

Southold Dance Theater

Conflict of Interest Policy

Article 1

Purpose

The purpose of this conflict of interest policy is to protect the interests of Southold Dance Theater, an Indiana non-profit corporation (the "Corporation"), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation 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 2

Definitions

1. **Interested Person.** Any director, principal officer, or member of a committee with Board of Director 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:
 - 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, a person who has a financial interest may have a conflict of interest only if the Board of Directors or committee decides that a conflict of interest exists.

Article 3

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 of Director powers considering the proposed transaction or arrangement.
1. **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 Board of Directors 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.

Board Member Signature: _____

Board Member Printed Name: _____

Date: _____

Protection Against Director Liability

Southold Dance Theater's (SDT) board members have protection against liability arising out of their roles as Directors granted by the State of Indiana which provides by statute that a Director who serves on the Board of a nonprofit corporation without compensation is "immune from civil liability arising out of the performance of those duties," provided that he "exercises reasonable care" (Indiana Code 34-30-4-2). Because all SDT Directors serve without compensation, this statute applies. In practical terms, it means that a Director's only realistic exposure is for the legal fees that he might incur in invoking the statute.

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Employee Discount Policy

Effective from June 4, 2006, all SDT's instructors and administrative staff members are eligible for the 50% SDT Employee Family Tuition Discount only if their weekly teaching/administrative duties are the equivalent of 20 hours or more.

All SDT's instructors and administrative staff members with less than 20 hours of teaching/administrative duties per week may volunteer their time to be considered for the 50% SDT Employee Family Tuition Discount. (For example, with 5 hours of teaching per week, an instructor must volunteer 15 hours per week to be eligible for the discount.)

General Private Lesson and YAGP Policies & Studio Rental

Private Lessons

- SDT instructors may teach private lessons. All private students must be Southold students in good standing.
- Private lessons will be scheduled during the Colfax Cultural Center's normal business hours.
- All private lessons sessions will be logged into the studio usage calendar in the SDT office.
- All private lesson fees are payable directly to the instructor.
- All private lessons must be approved by the Artistic Director prior to the first lesson.
- Instructors must insure that all private students sign a Release Form/Letter of Understanding.

Responsibilities & Expectations

- YAGP Dancers will be responsible for all registration fees, costume fees, etc.
- Administrative expenses related to ensembles participating in YAGP will be divided evenly among the participating YAGP dancers.
- All SDT Company dancers wishing to participate as a soloist must also be part of a Southold ensemble.
- SDT Dancers who are not members of the Company will be allowed to participate as a soloist with the permission of the Artistic Director.
- Southold students who wish to register as an independent at YAGP will not be eligible to use SDT studios or SDT instructors for private instruction.
- All YAGP solos need to be approved by the Artistic Director.
- The private YAGP coach will be responsible for all research and choreography for the soloist.
- The private YAGP coach and soloist will be responsible for obtaining, editing and recording all music for the soloist.
- The soloist will be responsible for his or her own costume rental. Soloist may rent available costumes from Southold for a fee to be determined by the Costume Mistress. The private coach will assist in recommending costume styles and act as a liaison with costumers as needed.

General Private Lesson and YAGP Policies & Studio Rental

- The private YAGP coach is responsible for filling out all YAGP registration forms for the soloist.
- The SDT office will be responsible for collecting all YAGP fees from both soloists and ensemble participants. If fees are not paid in full by registration due date the participant will not be registered.
- The SDT office will be responsible for submitting the final registration paperwork of all YAGP Participants.
- SDT is not responsible for any travel expenses for YAGP soloist coaches or choreographers.

Studio Rental Fees

- No studio fee is charged to the SDT instructor for personal use, i.e. preparing for class or working out.
- All Southold Instructors utilizing the studio for private instruction of a Southold Student will pay a \$10.00 per hour studio rental fee.
- Students who are privately coached for YAGP solos will purchase a “Studio Use Pass” that will allow them unlimited use of the studio for their YAGP coachings. Studio Use Pass is \$50.00 per solo.
- A \$20 per hour studio rental fee will be paid by all Southold Instructors utilizing the studio for private instruction of a non-Southold student.
- A \$25 per hour studio rental fee will be charged to all outside groups renting the SDT studios. Use must be approved the SDT Executive Committee.
- All accumulated rental fees must be paid by the first of the month. Instructors with unpaid balances will not be allowed to use the studio until all rental fees are paid in full.
- The studio rental fee may be waived for nonprofit groups wishing to use the SDT studios. The SDT Executive Committee will make the final decision on all waived fees.

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Non-Smoking Policy

Southold Dance Theater and the Colfax Cultural Campus are non-smoking facilities. Smoking is a potential health and fire hazard, Southold teachers and staff are restricted from smoking while at work or representing Southold Dance Theater in order to create and maintain an environment that is in the best interest of the safety, health and well-being of all Southold students and staff.

Restrictions on Smoking

Smoking is not permitted in any part of the premises, entrances or grounds of the Colfax Cultural Building at any time, by any person regardless of their status or business with the organization/company. Smoking will not be tolerated at entrances and exits and is not permitted in any of the following areas, parking lots, corridors, stairways, restrooms, office or dressing rooms.

Disciplinary Action

Appropriate disciplinary action will be taken for any offences of this policy.

This will be decided on by the management.

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Whistleblower Protection Policy

Procedures for Submitting Complaints or Concerns Regarding Financial Statement or other Disclosures, Accounting, Internal Accounting or Disclosure Controls, or Auditing Matters

Southold Dance Theater (SDT) has a responsibility for the stewardship of its resources. In addition to complying with the law, it is the policy of SDT to promote ethical practices and ethical treatment of its members and employees. Instances of known or suspected misuse of SDT's resources or other improper activities should be reported and appropriately investigated. Members, officers, directors and employees have a responsibility to each other and to SDT to maintain an environment in which problems (i) are reported and addressed immediately, and (ii) those who make such reports are protected from retaliation.

SDT endorses and utilizes internal controls and operating procedures intended to prevent and detect improper activities.

The objective of SDT's Whistleblower Protection Policy is to establish policies and procedures for:

1. The submission of concerns regarding questionable financial statement or other disclosures, accounting, internal accounting or disclosure controls or auditing matters by staff, directors, officers and other stakeholders of the organization on a confidential and anonymous basis.
2. The receipt, retention, and treatment of complaints received by SDT regarding accounting, internal controls or auditing matters.
3. The protection of directors, volunteers and employees reporting concerns from retaliatory actions.

Procedure for Raising a Concern

1. The Board of Directors shall promptly forward to the Executive Committee any complaints that it has received regarding financial statement disclosures, accounting, internal accounting or disclosure controls or auditing matters, or disclosure violations. Any complaint will first be evaluated to determine whether it falls within the scope of this Policy. If it does not, it will be forwarded to SDT's Executive Director to handle in a manner in which she/he deems appropriate.
2. Any employee, director, volunteer or member of SDT may submit, on either a confidential, anonymous basis or a non-confidential, non-anonymous basis, any good faith concerns regarding a financial statement or other disclosure, accounting, internal accounting or disclosure controls or auditing matters to the President of the Board of Directors of SDT. The President shall forward complaints or concerns determined to be within the scope of the Policy to the Executive Committee. If a member of the Executive

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Committee is the subject of the complaint, he or she shall be excluded from notice and participation in the role of the Executive Committee with this Policy.

3. Following the receipt of a complaint or concern within the scope of this Policy, the Executive Committee will investigate each matter reported and recommend, if necessary, corrective or disciplinary actions to the Board of Directors.
4. SDT does not permit retaliation of any kind against employees, volunteers, directors or members for complaints submitted hereunder that are made in good faith. Should the identity of any person making a complaint or reporting a concern hereunder become known, the Executive Committee shall monitor any disciplinary action against such person if they are an employee of SDT. Additionally, no staff person or member shall be adversely affected because the staff person or member refuses to carry out a directive which, in fact, constitutes corporate fraud or is a violation of state or federal law.

Retention of Business Records

The following table provides minimum requirements for a document retention and periodic destruction policy. The policy is intended to eliminate accidental or innocent records destruction and provide administrative personnel knowledge of the length of time records should be retained to be in compliance with the new IFS tax form 990 rules.

Document Description	Retention Period (yrs.)
Accident reports and claims (settled cases)	7
Accounts payable ledger & trial balances	7
Accounts receivable ledgers & trial balances	7
Audit reports of public accountants	Permanent
<u>Automobile logs</u>	<u>7</u>
<u>Bank statement and reconciliations</u>	<u>3</u>
Capital stock & bond records: ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.	Permanent
Cash books	Permanent
Checks (canceled); see exceptions below	7
Checks (canceled) for important payments: taxes, property purchases, contracts, etc.;	
retain with related papers	Permanent
Commission records	7
Contracts and leases (current)	Permanent
Contracts and leases (expired)	7
Copyrights	Permanent
Correspondence (legal & important matters only)	Permanent
Correspondence (general)	3
<u>Correspondence (routine) with customers or vendors</u>	<u>1</u>
Deeds, mortgages & bills of sale	Permanent
Depreciation schedules	Permanent
<u>Duplicate deposit slips</u>	<u>3</u>
Employee personnel records after termination	7
Employment tax returns	7
<u>Expense analysis & expense distribution schedules</u>	<u>7</u>
<u>Financial statements end of year (other months opt.)</u>	<u>Permanent</u>
<u>General/private ledgers and end-of-year trial balances</u>	<u>Permanent</u>
Information returns	7
Insurance policies & records (current)	Permanent
Insurance policies (expired)	Permanent
Internal audit reports & working papers	3
Internal reports (miscellaneous)	3

Retention of Business Records

Document Description	Retention Period (yrs)
Inventories of products, materials & supplies	7
Invoices to customers & from vendors	7
Journals	Permanent
Licenses and permits	Permanent
Minute books of directors, including bylaws & charter	Permanent
Notes receivable ledgers & trial balances	7
Option records (expired)	7
Patents	Permanent
Payroll records & summaries, including payment to Pensioners	7
Personnel employment applications	3
Petty cash vouchers	3
Physical inventory tags	3
Property appraisals by outside appraisers	Permanent
Property records, including costs, depreciation reserves, end of year trial balances, blueprints, and plans	Permanent
Purchase orders (except purchasing department copy)	1
Purchase orders (purchasing department copy)	7
Receiving sheets	1
Requisitions	1
Royalty records	7
Sales records	7
Stenographers' notebooks	1
Stock and bond certificates (canceled)	7
Stockroom withdrawal forms	1
Subsidiary ledgers to the general ledger and trial balances	7
Tax returns and worksheets, revenue agents' reports, and other documents relating to determination of tax liability	Permanent
Time books	7
Trademark registrations	Permanent
Boucher register and trial balances	7