



BOARD POLICY ON DELEGATION OF LIMITED FISCAL AUTHORITY AND INTERNAL CONTROLS

Purpose

The Board of Trustees retains ultimate authority and fiduciary responsibility for all John Adams Academies, Inc. ("JAA") finances. This policy delegates limited day-to-day operational authority to support services provider Academica California, LLC ("Academica") while maintaining strict Board oversight and strong internal controls.

Core Principles

- Academica may not approve purchases, purchase orders (POs), or invoices. Only JAA leadership/staff may approve them within Board-approved limits.
- Academica may only process and pay invoices or POs that have been fully approved by authorized JAA personnel per Board-established requirements.
- No Academica employee may both initiate and approve any bank transaction. The banking system must technically prevent any user from having both abilities on the same transaction.

Bank Account Access and Controls

Operating Accounts

Academica staff may be added to JAA's operating accounts only under these conditions:

- Every outgoing payment or transfer requires initiation by one person and approval by a different person.
- At least one role (initiator or approver) must be a Board-approved signer.
- All Academica users on banking systems must be pre-approved in writing by the Superintendent and Board Treasurer.
- Multi-factor authentication and role-based access are required; roles should be reviewed annually.

Investment and Reserve Accounts

- Only JAA employees named in this policy may have final approval authority.

- Academica may have view-only or initiator-only rights to facilitate transfers directed in writing by the Superintendent, Board Chair, or Board designee.
- Academica is not authorized to have approval or final authorization rights on these accounts.

Purchasing and Payment Workflow

- Purchase Orders & Invoices: Only authorized JAA staff or site business technicians may initiate POs. Only authorized JAA staff shall approve POs and invoices. Academica may enter data but may not approve.
- Payments: Academica may prepare payment runs but may only release payments after JAA approval and using the dual-person banking process enumerated herein.

Approved Final Signers

- Operating Accounts: Board Chair, Board Treasurer, Superintendent, Deputy Superintendent, designated JAA staff, and designated Academica staff, specifically the CFO and Senior Manager, Accounting.
- Investment/Reserve Accounts: Superintendent, Board Chair, Board Treasurer, and Board-approved designees.

Prohibited Actions for Academica

- Opening, closing, or changing signers on any accounts without Board approval.
- Being sole/final approver for signing physical checks or wires/ACH.
- Selecting or changing vendors without written JAA approval.
- Borrowing money or signing contracts on behalf of JAA.

Reporting and Oversight

- Monthly financial package (including reconciliations) by the 15th.
- Real-time account access for Superintendent and Board Treasurer.
- Immediate reporting of any irregularity or control breach to Superintendent and Board Chair.
- Full cooperation with auditors and regulators.

Term

This delegation remains in effect while the services agreement with Academica is active and may be modified or revoked at any time by majority Board vote.