Sec. 1. PURPOSE OF POLICY.

Through this policy, the Board of Directors (hereafter, the "Board") of Erath Excels! Academy, Inc. (hereafter, the "Charter Holder") doing business as Erath Excels! Academy, Inc. (hereafter, the "School") shall address the legal requirements, as applicable, pertaining to the common standards of ethics and fiscal stewardship that the Board and Officer[1] must follow as trustees to demonstrate that they conformed to the standard of care and fiduciary duties that a trustee owes the students enrolled in the School.[2]

Sec. 2. AUTHORITY OVER FISCAL MATTERS.

Unless otherwise, indicated, the Board's Policy PG-5.001, Authority Over Fiscal Matters, will govern and control over the policy statements set forth in this Policy PG-5.002.

Sec. 3. MISSION STATEMENT

Erath Excels Academy believes all students can achieve excellence in a positive, challenging, educational environment that stimulates their interests, channels their energy, and develops their abilities. Erath Excels Academy is committed to providing a safe, nontraditional learning environment for students with distinct needs for these educational services. Recognizing the individual strengths and intrinsic worth of all students, Erath Excels Academy's primary purpose is to attract and motivate students to attend school regularly, to achieve measurable improvement in their academic, employment, social and life skills, and to graduate from an accredited high school. It is also, Erath Excels Academy's purpose to provide students with opportunities to become responsible community members and achieve employment.

Sec. 4. BOARD STEWARDSHIP

Sec. 4.1. It is the School's policy to advocate for and issue financial decisions and practices that both further the mission of the Charter Holder, as set forth under Section 3 of this policy, and that are made in the interest of the Charter Holder in compliance with its fiduciary duty owed to the School's students.

Sec. 4.2 As such, the Board must make financial decisions with integrity, fairness, objectivity, and that maximize benefits while minimizing the cost of goods and services to the Charter Holder and School

[1] PG-5.001, Sec. 5
[2] Tex. Educ. Code § 12.107(a)(2); 19 Tex. Admin. Code § 100.1063(a)(2); 100.11091(b)

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Sec. 4.3. The Board shall, as a body corporate and as individual members, explore and develop fiscal stewardship through training and other means of educating Board members and Officers in the understanding of legal and other requirements pertaining to the Charter Holder's and School's financial management.

Sec. 4.4 Such training and education shall consider, but shall not necessarily be limited to, the proper discharge of ethical conduct under Section 5 of this policy, development of management controls and monitoring of business activities, addressing possible abuse, waste, fraud and irregularities through special audits and investigations and referrals to oversight agencies and law enforcement.

Sec. 5. CODE OF ETHICS

Considering that the purchasing of goods and services is a function that is susceptible to abuse, waste, and fraud, School employees must adhere to the following standards of ethical conduct.

a) It is a breach of ethics to attempt to realize personal gain through public employment with the School by any conduct inconsistent with the proper discharge of the employee's duties.

b) It is a breach of ethics to attempt to influence any School employee to breach the standards of ethical conduct set forth in this Section 5.

c) It is a breach of ethics for any School employee to participate directly or indirectly in a procurement when the employee knows that:

    1) a real or apparent conflict of interest may exist for the employee or the employee's immediate family;

    2) the employee, or any member of the employee's immediate family, has a financial interest in the procurement;

    3) the employee, or any member of the employee's immediate family, has a financial interest in a respondent to the procurement solicitation and said respondent has a financial interest in the procurement; or

    4) the employee, or any member of the employee's immediate family, is negotiating or has an arrangement concerning prospective employment with a respondent to the procurement solicitation and said respondent has a financial interest in the procurement.

d) It is a breach of ethics to offer, give, or agree to give any School employee or former School employee, or for any School employee or former School employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in

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connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim, or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before the School. Acceptance of gratuities may be construed as a criminal offense.

e) It is a breach of ethics for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any School contract, or any person associated therewith, as an inducement for the award of a subcontract or purchase order.

f) The prohibition against gratuities and kickbacks prescribed above should be conspicuously set forth in every contract and solicitation therefore.

g) It is a breach of ethics for any School employee or former School employee to knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.[3]

Sec. 6. VENDOR RELATIONS

To foster positive vendor relationships that conform with Section 5 of this policy, School employees should arrange for meetings with current or potential vendors through the department responsible for purchasing and to involve said department in all interactions with current or potential vendors.[4]

Sec. 7. VENDOR GIFTS.

Sec. 7.1 Gifts Prohibited. To mitigate the risk of any influence upon a procurement of goods or services, including the appearance of same, the Board, either as a body corporate or as individual members, Officers, and employees must not accept, directly or indirectly, anything of value from a current or potential vendor including, but necessary limited to, article of clothing, gift cards, gratuities, meals, money, personal gifts, tickets for entertainment or sport events and venues, travel, etc.[5]

[3] *F.A.S.R.G. Module 5 (5.2.2 Common Standards of Ethics); 2 C.F.R.§ 200.318(c)(1)*
[4] *F.A.S.R.G. Module 5 (5.2.3 Vendor Relations)*
[5] *F.A.S.R.G. Module 5 (5.2.4 Vendor Gifts)*

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Sec. 7.2. Exception. If a vendor provides a gift to the Board, a Board member, Officer, or employee, the vendor's gift may only be accepted on behalf and for the benefit of the School's students and must be forwarded to the Delegate or designee for proper accounting and safeguarding.

Sec. 7.3. Use for Incentives. The School may use gifts received from vendors under Section 7.2 of this policy to provide incentives to staff and students for any purpose that benefits the School's students. The Delegate or designee must adopt administrative procedures to implement this Section 7.3.

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CERTIFICATION

The Undersigned, being the Secretary of the Board, hereby certifies that the foregoing represents a true copy of the Board Policy relating to PG-5.002, Code of Ethics and Fiscal Stewardship, as adopted by the Board on May 18, 2026 which Policy is in full force and effect and has not been amended or repealed.

Linda LaMarca, Secretary

5-18-26

Date Certified

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