title of Authorized Official



Signature of Authorized Official

Enter Date 12/7/2022

California Department of Education

Innovations Academy

Title I, Part A School-Parent Compact

Innovations Academy and the parents of the students participating in activities, services and programs funded by Title I, Part A, agree that the School-Parent Compact outlines how the parents, the entire school staff, and the students will share in the responsibility for improved student academic achievement and the means by which the school and parents will build and develop a partnership that will help children achieve the State high academic standards (ESSA Section 1116[d]).

The responsibility to provide high-quality curriculum and instruction in a supportive and effective learning environment that enables the children served under Title I, Part A to meet the challenging State academic standards is a priority at Innovations Academy. The school will work in partnership with the parents/guardians to determine how each parent will be responsible for supporting their children's learning and for participating, as appropriate, in decisions relating to the education of their children and positive use of extra-curricular time.

As a parent/guardian I agree to the following:

- Make sure my child attends school every day
- Understand the School's mission statement
- Be an active participant of IA's academic community. This means developing an understanding of the School's learning philosophies, policies, curriculum and goals.
- Support my child(ren)'s learning at home
- Talk with a teacher or administrator when my child is feeling confused or when I need information and or to understand school practices
- Participate in the educational process through methods such as:
 - Chaperone a field trip
 - Read to your children or do an outside activity
 - Foster friendships between IA students by creating play opportunities outside of school
 - Contribute to a fundraising event (bake sales, IA Education Conservators, etc.)
 - Attend Exhibition Nights
 - Provide large quantities of unstructured time for your child(ren)
 - Be a Reading Buddy in a classroom
 - Participate in the Parent Connection (our parent association)

The school staff agree to support student and parent engagement through:

- Communicating high expectations for all students
- Creating a positive learning environment
- Planning multiple forms of communication and activities to build home-school connections

•

The importance of communication between teachers and parents on an ongoing basis is provided through, at a minimum the following means (ESSA sections 1116[d][2][A-D]):

- (A) parent-teacher conferences that occur annually
- (B) reports to parents on their children's progress;
- (C) reasonable access to staff, opportunities to volunteer and participate in their child's class, and observation of classroom activities; and
- (D) ensuring regular two-way, meaningful communication between family members and school staff, and to the extent practicable, in a language that the family members can understand.

This Compact was established by Innovations Academy on 12/2/2022 and will be in effect for the period of one year. The school will distribute the Compact annually to all parents and family members of students participating in the Title I, Part A program on, or before: 12/16/2022.

Signature Page

Christine Kuglen,

Name and Title of Authorized Official



Signature of Authorized Official

12/2/2022

Date

California Department of Education
April 2020

**Arts, Music, and Instructional Materials Discretionary Block Grant 2022
Expenditure Plan Template**

LEA Name:	Innovations Academy
Contact Name:	Christine Kuglen
Email Address:	christine@innovationsacademy.org
Phone Number:	858-271-1414

Total Amount of funds received by the LEA:	\$ 303,384.00
---	----------------------

Date of adoption at a public meeting:	
--	--

(a) For the 2022–23 fiscal year, the sum of three billion five hundred sixty million eight hundred eighty-five thousand dollars (\$3,560,885,000) is hereby appropriated from the General Fund to the State Department of Education to establish the Arts, Music, and Instructional Materials Discretionary Block Grant, for allocation to county offices of education, school districts, charter schools, and the state special schools to:

(1) Obtain standards-aligned professional development and acquire instructional materials, in the following subject areas:

- (A) Visual and performing arts.
- (B) World languages.
- (C) Mathematics.
- (D) Science, including environmental literacy.
- (E) English language arts, including early literacy.
- (F) Ethnic studies.
- (G) Financial literacy, including the content specified in Section 51284.5 of the Education Code.
- (H) Media literacy.
- (I) Computer science.
- (j) History-social science.

Planned Activity	Budgeted 2022-23	Budgeted 2023-24	Budgeted 2024-25	Budgeted 2025-26	Total Budgeted per Activity
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal for this section:	\$ -	\$ -	\$ -	\$ -	\$ -

(2) Obtain instructional materials and professional development aligned to best practices for improving school climate, including training on deescalation and restorative justice strategies, asset-based pedagogies, antibias, transformative social-emotional learning, media literacy, digital literacy, physical education, and learning through play.

Planned Activity	Budgeted 2022-23	Budgeted 2023-24	Budgeted 2024-25	Budgeted 2025-26	Total Budgeted per Activity
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal for this section:	\$ -	\$ -	\$ -	\$ -	\$ -

(3) Develop diverse book collections and obtain culturally relevant texts, including leveled texts, in both English and pupils’ home languages, to support pupils’ independent reading. It is the intent of the Legislature that these book collections and culturally relevant texts be used to provide support for pupils through the establishment of site-based school and classroom libraries that are culturally relevant to pupils’ home and community experiences and be available in English, pupils’ home language, or a combination of more than one language.

Planned Activity	Budgeted 2022-23	Budgeted 2023-24	Budgeted 2024-25	Budgeted 2025-26	Total Budgeted per Activity
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal for this section:	\$ -	\$ -	\$ -	\$ -	\$ -

(4) Operational costs, including but not limited, to retirement and health care cost increases.

Planned Activity	Budgeted 2022-23	Budgeted 2023-24	Budgeted 2024-25	Budgeted 2025-26	Total Budgeted per Activity
Retirement and Health Care costs for 4 teachers of the Arts, Performing Arts and Engineering .	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 23,304.00	\$ 263,304.00
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal for this section:	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 23,304.00	\$ 263,304.00

(5) As related to the COVID-19 pandemic, acquire personal protective equipment, masks, cleaning supplies, COVID-19 tests, ventilation upgrades, and other similar expenditures, if they are necessary to keep pupils and staff safe from COVID-19 and schools open for in-person instruction.

Planned Activity	Budgeted 2022-23	Budgeted 2023-24	Budgeted 2024-25	Budgeted 2025-26	Total Budgeted per Activity
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal for this section:	\$ -	\$ -	\$ -	\$ -	\$ -

[Per section (c)] ... to support arts and music education programs.

Planned Activity	Budgeted 2022-23	Budgeted 2023-24	Budgeted 2024-25	Budgeted 2025-26	Total Budgeted per Activity
materials, supplies and curriculum resources for Art and Science programs	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 40,000.00
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal for this section:	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 40,000.00

Summary of Expenditures

Section Totals	Budgeted 2022-23	Budgeted 2023-24	Budgeted 2024-25	Budgeted 2025-26	Total Budgeted per Activity
Subtotal Section 1: (PD/Instructional Materials)	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Section 2: (Improving School Climate)	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Section 3: (Diverse Book Collections)	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Section 4: (Operational Costs)	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 23,304.00	\$ 263,304.00
Subtotal Section 5: (COVID - 19)	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Section 6: (Arts Education Programs)	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 40,000.00
Totals By Year:	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 33,304.00	

Total Planned Expenditures by the LEA:
\$ 303,304.00

(b) The Superintendent of Public Instruction shall apportion funds proportionally to county offices of education, school districts, charter schools, and the state special schools on the basis of an equal amount per unit of average daily attendance for kindergarten and grades 1 to 12, inclusive, as those numbers were reported as of the second principal apportionment for the 2021–22 fiscal year. The average daily attendance for each state special school shall be deemed to be 97 percent of the enrollment as reported in the California Longitudinal Pupil Achievement Data System as of the 2021–22 Fall 1 Submission.

(c) Funding appropriated pursuant to this section shall be available for encumbrance through the 2025–26 fiscal year. Local educational agencies are encouraged, but not required, to proportionally use resources received pursuant to this section for the purposes noted in paragraphs (1) to (5), inclusive, of subdivision (a) and to support arts and music education programs.

(d) For purposes of this section, standards-aligned instructional materials includes, but is not limited to, books for school and classroom libraries.

(e) The governing board or body of each school district, county office of education, or charter school receiving funds pursuant to this section shall discuss and approve a plan for the expenditure of funds received pursuant to this section at a regularly scheduled public meeting. It is the intent of the Legislature that each school district, county office of education, or charter school expend any resources received pursuant to this section consistent with their governing board or body approved plan.

