



Shining Rock Classical Academy

SRCA Regular Board Meeting

Published on July 24, 2024 at 12:24 PM EDT

Date and Time

Wednesday July 24, 2024 at 6:30 PM EDT

Location

2150 Russ Ave, Waynesville NC 28786

Agenda

	Purpose	Presenter	Time
I. Opening Items			6:30 PM
A. Record Attendance		Alyson Weimar	1 m
B. Call the Meeting to Order		Alyson Weimar	1 m
C. SRCA Mission Statement and Pledge of Allegiance		Larry Davis	3 m
			Shining Rock Classical Academy cultivates critical thinking skills and fosters a lifelong love of learning through rigorous academics, experiential education, and our core values of Integrity, Respect, Compassion, Responsibility, Wisdom, and Leadership.
D. Approve Minutes	Approve Minutes	Alyson Weimar	2 m
			Approve minutes for SRCA Regular Board Meeting on June 26, 2024

	Purpose	Presenter	Time
E. Approve minutes - SRCA Special Session June 11	Approve Minutes	Alyson Weimar	2 m
II. Head of School Report			6:39 PM
A. Report from NCAPCS Conference	FYI	Joshua Morgan	10 m
III. Closed Session Pursuant to NCGS 143-318.11			6:49 PM
Closed Session Pursuant to NCGS 143-318.11			
A. Closed Session Pursuant to NCGS 143-318.11 (6)		Alyson Weimar	20 m
<p>Closed Session Pursuant to NCGS 143-318.11 (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee.</p>			
IV. Voting Agenda			7:09 PM
A. Personnel Report	Vote	Joshua Morgan	5 m
B. Policy Approval 2nd Read: 3200 Invest of Excess Capital	Vote	Joshua Morgan	5 m
C. Temporary Approval 1st Read: AI Policy	Vote	Joshua Morgan	5 m
D. Identify Board Work Session Date	Vote	Alyson Weimar	8 m
<p>The SRCA Board is to have at least an annual work session for the purpose of Professional Development and non-voting dialogue.</p>			
V. Closing Items			7:32 PM
A. Adjourn Meeting	Vote		

Next Scheduled Meeting:
 August 28, 2024 @ 6:30 pm

2150 Russ Ave. Waynesville

Coversheet

Approve Minutes

Section: I. Opening Items
Item: D. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for SRCA Regular Board Meeting on June 26, 2024

APPROVED



Shining Rock Classical Academy

Minutes

SRCA Regular Board Meeting

Date and Time

Wednesday June 26, 2024 at 6:30 PM

Location

2150 Russ Ave, Waynesville NC 28786

Directors Present

A. Adeleke (remote), A. Weimar, A. Wilkins, B. Mullinix, J. Schleifer, L. Davis, S. Messer

Directors Absent

B. Newsome, N. Malis, S. Brantly

Directors who arrived after the meeting opened

A. Adeleke

Directors who left before the meeting adjourned

A. Adeleke

Ex Officio Members Present

J. Morgan

Non Voting Members Present

J. Morgan

Guests Present

T. Gresham, T. Inman

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

L. Davis called a meeting of the board of directors of Shining Rock Classical Academy to order on Wednesday Jun 26, 2024 at 6:37 PM.

C. SRCA Mission Statement

D. Approve Minutes

L. Davis made a motion to approve the minutes from SRCA Regular Board Meeting on 05-22-24.

S. Messer seconded the motion.

The board **VOTED** to approve the motion.

II. Head of School Report

A. June School Report

Morgan presented - [School Report June 2024.pdf](#)

B. SRCA Teacher Working Conditions Review

Morgan presented -

[TWC SRCA Comparision 2020-24.pdf](#)

[TWC State to SRCA Comparision 2024.pdf](#)

Participation rate 100% of teachers have participated in the survey.

III. Policies for 1st Read

A. 3200 Investment of Excess Capital

[3200 Investment of Excess Capital.pdf](#)

Discussion of preservation, maintenance, and risk management of SRCA funds.

IV. Finance

A. May financial report

[SRCA Finance Report May 2024.pdf](#)

B. FY25 budget discussion.

[FY25 Annual Budget Draft - SRCA v2.pdf](#)

Recouped several funding areas
Several grants to cover funds

John - looking at the facilities budget -do we need to have a large buffer?
Board member discussion - will keep as is and revisit in second quarter

Morgan - Board will revisit the budget in October may be able to re-balance. Action -
board review budget in October.

A. Adeleke left at 7:45 PM.

V. Closed Session Pursuant to NCGS 143-318.11

A. Closed Session Pursuant to NCGS 143-318.11 (6)

A. Adeleke arrived.
A. Weimar made a motion to enter closed session.
A. Wilkins seconded the motion.
The board **VOTED** unanimously to approve the motion.
A. Weimar made a motion to return to open session.
L. Davis seconded the motion.
return to open session at 2057
The board **VOTED** unanimously to approve the motion.

VI. Voting Agenda

A. 9500 Non-Student Sports Participation

J. Schleifer made a motion to approve policy revision - Non-Student Sports Participation.
L. Davis seconded the motion.
The board **VOTED** unanimously to approve the motion.

B. FY25 Budget

L. Davis made a motion to approve FY25 SRCA budget.
B. Mullinix seconded the motion.
The board **VOTED** unanimously to approve the motion.

C.

Personnel Report

L. Davis made a motion to approve discussion in closed session in reference to personnel.

B. Mullinix seconded the motion.

The board **VOTED** unanimously to approve the motion.

D. HOS Contract- Pursuant to closed session

A. Weimar made a motion to Approve discussion in closed session in regards to HOS contract extension.

B. Mullinix seconded the motion.

The board **VOTED** unanimously to approve the motion.

E. Board membership

L. Davis made a motion to Accept resignations (Brantly, Malis, Newsome).

A. Wilkins seconded the motion.

The board **VOTED** unanimously to approve the motion.

A. Wilkins made a motion to appoint Alyson Weimar as board Chair.

J. Schleifer seconded the motion.

The board **VOTED** unanimously to approve the motion.

A. Weimar made a motion to Appoint Butch Mullinax interim Treasurer.

A. Wilkins seconded the motion.

The board **VOTED** unanimously to approve the motion.

VII. Closing Items

A. Adjourn Meeting

J. Schleifer made a motion to adjourn board meeting.

L. Davis seconded the motion.

The board **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:00 PM.

Respectfully Submitted,

A. Weimar

Documents used during the meeting

- School Report June 2024.pdf
- TWC SRCA Comparision 2020-24.pdf
- TWC State to SRCA Comparision 2024.pdf
- 3200 Investment of Excess Capital.pdf

- FY25 Annual Budget Draft - SRCA v2.pdf
 - 9500 Non Student Sport Participation 6.2024.pdf
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Next Scheduled Meeting:
July 24, 2024 @ 6:30 pm
2150 Russ Ave. Waynesville

Coversheet

Approve minutes - SRCA Special Session June 11

Section: I. Opening Items
Item: E. Approve minutes - SRCA Special Session June 11
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for Special Session on July 11, 2024
2024_07_11_special_session_minutes.pdf



Shining Rock Classical Academy

Minutes

Special Session

Date and Time

Thursday July 11, 2024 at 6:00 PM

Location

SRCA

Directors Present

A. Adeleke, A. Weimar, A. Wilkins, B. Mullinix (remote), J. Schleifer (remote), L. Davis, S. Messer

Directors Absent

None

Ex Officio Members Present

J. Morgan

Non Voting Members Present

J. Morgan

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

A. Weimar called a meeting to order on Thursday Jul 11, 2024 at 6:08 PM.

II. Conflict of Interest Disclosures

A. Conflict of Interest disclosures and discussion

Any board members concerned for conflict of interest will express those per SRCA Bylaws - Article 4.12

•ARTICLE 4.12 Conflict of Interest. Any Director, officer, key employee, or committee member having an interest in a contract or other transaction presented to the Board or a committee prior to its acting on such contract or transaction **shall make known to the Board the possibility of conflict of interest.** Such disclosure shall include all relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to the corporation's interest. **The body to which such disclosure is made shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor participate (other than to present factual information or to respond to questions) in the discussion or deliberations** with respect to, such contract or transaction.

The minutes of the meeting shall reflect the disclosure, the vote thereon and, where applicable, the abstention from voting and participation. The Board may, at its discretion, adopt corrective and disciplinary actions with respect to transgressions of such policies.

•A person shall be deemed to have an "interest" in a contract or other transaction if he or she is the party (or one of the parties) contracting or dealing with the corporation, or is a Director, trustee or officer of, or has a significant financial or influential interest in the entity contracting or dealing with the corporation.

J. Schleifer - states potential conflict as an SRCA consultant for teacher licensure. No connection to his own pay regarding the HOS contract.

Alyson Weimar states potential conflict of interest as a spouse of SRCA employee Ben Weimar. Request boards vote on her participation in the HOS contract discussion and voting.

L. Davis made a motion to vote on Schleifer participation in the HOS contract - his contract does not warrant a conflict of interest.

A. Wilkins seconded the motion.

The team **VOTED** to approve the motion.

Roll Call

A. Wilkins Aye

A. Adeleke Aye

Roll Call

- S. Messer Aye
- L. Davis Aye
- A. Weimar Aye
- J. Schleifer Abstain
- B. Mullinix Aye

A. Wilkins made a motion to vote on Weimar participation in the HOS contract - relationship to SRCA employee does not warrant a conflict of interest.

B. Mullinix seconded the motion.

The team **VOTED** to approve the motion.

Roll Call

- A. Weimar Abstain
- B. Mullinix Aye
- J. Schleifer Aye
- A. Wilkins Aye
- S. Messer Aye
- L. Davis Aye
- A. Adeleke Aye

III. HOS SMART goals and discussion

A. Discussion on HOS SMART goals

J Morgan refers to -

[SMART Goals for Next Contract Cycle 2024.pdf](#)

Discussion on goals.

Concern for measurable, objective data.

What is important to us? Charter renewal compliance, ADM, academic excellence, school community/working environment.

A. Weimar made a motion to Close the Special Open session meeting.

L. Davis seconded the motion.

The team **VOTED** unanimously to approve the motion.

IV. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:49 PM.

Respectfully Submitted,

A. Weimar

DRAFT



Shining Rock Classical Academy

Minutes

Special Session

Date and Time

Thursday July 11, 2024 at 6:00 PM

Location

SRCA

Directors Present

A. Adeleke, A. Weimar, A. Wilkins, B. Mullinix (remote), J. Schleifer (remote), L. Davis, S. Messer

Directors Absent

None

Ex Officio Members Present

J. Morgan

Non Voting Members Present

J. Morgan

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

A. Weimar called a meeting to order on Thursday Jul 11, 2024 at 6:08 PM.

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L. Davis made a motion to vote on Schleifer participation in the HOS contract - his contract does not warrant a conflict of interest.

A. Wilkins seconded the motion.

The team **VOTED** to approve the motion.

Roll Call

A. Adeleke Aye

B. Mullinix Aye

Roll Call

S. Messer Aye
A. Weimar Aye
J. Schleifer Abstain
L. Davis Aye
A. Wilkins Aye

A. Wilkins made a motion to vote on Weimar participation in the HOS contract - relationship to SRCA employee does not warrant a conflict of interest.

B. Mullinix seconded the motion.

The team **VOTED** to approve the motion.

Roll Call

A. Adeleke Aye
B. Mullinix Aye
S. Messer Aye
A. Wilkins Aye
L. Davis Aye
J. Schleifer Aye
A. Weimar Abstain

III. HOS SMART goals and discussion

A. Discussion on HOS SMART goals

J Morgan refers to -

[SMART Goals for Next Contract Cycle 2024.pdf](#)

Discussion on goals.

Concern for measurable, objective data.

What is important to us? Charter renewal compliance, ADM, academic excellence, school community/working environment.

A. Weimar made a motion to Close the Special Open session meeting.

L. Davis seconded the motion.

The team **VOTED** unanimously to approve the motion.

IV. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:49 PM.

Respectfully Submitted,

A. Weimar

Coversheet

Policy Approval 2nd Read: 3200 Invest of Excess Capital

Section: IV. Voting Agenda
Item: B. Policy Approval 2nd Read: 3200 Invest of Excess Capital
Purpose: Vote
Submitted by:
Related Material: 3200 Investment of Excess Capital.pdf

INVESTMENT OF EXCESS CAPITAL

Policy Number: **3200x**

Purpose

The Board of Directors (the “Board”) of Shining Rock Classical Academy (“SRCA” or the “School”) adopts this Investment Policy to set parameters for the investment of operating reserve funds, special project funds and endowment funds held by SRCA. This policy does not apply to the SRCA checking account or any other funds held in general savings or checking accounts.

Except where legally required to hold separate funds, SRCA will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds monthly based on their respective cash balances. Until the total of all funds is greater than the amount of federal deposit insurance, currently \$250,000 per entity, all funds will be maintained in an insured account at a safe and sound financial institution.

SRCA will account for separately, to the extent possible, investments of public funds, such as state school funds and grant funds from public agencies, from investments of other funds, such as funds from donors, private foundations, fundraisers, and other entities and organizations.

Prioritization of Objectives

The primary objectives for this investment policy, in priority order, shall be:

1. **Preservation of Capital**
2. **Maintenance of a Liquid Position**
3. **Maximum Yield**

Risk Management

Safety of principal is the foremost objective of the investment program. Investment decisions shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

Credit Risk: SRCA will minimize credit risk, the risk of loss due to the financial failure of the security issuer or backer, by:

- Limiting exposure to poor credits and concentrating the investments in the safest types of securities.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- Monitoring the investment portfolio holdings for rating changes, changing economic/market conditions, and other relevant factors.

Interest Rate Risk: SRCA will minimize the price risk, due to changes in general market interest rates, associated with the sale of securities prior to maturity, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and/or special projects, thereby avoiding the need to sell securities on the open market prior to maturity.

- Investing operating funds primarily in shorter-term securities.

Liquidity: The investment portfolio shall remain sufficiently liquid to meet all operating, and special project requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with anticipated cash needs.

Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. *Return on investment is of lesser importance compared to the safety and liquidity objectives described above.* The portfolio investments are limited to highly rated/low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Securities shall not be sold prior to maturity with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principal.
2. A security swap that would improve the quality, yield, or target duration in the portfolio.
3. Liquidity needs of the portfolio require that the security be sold.
4. To liquidate a security purchased in error that violates state law or this policy.

Standards of Care

Prudence: The standard of prudence to be used by the Board, Finance Committee, and any investment officials designated by the Board shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Directors, officers, and its designees acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to SRCA Board in a timely fashion, and the liquidation and/or sale of securities are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in similar positions and similar circumstances, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived. The charitable and educational purpose of SRCA and the purpose of the investment fund, whether for operation, special projects, or endowments, must be considered when implementing this policy.

Ethics and Conflicts of Interest: Directors, officers, employees, and any approved designees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees, officers and their families shall not undertake personal investment transactions with the same individual with whom business is conducted on behalf of SRCA, unless disclosed to the Finance Committee and approval is explicitly provided. Directors, officers, employees, and any approved designees shall, at all times, comply with the standards of conduct for officers and directors, the fiduciary duties and conflict of interest requirements.

Delegation of Authority: The Board delegates authority to the Finance Committee to work with the Board to manage SRCA's investment program and ensure compliance with the investment policy, designate eligible investment institutions, place investments, review periodic investment reports, monitor investment transactions, maintain accounting records and prepare/deliver investment reports.

The Finance Committee may also establish an Investment Sub-Committee (“ISC”), if needed, to directly manage all aspects of investments for the SRCA and will report to the Finance Committee. The Investment Sub-Committee will be comprised of three (3) members, including the Chair of the Finance Committee, the Head of School and one At-Large member from the SRCA board.

If authorized by the Board, the Finance Committee/ISC may retain one or more investment advisors as well as any administrators, custodians, or other investment service providers required for the proper management of investment funds. If, and when, delegating investment authority to one or more advisors, the committee will establish and follow appropriate procedures for selecting such advisors and for conveying to each the scope of their authority, SRCA’s expectations and the requirement of compliance with these policies.

Authorized Financial Dealers and Institutions: A list will be maintained of financial institutions authorized to provide investment and safekeeping services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness and other factors considered relevant by SRCA. These may include primary dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Regional brokers and dealers must have an office in North Carolina to be considered for doing business with SRCA. The School will limit all security purchases to institutions on the approved lists and may elect to utilize one investment firm to centralize its investment portfolio.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following, as appropriate:

- Audited financial statements
- Proof of state and/or federal registration
- Certification of having read and understood the SRCA investment policy
- References from other nonprofits, North Carolina charter schools, or local government clients.

A review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the Finance Committee and at least every three (3) years. Additions and deletions to the list may be made at the discretion of the Finance Committee and the SRCA Board.

Internal Controls

The Finance Committee, in cooperation with the external auditor, will establish and maintain an adequate internal control structure designed to reasonably protect the investments of SRCA from loss, theft or misuse. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by the Finance Committee.

Audit: SRCA shall establish a process for an annual independent review by an external auditor to assure adequate internal controls, as well as compliance with policies and procedures. In addition, the internal controls may be tested by an external auditor upon any extraordinary event, such as turnover of key personnel.

Accounting Method: SRCA shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP) relating to investment accounting. The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to, the

Governmental Accounting Standards Board (GASB); the American Institute of Certified Public Accountants (AICPA); and the Financial Accounting Standards Board (FASB).

Investments

Delivery & Safekeeping: Prior to sending funds to a broker/dealer for an investment purchase, the Finance Committee (or a designee from the Finance Committee) will require a trade ticket listing the details of the transaction. Securities may be held by the broker/dealer in SRCA's name, in the broker/dealer's account, or they may be held by a third-party safekeeping agent.

The purchase and sale of securities shall be settled on a delivery versus payment basis. It is the intent of SRCA that all purchased securities shall be perfected in the name of SRCA. Sufficient evidence to title shall be consistent with modern investment and commercial practices.

Collateral: Cash management tools, defined as bank deposits, time deposits, certificates of deposit, savings, and Money Market accounts, shall be held in qualified depositories.

Authorized Investments: The following investments will be permitted by this policy and are authorized for investment:

1. US Treasury Securities and other lawfully issued general obligations of the United States, including general obligations of agencies and instrumentalities of the United States or enterprises sponsored by the United States government
2. Debt of the agencies and instrumentalities of the states of North Carolina, South Carolina, Georgia, and their political subdivisions, with at least AA rating by Moody's, Standard & Poor's or Fitch.
3. Time deposit open accounts, certificates of deposit, bank deposit, savings AND Money Market accounts
4. Corporate indebtedness of at least AA rating by Moody's, Standard & Poor's or Fitch.

Investment Parameters

Diversification: The investments shall be diversified by:

1. Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities)
2. Investing in securities that have high credit quality;
3. Limiting investments in high interest rate risk;
4. Investing in securities with varying maturities; and
5. Continuously investing a portion of the portfolio in readily available funds.

Maximum Maturities and Percentage of Investments by Type: The maximum percentages for direct investments of surplus funds are determined periodically by the Finance Committee, with approval by the Board, and set forth in the Addendum A to the Policy. Surplus funds are defined as the sum of all investments, cash balances, and deposit balances of all types. The maximum maturity is measured from the settlement date of the investment transaction. Capital project funds are funds specifically dedicated to capital projects. SRCA may designate (upon approval by the Board) other funds as capital project funds. Operating funds are all surplus funds that are not capital project funds.

Liquidity of Funds: Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds or held in bank balances to ensure that appropriate liquidity is maintained to meet on-going obligations.

Maturity limitations will depend upon whether the funds being invested are considered short-term or long-term funds. All funds will be considered short-term except those reserved for capital projects. Except for special situations, as directed by the Finance Committee, investments will be limited to maturities not exceeding thirty-six (36) months.

Short-term portfolio- Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs.

Long-term portfolio---- Instruments and diversification for the long-term portfolio shall be as for the short-term portfolio. Long-term portfolio is defined as “maturities over 12 months and maximum of 36 months”.

Maturity scheduling shall be timed according to anticipated need.

The investments of grant proceeds may be restricted under grant covenants that may be more restrictive than the investment parameters included in this policy. Grant proceeds shall be invested in accordance with the most restrictive parameters of this policy and the applicable grant covenants.

The length of maturity and percentage of the total portfolio are determined periodically by the Finance Committee, are recommended to the Board and are set forth in the Addendum to this Policy.

Credit Ratings: Minimum credit rating levels apply to a security at the transaction settlement date. If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Finance Committee shall evaluate the downgrade on a case-by-case basis to determine if the security should be held or sold. The Finance Committee will notify the SRCA Board about the credit rating downgrade and whether the decision was made to sell or hold the security.

Securities Lending and Reverse Repurchase Agreements: SRCA will not lend securities nor directly participate in a securities lending or reverse repurchase program.

Competitively Priced Securities: Before any security purchase or sale is initiated by the Finance Committee, they shall gather information about current market interest rate levels from various sources, including investment counselors, internet financial web sites, financial publications, and other sources and present it to the Finance Committee. Each security purchase shall be made at competitive market interest rate levels. The Finance Committee shall use its discretion in determining whether to seek competitive bids or offers.

Reporting

Methods: The Finance Committee or ISC will prepare an investment report quarterly including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the previous quarter. The report will be submitted to the SRCA Board for review. This management summary will be prepared in a manner that will allow the SRCA Board to ascertain whether investment activities during the reporting period have conformed to the investment policy. This investment report may come in the form of the monthly/quarterly statements provided by the Investment Advisor or Financial Institution in which investments have been made.

At a minimum, this report will include the following:

1. Listing of individual securities/funds held at the end of the reporting period.
2. Percentage of the total portfolio that each type of investment represents along with the percentages authorized in this policy.

Performance Standards: The investment portfolio will be managed in accordance with the parameters specified within this policy. The appropriate benchmark for cash equivalents will be the 90-day U.S. Treasury Bill Index. For fixed income assets over time, the average return should meet or exceed the Barclays Capital Aggregate Bond Index, or its equivalent, and for equity investments over time, the investment should meet or exceed the Standard and Poor's 500 Index or its equivalent.

Because bond proceeds are expected to be invested at the time they are received and are therefore invested in an interest rate environment that exists at that point in time, that portion of the portfolio will be excluded from ongoing benchmark performance measurement.

Marking to Market: The market value of the portfolio shall be calculated at least annually and a statement of the market value of the portfolio issued at fiscal year-end.

END OF POLICY

Addendum A to Investment Policy

Addendum A includes investment parameters that may be changed periodically by the Finance Committee in consultation with its investment advisor.

Maximum Maturities and Percentage of Investments by Type

Security	Maximum % of Total Portfolio	Maximum Maturity
US Treasury Bills, Notes, Bonds and Obligations Secured by the US Treasury	100%	<ul style="list-style-type: none"> • 18 Months for Operating Funds • 3 Years for Special Project Funds
US Government Agencies Instrumentalities	100%	<ul style="list-style-type: none"> • 18 Months for Operating Funds • 3 Years for Special Project Funds
US Government Sponsored Enterprises	100%	<ul style="list-style-type: none"> • 18 Months for Operating Funds • 3 Years for Special Project Funds
State and Local Government Securities	30%	<ul style="list-style-type: none"> • 18 Months for Operating Funds • 3 Years for Special Project Funds
Time Certificates of Deposit	50%*	18 Months
Corporate Indebtedness	35%	18 Months
Time Deposit Open Accounts, Bank Deposit, and Savings Accounts	100%	N/A
Money Market Accounts	100%	N/A

* Time Certificates of Deposits may be increased to 100% of the portfolio if the amount to be invested is not significant so that fees of other investments would greatly reduce earnings (typically an investment of less than \$100,000 may be 100 % invested in CDs)

To achieve issuer diversification, this policy sets limits on the maximum holdings by issuer for certain investment types.

- a. A limit of 35% of the portfolio held in securities issued by any single US government agency.
- b. Time certificates of deposit can all be issued by a single banking institution. To avoid over-concentration in a single banking institution, a limit of 10% for overall holdings of one institution or for insured deposits up to the federal deposit insurance limit.

Recommended to limit investment in a single corporate entity to no more than 5% of total surplus funds. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular security. Securities need not be liquidated to realign the portfolio, but consideration should be given to this matter when future liquidations are made or when reinvestment occurs. Portfolio percentage limits are in place to ensure diversification in the investment portfolio; a small, temporary imbalance will not significantly impair that strategy.

Liquidity of Funds

The following maturity limits are designed to ensure liquidity in the portfolio:

Length of Maturity	Minimum % of Total Portfolio
Under 30 days	10%
Under 90 days	25%
Under 180 days	50%
Under 360 days	90%
Under 18 months	100%

If these maturity limits are inadvertently exceeded at the time of a specific investment, the purchase does not need to be liquidated. The Finance Committee may alter the length of maturity and percentage of the portfolio based on anticipated timing of need and in accordance with this policy.

END OF ADDENDUM A

Coversheet

Temporary Approval 1st Read: AI Policy

Section: IV. Voting Agenda
Item: C. Temporary Approval 1st Read: AI Policy
Purpose: Vote
Submitted by:
Related Material: 5300 Artificial Intelligence.pdf

ARTIFICIAL INTELLIGENCE IN THE ORGANIZATION

Policy Number: **5300**

Introduction

This policy provides guidelines for the ethical and effective use of artificial intelligence (AI) within Shining Rock Classical Academy (SRCA). Its aim is to align with North Carolina and SRCA regulations. This policy has developed with regular review in consultation with staff, students, and community members.

Objectives

The aims of this policy are to ensure consistent application of AI tools in the following ways:

- **Enhance Learning Experiences:** Use AI to support diverse learning styles and provide personalized educational experiences.
- **Deepen Understanding:** Develop staff and student knowledge of the role of technology in education, the opportunities and limitations of AI and the potential dangers associated with its use, as well as the pros and cons.
- **Administrative Efficiency:** Use AI to simplify administrative tasks, which will allow teachers to focus more on student engagement and personalized learning.
- **Ethical and Legal Compliance:** Ensure all AI usage upholds the principles of academic integrity and privacy as outlined by the SRCA and NC regulations.

Scope

This policy applies to all students, teachers and support staff, administrative staff, and the School Leadership Team (SLT). It governs AI use on all school-related devices, as well as on personal devices when they used for educational purposes or personal purposes both on and off site.

Definitions

- **AI Tools:** Generative technologies capable of performing tasks that typically require human intelligence, such as interpreting, generating, and creating responses based on extensive data analysis. These include both free and subscription-based applications. AI tools will commonly have age restrictions, which must be adhered to when defined.

AI Tools and Solutions

The SRCA Team will work together to determine the AI Tools that are most appropriate for use by staff and students.

- **Procurement:** Establish criteria for selecting or approving AI tools, including compliance with ethical standards and educational effectiveness, as well as reviewing the extent and nature of data accessed by the tools.
- **Implementation:** Set procedures for the implementation of new AI tools, including trialing new tools, staff training and evaluation of effective tool use.

Ethical Guidelines

For Students

- **Supplementary Use:** AI should be utilized as a tool to aid learning and not as a substitute for personal intellectual efforts. All AI-assisted work should be clearly cited within SRCA guidelines.
- **Academic Integrity:** Consistent with SRCA policies, students must cite any AI-generated content and not present it as their own work. AI tools should be used exclusively for enhancing learning. All AI-assisted academic work must clearly cite the AI tools, the prompts and data sources used. This practice is crucial to uphold our commitment to academic honesty and integrity.
- **Example Uses:** Students may use AI tools for brainstorming ideas, finding resources, as a study aid, spell check, citation makers, and for analyzing data and improving their comprehension of resources that are inaccessible).
- AI should be used with caution— AI is not infallible, and students need to engage in critical thinking.

For Teachers

- **Curriculum Integration:** AI should be used to enhance curriculum delivery and not replace the unique contributions of the educator. AI being used should be school approved and appropriate for the school aged students intended.
- **Smart Prompts:** these should be taught and modeled in the classes. Prompts should be cited for the purpose of replicating and ensuring quality.
- **Fair Assessment:** AI tools are suitable for grading objective assessments, such as quizzes, standardized tests, differentiation for student needs, but should not be used for subjective assessments that require personal judgment.
- **Model Proper Use:** Teachers should model the ethical use of AI by integrating it appropriately within the curriculum and should conduct regular assessments to evaluate the students' understanding and application of AI tools. Special care must be taken to ensure that students are only accessing AI tools that are age appropriate. AI should stay within the parameters of approved sites by SRCA.

Guidelines for Specific Uses of AI in School Activities

This section outlines ways in which AI should be used to support learning while avoiding replacing essential human interactions.

Personal Tasks: Individual activities that require critical thinking and creativity, such as essay writing or original art projects, should be completed without AI assistance, to foster individual growth.

Supported Tasks: AI tools can be used to assist in gathering initial data or generating draft versions of work, where students are expected to critically review and refine the final output. Citations are required for information gathered.

Collaborative Tasks: AI tools can be used as a support tool to enhance tasks like grammar checking or formatting assistance, where it complements the student's or teacher's efforts.

Routine Tasks: AI may be fully employed in administrative functions to streamline operations, such as writing personal emails or rewriting a text to facilitate student comprehension.

Each application must be guided by ethical standards and aim to enhance educational outcomes without compromising learning integrity.

Consequences for Misuse

Violations of SRCA's AI policy may result in disciplinary actions, which could include, but are not limited to, limitations on AI usage privileges, as well as other disciplinary measures in accordance with SRCA's Staff and Student Handbooks, the SRCA Academic Integrity Policy and the SRCA Technology Agreement.

Training on AI Ethics and Usage

This section outlines ways to cultivate a comprehensive understanding of AI among students and staff, emphasizing ethical considerations and practical applications in education. Staff will be held accountable to utilize the training in the classroom.

Approaches

Integration into Curriculum: AI instruction will encompass its capabilities, limitations, biases and ethical implications to enhance students' digital literacy and understanding of AI's societal impact. Education on AI will be integrated into multiple subjects, focusing on its practical applications and ethical use in daily life.

Professional Development for Educators: Ongoing training sessions will be provided to staff routinely to be well equipped for the evolving landscape and ethical usage of AI tools in educational contexts. Training materials will be tailored to the roles of the participants when appropriate.

Regular Discussion: Regular discussions will be held with students about the societal, ethical, and personal implications of AI, encouraging critical thinking and ethical reasoning.

Data Management

Privacy and Security: Data that is submitted to AI tools must be handled according to General Data Protection Regulation (GDPR), ensuring the protection of personal data and maintaining confidentiality across the school, for both at home and school purposes.

Continuous Update and Adaptation of AI Policy

Yearly review: The SRCA Team will conduct a yearly review to ensure the policy remains aligned with the latest AI developments and educational practices, as well as the policies of the NC School Board. Any necessary updates will be installed promptly to maintain policy relevance and effectiveness. More frequent reviews and updates might be required based on the development of AI tools worldwide.

Community Feedback: Input from students, teachers, parents, and appropriate community stakeholders will be collected to gauge the effectiveness and reception of AI applications in educational settings.

Monitoring Emerging Technologies: The SRCA Team will continually observe new AI technologies and propose necessary modifications to the policy. Regular discussions will engage students in exploring the ethical, societal, and political implications of AI. These discussions will help students understand the broader impact of AI technologies and encourage responsible usage.

Summary of Responsibilities

Students Will

- Follow the guidance of their teachers and ISL policies and practices.
- Cite and articulate their use of AI tools.
- Ensure that content generated from AI tools is factual, unbiased accurate and complete.
- Access AI tools that are age appropriate and school approved

Teachers and Support Staff Will

- Develop basic literacy regarding AI tools.
- Collaborate to share ideas, solve problems, and modify practice where appropriate.
- Use AI tools to increase differentiated learning.
- Ensure that content generated from AI tools is factual, unbiased, and complete.
- Teach and model effective and ethical AI use.
- Use a range of teaching strategies and tools to authenticate work and ensure students' contributions are their own.
- Develop department-specific guidelines regarding the use of AI tools for their subject area(s)
- Refrain from the use of crowdsourcing tools (i.e., AI Checkers) in a punitive manner towards students. Instead, students should be encouraged to generate finished products that are accurate representations of their skills and abilities.

The SLT and ICT Team Will

- Stay up to date on current information about AI for education.
- Ensure policy compliance.
- Update the policy as needed.
- Procure and implement appropriate AI solutions for staff and students.
- Facilitate necessary training for staff and students.
- Monitor AI use and address any ethical concerns that arise.
- Implement appropriate disciplinary measures following instances of misuse.
- Work together to ensure AI is applied systemically and systematically.

Conclusion

The SRCA commits to maximizing AI technologies responsibly to enhance educational practices while adhering to ethical standards and fostering a culture of continuous learning and innovation. This policy should support and enhance SRCA's mission to develop engaged, responsible, and independent lifelong learners.