

CONFLICT OF INTEREST POLICY

ARTICLE 1. PURPOSE

1.1 The purpose of this conflict of interest policy (the “Policy”) is to protect the interests of Gardner Valley School and the Gardner Valley School Corporation (hereinafter the School and the Corporation are referred to as “the Corporation”) whenever the Corporation contemplates entering into a transaction or arrangement that might benefit or have the appearance of benefiting the private interest of a Board Member, Officer, or Key Person of the Corporation or one of their relatives. The Corporation will not enter into any such transaction or arrangement unless it is determined by the Board in the manner described below to be fair, reasonable and in the best interests of the Corporation at the time of such determination.

1.2 This policy is intended to supplement but not replace any applicable state and federal law that governs conflict of interest applicable to not-for-profit and charitable organizations.

ARTICLE 2. DEFINITIONS

2.1 Board of Directors. The body responsible for the management of the Corporation. The Board includes the Founding Board and the Operating Board.

2.3 Officer. An officer of the Board of Directors.

2.4. Key Person is a person who has responsibilities or influence over the Corporation as a whole, who manages a substantial portion of the activities and alone or with others determines a substantial portion of the Corporation’s operating budget. The Head of School is a key person.

2.5 Interested Person. Any director or officer of the Board or key person who has a direct or indirect financial interest, as defined below, is an interested person.

2.6 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(a) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or

(b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement,

(c) or a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that

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a conflict of interest exists.

2.7 Compensation is any direct and indirect remuneration as well as gifts or favors that are not insubstantial.

2.8 Federal project. A federal project includes any grant or contract where the funds originate from the United States government.

ARTICLE 3. PROCEDURES

3.1 Duty to Disclose. In connection with any actual or possible conflict of interest an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board.

3.2 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts and answering questions from the board, the interested person shall leave the board meeting. In the absence of the interested person, the board shall discuss the potential conflict of interest and determine by vote whether a conflict of interest exists. The board may adjourn the meeting to conduct any necessary research or due diligence prior to the vote.

3.3 If the board determines that a conflict of interest exists, the board shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction from a person or entity that would not give rise to a conflict of interest.

3.4 If the board cannot reasonably identify a more advantageous transaction that does not cause a conflict of interest, the board shall determine by a majority vote of the disinterested members whether to engage in the transaction. In making its decision, the board shall consider whether the transaction is in the best interest of the Corporation and whether the transaction is fair and reasonable.

3.5 If the board has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall afford the member an opportunity to explain the alleged failure to disclose. After hearing the person's response and conducting reasonable investigation, the board shall take necessary remedial actions, which may but not necessarily include discipline of the interested person or cancellation of any transaction.

ARTICLE 4. RECORDS OF PROCEEDINGS

Regarding discussion or resolution of a potential conflict of interest, the board minutes shall include

(a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest;

(b) the names of the persons who were present for discussions and votes relating to the

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transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection with the proceedings;

(c) the actions of the board.

ARTICLE 5. COMPENSATION

5.1 A voting member of the board who receives compensation, directly or indirectly, from the Corporation for services rendered other than his services to the Corporation as a member of the board, is precluded from voting on matters pertaining to that member's compensation.

5.2 No voting member of the board who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

5.3 Voting members of the board may receive reasonable compensation for their services to the Corporation as members of the board, provided that such compensation is reasonable compensation for the services so rendered and that such compensation has been approved by the board of the Corporation.

ARTICLE 6. DISCLOSURE OF INTEREST

6.1 Any board member, officer or employee who has, will have, or later acquires an interest in any actual or proposed contract with the Board must publicly disclose the nature and extent of such interest in writing to the Board as soon as he/she has knowledge of it.

6.2 Written disclosure of all interests shall be made part of and set forth in the minutes of the Board. Once made, no further disclosures with respect to additional contracts with the same party during the remainder of the fiscal year need be made.

ARTICLE 7. ANNUAL STATEMENTS

Each board member, officer, and key person shall annually sign and submit to the board a statement that affirms such person: (a) has received a copy of this Policy, (b) has read and understands the Policy, and (c) has agreed to comply with the Policy.

ARTICLE 8. PRIVATE FOUNDATION

The Corporation shall not participate in any transaction not allowed for a private foundation as provided in the Articles of Incorporation.

ARTICLE 9. SPECIAL RULE FOR GRANTS OR BENEFITS

No member of the Board shall participate in any grant or benefit selection process for any period during which any child, grandchild, niece, grandniece, nephew, or grandnephew of such person

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or his/her spouse has applied for and is under consideration for any grant or benefit.

ARTICLE 10 FEDERAL GRANTS, FUNDS AND PROJECTS

10.1 Pursuant to C.F.R. § 75.525, a board member, officer or key person may not participate in an administrative decision regarding a project funded with federal monies if:

(1) The decision is likely to benefit that person or a member of his or her immediate family; and

(2) The person:

(i) Is a public official; or

(ii) Has a family or business relationship with the Corporation.

(10.2) A board member, officer or key person may not permit any person participating in Corporation project funded with federal grants or funds to use his position for a purpose that is - or gives the appearance of being - motivated by a desire for a private financial gain for that person or for others.

ACKNOWLEDGEMENT

I acknowledge that I have reviewed Gardner Valley School Conflict of Interest Policy. I will abide by its provisions.

Name

Title

Signature

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