

NON-PROFIT CONFLICT OF INTEREST POLICY OF GRACE IN MOTION DANCE, INC.

ARTICLE I PURPOSE

The purpose of the Conflict of Interest policy is to protect Grace In Motion Dance, Inc.'s tax-exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, or that might otherwise result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable corporations/organizations and is not intended as an exclusive statement of responsibilities.

ARTICLE II DEFINITIONS

Interested Persons

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Financial Interest

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

- An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, 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.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2 of this policy, a person who

has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

ARTICLE III **PROCEDURES**

3.01 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 directors and members of committees with governing board delegated powers who are considering the proposed transaction or arrangement.

3.02 Establishing a Conflict of Interest

After the disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the governing board or committee meeting while the potential conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Addressing a Conflict of Interest

In the event that the governing board or committee should establish that a proposed transaction or arrangement establishes a conflict of interest, the board or committee shall then proceed with the following actions:

- a) Any interested person may render a request or report at the governing board or committee meeting, but upon completion of said request or report the individual shall be excused while the board or committee discusses the information and/or material presented and then votes on the transaction or arrangement proposed involving the possible conflict of interest.
- b) The chairperson of the governing board or committee shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of the

corporation, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with the above determination.

Violations of Conflict of Interest Policy

Should the governing board or committee have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, the board or committee shall then inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person's explanation, and after making further investigation as may be warranted in consideration of the circumstances, the governing board or committee determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV **RECORDS OF PROCEEDINGS**

Board Minutes

All minutes of the governing board and all committees with board delegated powers, when applicable, shall contain the following information:

- a) The names of all 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 governing 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 any votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement, and a record of any vote taken in connection with the proceedings.

ARTICLE V **COMPENSATION**

Compensated Members

5.01 A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

5.02 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.

5.03 No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI **ANNUAL STATEMENTS**

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- Has received a copy of the conflicts of interest policy,
- Has read and understands the policy,
- Has agreed to comply with the policy, and
- Understands that the corporation is charitable and in order to maintain federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VII **PERIODIC REVIEWS**

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews of this policy shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- Whether partnerships, joint ventures, and arrangements with management corporations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in excess benefit transaction.

ARTICLE VIII
USE OF OUTSIDE EXPERTS

When conducting periodic reviews as provided for in Article VII of this policy, the corporation may, but need not, use outside advisers. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

CERTIFICATE OF ADOPTION OF
CONFLICT OF INTEREST POLICY

I do hereby certify that the above stated Conflict of Interest Policy and Agreement for Grace In Motion Dance, Inc. were approved and adopted by the Board of Directors on 7-20, 2023 and constitute a complete copy of the Conflict of Interest Policy of the corporation.



Steven Sippert, Secretary

Date: 7-20-23