

BYLAWS
OF
HARDIN VALLEY ACADEMY FOUNDATION, INC.

ARTICLE ONE
NAME

The name of the corporation is HARDIN VALLEY ACADEMY FOUNDATION, INC. which is designated herein as the "Corporation". These Bylaws shall regulate the affairs of the Corporation, subject to the provisions of the Corporation Charter and any applicable provisions of the Tennessee Nonprofit Corporation Act, Section 48-51-101, et seq, of the Tennessee Code Annotated.

ARTICLE TWO
PURPOSES

Section 1. Public Benefit Organization. The Corporation is an organization and shall be operated exclusively for educational, literary and scientific within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1986, as amended (herein the "Code"), or the corresponding provision of any future federal tax code, and shall not engage in any activities which, in themselves are not in furtherance of one of more of such purposes. Nothing herein stated shall impose any legal obligation on or limit or restrict in any manner the powers of the Board of Directors ("Board").

Section 2. No Members. The Corporation is not a membership corporation and shall have no members. The Board may take any action which is permitted or required to be taken by members of a nonprofit corporation under Tennessee law by the affirmative vote of a majority of the entire Board, without the necessity of any prior action by them which would otherwise have been require by law for such action if there were members entitled to vote on such actions..

Section 3. No Private Benefit or Lobbying. The corporation shall carry on its activities so as not to violate the private benefit or private inurement doctrines or the rules pertaining to excess benefit transactions for nonprofit corporations. The Corporation will not lobby any legislative body or any elected or administrative official or any federal or state government in any fashion that would result in the loss of the Corporation's exemption under Section 501(c) (3) of the Code, or the corresponding provision of any future federal tax code. Further, the Corporation shall not carry on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Section 4. Purposes, Mission. The purposes for which the Corporation is organized are as follows:

- (a) The Corporation has been organized and shall be operated exclusively for educational scientific and literary purposes within the meaning of Section 501(c) (3) of the Code or the corresponding provision of any future federal tax code.

- (b) The Corporation is irrevocably dedicated to and operated exclusively for nonprofit purposes, and no part of the income or assets of the Corporation shall be distributed to or inure to the benefit of any individual.
- (c) The Corporation shall neither have nor exercise any power, nor shall it directly or indirectly engage in any activity that would (1) prevent it from obtaining exemption from federal income taxation as a corporation described in Section 501(c) (3) of the Code, or (2) cause it to lose such exemption.

ARTICLE THREE OFFICES

Section 3.1 Registered Office. The Corporation shall designate and continuously maintain a registered office in the State of Tennessee.

Section 3.2 Principal Office. The principal office of the Corporation shall be that which is designated as such by the Board. The Corporation's initial principal office shall be 11345 Hardin Valley Road, Knoxville, Tennessee 37932-1420.

Section 3.1 Registered Office. The Corporation shall designate and continuously maintain a registered agent in the State of Tennessee at its registered office. The initial registered agent of the Corporations shall be Christopher W. Martin, Esquire, P. O. Box 23380, Knoxville, TN 37933

ARTICLE FOUR ANNUAL MEETINGS

Section 4.1 Place. All meetings of the Corporation shall be held at such places as may be fixed by resolution of the Board.

Section 4.2 Annual Meeting. The annual meeting of the Corporation should be held, when possible, before or promptly after the end of the fiscal year. The Board may, however, by resolution, fix the date of the annual meeting on any day during the year. At the annual meeting, the Board shall elect such officers or committee positions as the Board deems necessary and receive such reports on the activities and financial condition of the Corporation as the Board so directs.

ARTICLE FIVE BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the corporation shall be managed by its board of directors. Directors shall be residents of the State of Tennessee.

Section 2. Number, Tenure, and Qualifications. The number of directors shall be five (5). Directors shall be elected at the annual meeting of members, and the term of office of each director shall be until the next annual meeting of members and the election and qualification of his or her successor. A greater number of directors can be designated by the Board at a meeting specifically

called for the purpose of increasing the size of the board of directors; however, in no event shall the Board exceed 9 members unless these By-Laws are expressly amended. The Board may create an honorary board of directors of unlimited number, which shall consist of citizens elected by the official corporate Board who have contributed time, money and/or efforts for the betterment of the corporation, or who have a stature and standing in the community that would be beneficial to the causes of the corporation. Honorary board members shall have no voting rights, and shall not be required to meet on any regular basis. Any meeting of the honorary board shall be presided over by the president of the corporation.

Section 3. Regular Meetings. A regular meeting of the board of directors shall be held without any other notice than this bylaw immediately after, and at the same place as, the annual meeting of members. The board of directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution. Additional regular meetings shall be held at the principal office of the corporation in the absence of any designation in the resolution.

Section 4. Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any two directors, and shall be held at the principal office of the corporation or at such other place as the directors may determine.

Section 5. Notice. Notice of any special meeting of the board of directors shall be given at least two days previously thereto by written notice delivered personally or sent by mail or customary commercial courier to each director at his or her address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by courier, such notice shall be deemed to be delivered the first business day after the notice is delivered to the courier company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws.

Section 6. Quorum. A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the directors are present at any meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Board Decisions. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by law or by these bylaws.

Section 8. Vacancies. Any vacancy occurring in the board of directors and any directorship to be filled by reason of an increase in the number of directors, shall be filled by the board of directors. A director appointed to fill a vacancy shall serve for the unexpired term of his or her predecessor in office.

Section 9. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the board of directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at any regular or special meeting of the Board. Nothing herein

contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE SIX OFFICERS

Section 1. Officers. The officers of the corporation shall be a president, one or more vice presidents (the number thereof to be determined by the board of directors), a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of this article. The board of directors may elect or appoint such other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the board of directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at the regular annual meeting of the board of directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the board of directors. Each officer shall hold office until his or her successor has been duly elected and qualifies.

Section 3. Term of Office. The officers of the Corporation shall hold office until their successors are chosen and qualify in their stead, subject, however, to the right and authority of the Board to remove any officer at any time.

Section 4. Powers and Duties of Officers. The powers and duties of the officers of the Corporation shall be as follows:

(a) President. The President shall be the officer of the Corporation who shall have general and specific responsibility for the day-to-day operations and management of the Corporation. The President shall preside at all meetings of the Board, and shall see that all orders and resolutions of the Board are carried into effect, subject, however, to the right of the Board to delegate any specific powers, unless exclusively conferred upon the President at law, to any other officer(s) of the Corporation. The President shall also report on the activities and financial condition of the Corporation at all annual meetings and shall annually appoint a nominating committee to propose candidates for officers and open Directorships. Finally it shall be the President who shall execute all contracts, other obligations or other business documents in the name of and on behalf of the Corporation unless unavailable, in which case, such responsibility shall fall to the Vice President, if any, and then to the Secretary.

(b) Vice President. The Vice President (if any) shall have such powers and perform such duties as may be assigned to him or her by the Board or the President.

(c) Secretary. The Secretary shall attend all meetings of the Board and shall be responsible for preparing the minutes of such meetings. The Secretary shall be responsible for the care and custody of the minute book of the Corporation and for authenticating the records of the Corporation. It shall be his or her duty to give or cause to be given notice of all meetings of the Board. The Secretary shall also perform such other duties as may be assigned to him or her by the Board or by the President, under whose supervision he or she shall act. In the event the Secretary is absent for some

reason from any meeting where minutes are to be prepared or is otherwise unable to take such minutes, the presiding officer of such meeting shall appoint another person, subject to the approval of those present and entitled to vote at such meeting, to take the minutes thereof.

(d) Treasurer. The Treasurer, if any, shall have custody of the Corporation's funds and securities, shall keep full and accurate account of receipts and disbursements in the appropriate books and records of the Corporation, and shall require the deposit of all monies and other valuable assets in the name of and to the credit of the Corporation in such financial institutions as may be designated by the Board. The Treasurer shall require disbursement of the funds as may be ordered by the Board, and shall render to the President and the Board, at any time they may require, an account of his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall also report on the activities and financial condition of the Corporation at all meetings of the Board.

Section 3. Removal. The Board may remove any officer at any time, without or without cause.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the board of directors for the unexpired portion of the term.

Section 5. Powers and Duties. The several officers shall have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the board of directors. In the absence of such specifications, each officer shall have the powers and authority and shall perform and discharge the duties of officers of the same title serving in nonprofit corporations having the same or similar general purposes and objectives as this corporation.

Section 6. Indemnification. With respect to claims or liabilities arising out of service of an officer of the Corporation, the Corporation may indemnify, upon a vote of the Directors, each present and future officer (and his or her estate, heirs, and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended, including without limitation, Tennessee Code Annotated Section 48-58-507 of the Tennessee Nonprofit Corporation Act. Further, to the fullest extent allowed by the laws of the State of Tennessee, the Corporation may, upon a vote of the Directors, pay for or reimburse the reasonable expenses incurred by an officer who is a party to a proceeding whether in the context of litigation or otherwise, or in any form of alternative dispute resolution proceeding, including at the trial and any appellate level, and including, without limitation, attorney's fees and expenses.

Section 7. Immunity. To the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended, each present and future officer and/or member of any committee appointed by the Board shall be immune from suit arising from the conduct of the affairs of the Corporation.

**ARTICLE SEVEN
COMMITTEES**

Section 1. Committees of Directors. The board of directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in such resolution, shall have and

exercise the authority of the board of directors in the management of the corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the board of directors, or any individual director, of any responsibility imposed on it or him or her by law.

Section 2. *Membership Committee.* At the first annual meeting of the members, or such special meeting of the members as may be called for the purpose, the members shall elect from their number no fewer than 3 nor more than 5 persons, who shall constitute the membership committee. Of the committee members first elected 2 shall serve for one year, and the balance shall server for 2 years. At annual meetings of the members thereafter, the members shall be elected to the committee for one-year terms to fill the terms as they expire. Any vacancy occurring in the committee by death, resignation, withdrawal from membership, or otherwise shall be filled by majority vote of all the remaining members of the committee. Any person so elected shall serve for the remainder of the term of his or her predecessor.

The committee, when formed, shall organize itself, shall elect from its members a chairperson and a secretary, and shall perform the functions and discharge the duties, concerning the consideration, approval, and election of new members, as are given to the committee elsewhere in these bylaws, or by resolution of the board of directors, or by resolution of the members.

Section 3. *Executive Committees.* The board of directors shall have an Executive Committee, which shall consist of three or more directors, as the Board may designate from time to time, and shall exercise such authority of the board of directors as the Board deems advisable; however, at no time shall the Executive Committee have or exercise the authority of the board of directors to adopt, amend, or repeal the Bylaws, or fill vacancies on the Board of Directors or any committee. The Executive Committee shall have and may exercise when the Board is not in session the powers of the board of directors and the management of the business affairs of the corporation, and shall have the power to authorize the seal of the corporation to be affixed to all papers which it may require. The board of drectors shall at all times have the power to change the membership of the Executive Committee, and to fill any vacancies thereon or dissolve the Executive Committee. A majority of the members of the Executive Committee shall constitute a quorum for the purposes of conducting business.

Section 4. *Other Committees.* Other committees not having and exercising the authority of the board of directors in the management of the corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be members of the corporation, and the president of the corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the corporation shall be served by such removal.

ARTICLE EIGHT CONTRACTS, CHECKS, DEPOSITS, AND GIFTS

Section 1. *Contracts.* The board of directors may authorize any officer or officers or agent or agents of the corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or may be confined to specific instances.

Section 2. Checks, Drafts, or Orders. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers or agent or agents of the corporation, and in such manner as shall from time to time be determined by resolution of the board of directors. In the absence of such determination by the board of directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of the corporation.

Section 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

Section 4. Gifts. The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for any purpose of the corporation.

ARTICLE NINE BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, board of directors, committees having and exercising any of the authority of the board of directors, and the membership committee, and shall keep at the principal office a record giving the names and addresses of the members entitled to vote. All books and records of the corporation may be inspected by any member, or his or her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE TEN FISCAL YEAR

The fiscal year of the corporation shall commence on January 1 of each year and shall extend through the end of midnight on the 31st day of January of each year.

ARTICLE ELEVEN WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Tennessee Nonprofit Corporation Act, or under the provisions of the Articles of Incorporation of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE TWELVE AMENDMENT OF BYLAWS

These bylaws may be altered, amended, or repealed, and new bylaws may be adopted by a seventy five percent (75%) vote of the directors present at any regular meeting or at any special meeting, if at least 15 day's written notice is given of intention to alter, amend, or repeal or to adopt

new bylaws at such meeting or vote of the members at any regular or special meeting or as the case may be.

**ARTICLE THIRTEEN
DISPOSITION OF ASSETS UPON DISSOLUTION**

As set forth in Section 15(c) of the Charter of the Corporation, upon the dissolution of the Corporation, the assets of the Corporation shall be distributed in accordance with a plan of distribution adopted by the board of directors exclusively for the purposes of the Corporation or to one or more religious, charitable, scientific, or educational organizations which (1) are not for profit, (2) are engaged in affairs substantially similar to those of the Corporation, and (3) qualify under the provisions of Section 501(c)(3) of the Code and its Regulations, provided that the assets shall be used by the grantee for purposes substantially similar to those of the Corporation. In no event shall the Corporation's property be conveyed to any organization created or operated for profit or to any individual for less than the fair market value of such property, and all assets remaining after payment to the Corporation's debts shall be conveyed or distributed to an organization created and operated for nonprofit purposes similar to those of the Corporation, as set forth above.

**ARTICLE FOURTEEN
CORPORATE POLICIES AND PROCEDURES**

Attached to these Bylaws and incorporated herein by reference are certain policies and procedures, including the following:

- Exhibit A - Financial policy for a corporation
- Exhibit B – Gift policy for corporation
- Exhibit C – Conflict of interest policy for corporation
- Exhibit D – Privacy statement for corporation
- Exhibit E – Whistle blower policy for corporation

Adopted at the corporation meeting of Hardin Valley Academy on this the ____ day of August, 2012.

BY: _____
President

BY: _____
Secretary

Financial Policy for Hardin Valley Academy Foundation

1.0 To comply with the School Support Organization statute, this organization must register incorporate as a nonprofit) with the Secretary of State's office.

2.0 The organization must annually: confirm its status as a nonprofit; describe its goals and objectives; and provide the address, telephone number and position of each officer of the organization to the Principal, the director of schools or the director's designee.

3.0 Organizations must not use the school's Employer Identification Number or sales tax exemption for any purpose.

4.0 The identity of the authorized banking institution, authorized bank account(s), and authorized signatories should be included in the minutes.

5.0 The name on any bank account, security, or other investment should be that of the incorporated support organization.

6.0 The titled owner to any property (vehicle, computer, land, etc.) should be the incorporated support organization.

7.0 Materials, supplies, and fundraising product inventory should be stored at a location and in a manner to prevent spoilage or pilfering. An effort should be made to account for supply and inventory items.

8.0 All bills should be paid by check, never cash. Pre-signing blank checks should be prohibited.

9.0 For disbursements, pre-numbered bank checks should be used that require two signatures or one signature with additional email approval if second signature cannot be obtained. The email should be sent to both the Principal and President for approval, no less frequently than weekly.

10.0 Each check written should have a receipt or invoice filed by Vendor. The treasurer should write the check number and date paid on the invoice or receipt. When a receipt or invoice is not available, a written document, signed by the treasurer, describing the expenditure and explaining why no other documentation is provided, should be created and filed.

11.0 A receipt should be issued any time, and at the time, cash is turned over to or collected by the treasurer acting in his/her official capacity as treasurer of the school support organization. The receipts should be pre-numbered and kept in a bound book. One copy should be maintained in the receipt book.

12.0 For certain events or mass collections (e.g., concessions, parking, car wash, candy sale), a record of the total collections each day must be created. Two individuals should count the collections and prepare a count sheet, signed by both counters. When the collections are turned over to the treasurer, he/she and the individuals should recount the collections. The treasurer should then immediately issue a receipt to the individuals. The count sheet should be filed by the treasurer.

13.0 When a school support organization operates a concession stand or parking at a related school academic, arts, athletic, or social event on school property, the support organization must provide the school with all relevant collection records required by the *Internal School Uniform Accounting Policy Manual*. (Refer to Sections 4 and 5 of the manual. The manual may be found online at <http://tennessee.gov/education/support/ed331936.shtml>.)

14.0 Collections should be deposited in the bank in a timely manner. Deposit slips should include an itemized listing of checks.

15.0 The treasurer should provide a signed summary of collections and disbursements to organization officers on a monthly basis.

16.0 Bank accounts should be reconciled promptly. A copy of the bank statement and imaged checks should be included in the minutes.

17.0 All collection records, bank statements, canceled checks and invoices, along with copies of the monthly treasurer's report, should be organized and maintained by the treasurer by fiscal year. Records should be maintained for at least four years.

18.0 The organization should maintain documentation of any written conditions on any donations to the board of education or the school. Pursuant to state law, the school board or school must, in good faith, disburse the funds in accordance with those conditions.

19.0 The organization should contact the Comptroller of the Treasury, Division of Municipal Audit, at (615) 532-4460 if fraud is suspected.

20.0 HVAF Treasurer shall use QuickBooks (Intuit) or a similar program to produce quarterly reports to the Board of Directors. Such reports shall include a Fiscal Year Balance Sheet and a monthly Income & Expense report for the Board of Directors.

21.0 HVAF Secretary shall produce, in conjunction with the Treasurer, annual Gift Letters to all donors or sponsors for contributions received during the Fiscal Year. Letters shall be produced for either cash or gift-in-kind donations that exceed \$250.00

22.0 This Financial Policy can be amended by only the Board of Directors at a regularly scheduled meeting, with a quorum and 75% approval of the Board of Directors

GIFT ACCEPTANCE POLICY

PURPOSE

This gift acceptance policy will provide guidelines to representatives of who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to Hardin Valley Academy Foundation (HVAF). This policy is intended only as a guide and allows for some flexibility on a case-by-case basis upon approval of the Board of Directors of HVAF. The gift review *process* outlined here, however, is intended to be followed closely.

I. STATEMENT OF GENERAL STANDARDS

The solicitation, planning and administration of a charitable gift is a complex process involving philanthropic, personal, financial and tax considerations, and involves professionals from various disciplines whose goals should include working together to structure a gift that achieves a fair and proper balance between the interests of the donor and the purposes of HVAF.

- A. The principal basis for making a charitable gift should be the desire on the part of the donor to benefit HVAF.
- B. A full and accurate explanation by professional advisors of tax incentives for charitable giving and their implications is often necessary and appropriate. No program, agreement, trust, contract or commitment shall be knowingly urged upon any prospective donor, which would benefit HVAF at the expense of the donor's interest and welfare.
- C. The roles and relationships of all parties involved, including how and by whom each is compensated, must be fully disclosed to the donor. All personnel engaged by HVAF to contact prospective donors shall be either volunteers or paid a salary or a fixed wage, but shall not receive commissions, which could give such personnel a direct beneficial interest in any agreement.
- D. HVAF's Board of Directors, both officers and directors, at all times shall advise donors only in areas in which they are professionally qualified, and shall defer to other professional advisors as necessary. All potential donors shall be advised to use their own legal and tax counsel in matters relating to their planned gifts, tax and estate planning.
- E. All representatives of HVAF shall exercise caution to avoid pressure, persuasion, or undue influence when informing, counseling or assisting a donor regarding gift planning concerns. This caution must include exercise of prudent consideration of the donor's interest as well as his/her charitable objectives.

- F. Only personnel approved by the Board of Directors shall be authorized to negotiate on behalf of HVAF with any donor in respect to any current or planned gift. HVAF shall consult its own legal counsel in all matters pertaining to its planned gift program and shall not execute any agreement, contract, trust or other legal document with any donor without appropriate legal advice. Agreements of any kind, which involve any unusual or special legal obligation on the part of HVAF or its representatives or members, shall require prior approval of the Executive Board or its authorized designee.
- G. HVAF shall not take on the role of trustee of any planned gift vehicle. The Board of Directors or its authorized designee may approve exceptions.
- H. HVAF shall respectfully decline to accept any gift whenever there may be a reasonable question as to whether the donor has sufficient title to the assets or is mentally competent to legally transfer the funds to HVAF.
- I. The Board of Directors of Executive Committee may refuse a gift if there are prohibitive restrictions on the gift, or if the gift is not mission appropriate.

II. TYPE OF ASSETS

- A. **Cash.** Gifts in the form of cash and checks should be accepted regardless of the amount. All checks should be made payable to HVAF and shall be considered to be unrestricted unless otherwise designated. The date of the gift is determined to be the date the donor formally releases control of the asset – in the case of cash or checks, it will be the date of delivery if in person, or the date of the postmark.
- B. **Publicly Traded Securities.** Publicly traded securities may be accepted. Unless otherwise directed by the Board of Directors, all securities will be liquidated for cash as soon as practicable. In no event shall an employee or volunteer working on behalf of HVAF commit to any donor that a particular security will be held by HVAF unless authorized to do so by the Treasurer of HVAF. The Treasurer will have available corporate resolutions, stock powers, broker information and other relevant documents for transferring stock and identifying the process of stock transfers. The Chairman of the Board of Directors HVAF, or other Executive Committee approved designee shall sign the corporate resolutions. The value of the gift of securities is the average of the high and low prices on the day it was transferred.

C. **Closely Held Securities and Limited Partnership Interests.** All proposed donations of this type will be considered by Board of Directors on a case-by-case basis. The Committee shall consider:

1. estimated fair market value,
2. any restrictions on time limits on HVAF right to sell,
3. potential liability from ownership,
4. potential tax or unrelated business income,
5. potential problems from affiliation with the business of the issuer of the security.

The general expectation is that non-publicly traded securities and limited partnerships interests may only be accepted after appraisal (based on the value of the underlying corporation or assets and dated not earlier than 60 days before the proposed date of gift) and approved by the Executive Committee, which will direct the time and process for sale of the assets. No commitment for repurchase of closely held securities shall be made prior to completion of the gift of the securities.

D. **Real Estate, Tangible Personal Property, Unusual Assets.** All proposed donations of real estate of unusual assets shall be considered by the Executive Committee of HVAF on a case-by-case basis. Donors must provide a qualified appraisal as to the value of such assets dated no earlier than 60 days before the proposed date of donation. HVAF may specify an appraiser who shall not have any business or other relationship to the donor.) The donor is responsible for obtaining and paying for the appraisal of the property. A visual inspection by a knowledgeable representative of HVAF and an environmental assessment conducted by the donor will be required of all real estate. The Committee shall consider:

1. marketability of the property,
2. costs to administer, maintain, insure, secure and sell the property,
3. liability assumed (e.g., environmental hazards),
4. restrictions on use or sale,
5. effect of ownership on non-profit status,
6. licensing requirements or legal ramifications.

III. TYPES OF GIFT VEHICLES

- A. **Outright**, with or without restriction.
- B. **Pledges** shall generally not exceed 5 years.

- C. **Gifts by Will or Trust**, unless restricted by the donor, the Board of Directors will make appropriate and wise decisions regarding the use of the bequests.
1. **Charitable Remainder Trusts** provide a residual interest in specific assets for HVAF. HVAF may accept trusteeship of a CRT only if it is irrevocably designated as a beneficiary, and with the approval of the Executive Board.
 2. **Charitable Lead Trust** distributions shall be made in accordance with donor intent.
 3. HVAF shall not act as personal representative for a donor's estate.
- D. **Charitable Gift Annuities** may be established with cash, marketable securities, real estate, or a life interest in real estate, for one or two lives of persons age 50 or over. The minimum initial contribution is \$10,000. The computed gift to HVAF must exceed 5% of the amount transferred for the annuity.

IV. GIFT RECOGNITION POLICIES

- A. **The date of the gift** is determined to be the date the donor formally releases control of the asset by the execution of stock powers or other transfer or title, or, in the case of cash or checks, the date of delivery if in person or the date of the postmark. Valuation and credit for a gift of securities will be based on the market value on the date of the gift.
- B. **HVAF Secretary or Treasurer will acknowledge the gifts** and will inform donors of their responsibility to substantiate any value claimed. Internal determination of the value for fund raising records will be made by the Treasurer and will include information from the appraised value of the real estate, possible excluding from the value of the gift costs for maintenance, insurance, real estate taxes, broker's commission and other expenses of holding and sale.
- C. With regard to **in-kind, non-cash donations, HVAF Secretary or Treasurer** will inform the donor that they should file IRS Form 8283 and that HVAF is obligated to file IRS Form 8282 if the gift is sold within two years. The Treasurer will manage filing requirements of IRS Form 8282. Any gifts that will create an administrative burden or cause HVAF to incur excessive expenses may be declined. Donor recognition will be considered for all gifts in-kind valued above \$100.00 The Executive Committee will determine appropriate recognition.
- D. **Restricted gifts** must be accompanied by a written intention by the donor to make the gift and a statement defining the restriction of the gift.

- E. **Named Endowment Funds** may be established with a gift of \$10,000 or more.
- F. **Scholarships** of \$10,000 will carry the donor's name.
- G. The Executive Committee shall approve **all other proposed donations involving name recognition** prior to acceptance. Volunteers and staff shall communicate to prospective donors that naming recognition is subject to approval by the Board of Directors and the criteria of this policy.
- H. Subject to specific approval by the Board of Directors, **new facilities** may be named with a lead gift or gifts equal to 20 % or more of the total cost of construction of the facility and of the endowment required to maintain the facility.
- I. The Board of Directors shall approve **requests to name** a facility, program or annual award in honor of an individual who is not a lead or supporting donor.
- J. The President will communicate to donors that HVAF may unilaterally **revoke any naming** commitments while retaining the gift if:
 - (a) a donor fails to fulfill a pledge, or
 - (b) the donor takes action that would reasonable be expected to reflect negatively on HVAF.
- K. **Donor information** relating to gifts, estate planning, or the nature and value of assets shall be kept strictly confidential by HVAF unless otherwise authorized by the donor to use selected information for purposes of referral, example or testimonial. Those with access to donor information include the following: Board of Directors, the Principal, Accounting and Legal Counsel, and any Dean of any Academy directly benefiting from the donation.

HVAF Conflict of Interest Policy

Article I **Purpose**

The purpose of the Hardin Valley Academy Foundation conflict of interest policy is to protect this tax-exempt Organization's (HVAF) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might 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 organizations.

Article II **Definitions**

1. Interested Person

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.

2. 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 Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization 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 Organization 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, 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**

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

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the

determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b.** The chairperson of the governing board or committee shall, if 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 Organization 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 Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a.** If the governing board or committee has reasonable cause to believe 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 member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV **Records of Proceedings**

The minutes of the governing 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 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 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 with the proceedings.

Article V **Compensation**

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

- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, 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:

- 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 the Organization is charitable and in order to maintain its 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 HVAF operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization'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 an excess benefit transaction.

Article VIII
Use of Outside Experts

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

Hardin Valley Academy Foundation Privacy Statement

Personal Identifiable Information

Everyone involved with Hardin Valley Academy understands the importance of communication between school and community. With this said, the HVAF may utilize, on occasion, identifiable information (parents' names, child's name, email address, etc.) and/or demographic data (address, zip code, etc.) you provide when voluntarily signing-up for email distribution and mailing lists for the express purposes of facilitating better communication regarding important matters related to our children.

E-mail List Serv

Should you choose to provide your e-mail address, it will be included in a list serv to be used only as a means for notification of HVAF news and updates. This list serv is not an electronic conversation forum, but rather an avenue to distribute important information to the community. No information will be given to any other sources outside HVAF and/or HVA.

You may continue to contact employees of the schools by accessing the KCS Directory page of <http://www.kcs.k12tn.net/staff/staff.htm>, where you will find administrator and faculty email addresses.

If you do not wish to continue receiving email communication through this list serv, you may make a request to the database administrator _____ at secretaryHVAF@gmail.com

Sending E-Mail or Posting Website Content

If you would like to have e-mail or website information considered for distribution or posting, please notify our secretary at secretaryHVAF@gmail.com. All information must be professional in nature, related to school issues, as opposed to personal communications. HVAF reserves the right of refusal to transmit email or post website content deemed inappropriate by the administrator, president of HVAAC, or school principals.

Questions: Questions concerning this privacy policy may be directed to the Executive Board at execboardHVAF@gmail.com or:

Hardin Valley Academy Foundation
P.O. Box 53406
Knoxville, TN 37950
ATTN: Secretary or Website Administrator

Note: HVAF reserves the right to update this privacy statement without notice.

Last updated: October 16, 2011

Whistleblower Policy

This Whistleblower Policy of the Hardin Valley Academy Foundation (HVAF): (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of HVAF; (2) specifies that HVAF will protect the person from retaliation; and (3) identifies where such information can be reported.

1. **Encouragement of reporting.** HVAF encourages complaints, reports or inquiries about illegal practices or serious violations of the Organization's policies, including illegal or improper conduct by HVAF itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which HVAF has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via HVAF's Executive Committee, unless all the Board themselves are implicated in the wrong doing. In such instance the Principal should be notified in writing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.
2. **Protection from Retaliation.** HVAF prohibits retaliation by or on behalf of HVAF against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. HVAF reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.
3. **Where to report.** Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the basis of the complaints, reports or inquiries. They should be directed to both the Principal and the Chairman of the Board of Directors of HVAF; if that Chairman is implicated in the complaint, report or inquiry, it should be directed to the Secretary of the Executive Board and the Principal. HVAF will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that HVAF may be unable to fully evaluate a vague or general complaint, report, or inquiry that is made anonymously.