

Annual Conflict of Interest Statement

I, _____, have received a copy of the Bylaws of ----- High School, including the article on Conflict of Interest, which is appended to this form. I have read and understand the policy, and I agree to adhere to it. Furthermore, I understand that ----- High School is a non-profit religious and charitable organization, and that in order to maintain its federal and state tax exemption, it must engage primarily in activities which accomplish one or more of the tax-exempt purposes.

Signed _____ Date _____

Within the past three years, have you or any family member(s):

- Held a position or a material financial interest in any entity doing business with <School>, *or*
- Had any personal loans, advances or borrowings from any entity that does business with <School> (excluding credit cards and personal/mortgage loans at market rates at financial institutions), *or*
- Rendered directive, managerial, consultative or other services to or on behalf of any entity that does business with <School>, *or*
- Employed or otherwise retained any personnel of <School> for work on non-school business, *or*
- Used property of <School> to conduct any personal or non-school business?

NO _____

YES _____

(If YES, please provide further detail on the reverse side. Thank you.)

Article VIII- CONFLICTS OF INTEREST POLICY

Section 1. Purpose. The purpose of the conflicts of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Trustee of the Corporation. This policy is intended to supplement, explain, and provide a process for implementation of what is stated in the Charter. It is not, however, intended to replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Section 2. Definitions.

1. An "Interested Person" is any Trustee, principal officer, or member of a committee with Board delegated powers who has a direct or indirect financial interest, as defined below.
2. 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, or
 - (c) 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.
3. "Compensation" includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 3. Procedures.

1. Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the Trustees and members of committees with Board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest, the interested person shall leave the Board or committee meeting while the financial interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3. Addressing the Conflict of Interest.

- (a) The Chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (b) After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- (c) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether the transaction is fair and reasonable to the Corporation. The Board or committee shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy.

- (a) If the Board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the Board and all committees with Board delegated powers shall contain:

- (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, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) the names of the persons who were present for discussions and votes relating to the 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 therewith.

Section 5. Compensation Committees. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

Section 6. Annual Statements. Each Trustee, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms that such Person:

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews. Periodic reviews shall be conducted to ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax. The periodic reviews shall at a minimum, include the following subjects:

- (a) whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.
- (b) whether any corporate services result in inurement or impermissible private benefit.

Section 8. Use of Outside Experts. In conducting the periodic reviews provided for in Section 7, the Corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.