

**Boston Arts Academy
Boston Arts Academy Foundation, Inc.**

Policy on Conflicts of Interest and Related Party Transactions

Boston Arts Academy (the “BAA”) and **Boston Arts Academy Foundation, Inc.** (the “Foundation”) may not be operated for the benefit of any organization, program or project other than the BAA, and its program’s and projects, and in no event shall the Foundation be operated, nor may any of its funds or assets be used, for the benefit of any individual or entity in his or her or its own private capacity, unless the private benefit is considered merely incidental. This private benefit preclusion will extend to:

- A. Sale or exchange, or leasing, of property between any private individual or entity and the Foundation or the BAA.

- B. Lending of money or other extension of credit between any private individual or entity and the Foundation or the BAA.

- C. Furnishing of goods, services or facilities between any private individual or entity and the Foundation or the BAA other than reimbursement of incidental expenses incurred for the benefit of BAA, unless authorized by the Board of Directors of the Foundation or the governing body of the BAA.

- D. Payment of compensation to any private individual or entity by the Foundation or BAA, unless authorized by the Board of Directors of the Foundation or the governing body of the BAA.

- E. Transfer to, use by, or for the benefit of a private individual or entity of the income or assets of the Foundation or the BAA.

Thus, Foundation and the BAA will be guided by the principle of arms-length standards in all dealings with all private individuals and entities.

Neither the BAA nor the Foundation shall engage in any related party transaction unless it is disclosed to and authorized by the Board of Directors of the Foundation or the governing body of the BAA. Related party transactions shall include transactions between the Foundation or the BAA and members of their boards, management, contracted management organization, employees, related individuals and affiliated companies. Related individuals within the scope of this definition

include spouses, parents, children, grandchildren, siblings, or any household member of a board member or organization employee, or any spouse of any of the foregoing.

Each Member of the BAA Board of Trustees and BAAF Board of Directors, each from the Board of Trustees or Board of Directors, and the senior administrative personnel of the BAA and BAAF (including all persons having authority to approve expenditures) shall annually sign a statement which affirms such person:

- a. Has received a copy of the Conflict 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.

By signing this statement, I affirm that I:

- a. Have received a copy of the Conflict of Interest Policy,
- b. Have read and understand the Policy,
- c. Have agreed to comply with the Policy, and
- d. Understand 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.

Signature

Date

