



Nevada School of Inquiry Conflict of Interest and Compensation Policy

I. Overview

1. Purpose

The purpose of this Conflict of Interest and Compensation Policy (the “policy”) is to protect Nevada School of Inquiry’s (the “School”) interests when it is considering taking an action or entering into a transaction that might benefit the private interests of any Board Trustee, result in the payment of excessive compensation to a Board Trustee; or otherwise violate state and federal laws governing conflicts of interest applicable to nonprofit, charitable organizations.

2. Why is a policy necessary?

As a nonprofit, charitable organization, the School is accountable to both government agencies and members of the public for responsible and proper use of its resources. Board Trustees and employees have a duty to act in the School’s best interests and may not use their positions for their own financial or personal benefit.

Conflicts of interest must be taken very seriously since they can damage the School’s reputation and expose both the School and affiliated individuals to legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for the Corporation.

3. To whom does the policy apply?

This policy applies to all Board Trustees (“you”).

II. Identifying Conflicts of Interest

1. What is a conflict of interest?

A potential conflict of interest arises when a Board Officer or , or that person’s relative or business (a) stands to gain a financial benefit from an action the School takes or a transaction into which the School enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the Board Trustee in discharging their duties to the School.

2. What are some examples of potential conflicts of interest?

It is impossible to list all the possible circumstances that could present conflicts of interest. Potential conflicts of interest include situations in which a Board Trustee or that person’s relative or business:

- has an ownership or investment interest in any third party that the School deals with or is considering dealing with;



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- serves on the board of, participates in the management of, or is otherwise employed by or volunteers with any third party that the School deals with or is considering dealing with;
 - receives or may receive compensation or other benefits in connection with a transaction into which the School enters;
 - receives or may receive personal gifts or loans from third parties dealing with the School;
 - serves as an officer, director, or trustee of another nonprofit organization that is competing with the Corporation for a grant or contract;
 - has a close personal or business relationship with a participant in a transaction being considered by the School;
 - would like to pursue a transaction being considered by the School for personal benefit.
3. In situations where you are uncertain, err on the side of caution and disclose the potential conflict as set forth in Section III of this policy.
4. **A potential conflict is not necessarily a conflict of interest.** A person has a conflict of interest only if the audit committee decides, pursuant to Section IV of this policy, that a conflict of interest exists.

III. Disclosing Potential Conflicts of Interest

1. You must disclose to the best of your knowledge all potential conflicts of interest as soon as you become aware of them and always before any actions involving the potential conflict are taken. Submit a signed, written statement disclosing all the material facts to the audit committee.
2. You must file an annual disclosure statement in the form attached to this policy. You must also file this statement prior to your initial election. Submit the form to the acting Board President and Board Secretary for review (the Board Treasurer will step in if the conflict of interest involves either of these two).



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IV. Determining Whether a Conflict of Interest Exists

1. After there has been disclosure of a potential conflict and after gathering any relevant information from the concerned Board Trustee, the Board President and Secretary determine whether there is a conflict of interest. The Board Trustee shall not be present for deliberation or vote on the matter and must not attempt to influence improperly the determination of whether a conflict of interest exists.
2. In determining whether a conflict of interest exists, the Board President and Secretary shall consider whether the potential conflict of interest would cause a transaction entered into by the School to raise questions of bias, inappropriate use of the School's assets, or any other impropriety.
3. A conflict always exists in the case of a related party transaction – a transaction, agreement or other arrangement in which a related party has a financial interest and in which the School or any affiliate of the School is a participant.
4. If the Board President and Secretary determine that there is a conflict of interest, it shall refer the matter to the entire Board of Trustees ("Board").

V. Procedures for Addressing a Conflict of Interest

1. When a matter involving a conflict of interest comes before the Board, the Board may seek information from the Board Trustee with the conflict prior to beginning deliberation and reaching a decision on the matter. However, a conflicted person shall not be present during the discussion or vote on the matter and must not attempt to influence improperly the deliberation or vote.
2. **Additional Procedures for Addressing Related Party Transactions**
 - a. The School may not enter into a related party transaction unless, after good faith disclosure of the material facts by the Board Trustee or a committee authorized by the Board determines that the transaction is fair, reasonable and in the School's best interest at the time of such determination.
 - b. If the related party has a substantial financial interest, the Board or authorized committee shall:
 - i. prior to entering into the transaction, consider alternative transactions to the extent available;



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- ii. approve the transaction by a vote of not less than a majority of the Board present at the meeting; and
- iii. contemporaneously document in writing the basis for its approval, including its consideration of any alternative transactions.

VI. Minutes and Documentation

The minutes of any board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a. the name of the interested party and the nature of the interest;
- b. the decision as to whether the interest presented a conflict of interest;
- c. any alternatives to a proposed contract or transaction considered by the board; and
- d. if the transaction was approved, the basis for the approval.

VII. Prohibited Acts

The School shall not make a loan to any Board Officer or Director.

VIII. Procedures for Determining Compensation

1. No person shall be present for or participate in Board or committee discussion or vote pertaining to:
 - a. their own compensation;
 - b. the compensation of their relative;
 - c. the compensation of any person who is in a position to direct or control them in an employment relationship;
 - d. the compensation of any person who is in a position to directly affect their financial interests; or
 - e. any other compensation decision from which the person stands to benefit.



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**Nevada School of Inquiry
Conflict of Interest Disclosure Statement**

By signing below, I affirm that:

1. I have received and read a copy of the Conflict of Interest and Compensation Policy;
2. I agree to comply with the policy;
3. I have no actual or potential conflicts as defined by the policy or if I have, I have previously disclosed them as required by the policy or am disclosing them below.

Disclose here, to the best of your knowledge:

1. any entity in which you participate (as a Board Trustee or employee) with which the School has a relationship;
2. any transaction in which the School is a participant as to which you might have a conflicting interest; and
3. any other situation which may pose a conflict of interest.

Christina Threeton, Director Date

Eric Threeton, Director Date

Sherry Pendleton, President Date

Michael Woodfield, Treasurer Date

Kelsie Buhl, Secretary Date