PENSAR ACADEMY

CONFLICT OF INTEREST POLICY

CONFLICT OF INTEREST

A member of the Board of Directors ("Board"), member of any Board committee, officer, key employee, or other person with substantial influence over the affairs of PENSAR ACADEMY ("Interested Person") has a conflict of interest if they, their family member, or a business in which they own at least a 35% interest are closely linked to a transaction involving PENSAR ACADEMY ("Corporation") and the interest is of such significance to the Interested Person that the interest would reasonably be expected to exert an influence on the Interested Person's judgment if the Interested Person were called on to vote on the transaction.

FAMILY MEMBER

When referred to herein, a "Family Member" of an Interested Person means either: (i) the spouse, or a parent or sibling of the spouse, of the Interested Person; (ii) a child, grandchild, sibling or parent of the Interested Person; or (iii) the spouse of a child, grandchild, sibling or parent of the Interested Person.

DISCLOSURE

Any Interested Person with a potential or actual conflict of interest between the Corporation's interests and the Interested Person's personal, family, financial, or professional interests, shall disclose this conflict of interest to the Board on a timely basis.

ABSTENTION

If an Interested Person has a conflict of interest relating to any matter under consideration for a decision by the Board, he or she shall abstain from any vote, discussion (except as the remaining Board deems necessary for informational purposes), or any attempt to influence the decision of the Board on that matter. The Board may also require the Interested Person to be excused from a meeting while the matter is being deliberated and voted on.

RECORDING

The fact of an Interested Person's disclosure and abstention shall be noted in the minutes of any meeting during which they occur.

DIRECTOR INDEPENDENCE

The directors shall make decisions in the Corporation's best interests only, without regard to the personal, family, financial, or professional interests of any individual director.

COMPENSATION

The Board may hire and compensate individuals for necessary services rendered to the Corporation so long as such compensation is reasonable. The Board shall determine reasonable compensation amounts based upon compensation paid by similarly situated nonprofits for like services. The Board may rely upon salary studies, as well as data regarding compensation paid by at least three specific peer organizations of similar size to determine reasonable compensation. The terms of such compensation, information relied upon to determine the terms of any compensation, and its source shall be recorded in writing.

An individual who is a voting member of the Board or a committee with Board delegated powers and who receives compensation, directly or indirectly, from the Corporation for services is precluded from participating in discussions or votes pertaining to their own compensation.

ANNUAL STATEMENTS

Each Interested Person shall annually sign a statement which affirms that such person:

1. has received a copy of the Policy,

2. has read and understands the Policy,

3. has agreed to comply with the Policy, and

4. understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

CERTIFICATE OF ADOPTION

The foregoing Policy was duly adopted by the Board effective as of the 12 day of April, 2015.

PENSAR ACADEMY

Sandra Zupetz, Secretary

Patricia Paddock

Tricia Mercado

PENSAR ACADEMY

CONFLICT OF INTEREST DISCLOSURE STATEMENT

As part of its Conflict of Interest Policy ("Policy"), **PENSAR ACADEMY** ("Corporation") requires that every Interested Person (defined as members of the Board of Directors ("Board"), members of any Board committee, officers, members of working groups, key employees, or other persons with substantial influence over the affairs of the Corporation) disclose interests that could lead to an actual or apparent conflict of interest. This disclosure form is intended to satisfy the Policy's annual disclosure requirement.

I. **DISCLOSURE.**

A. Name of Responsible Person:

Capacity (check all which apply):

_____Member of Board

_____Member of Board committee

_____Officer

_____ Key employee

_____ Other person with substantial influence over the affairs of the Corporation

B. Have you, any of your family members, or any entity in which you or a family member has a 35% interest engaged in any of the following transactions with the Corporation in the past year:

(i) provided services or property to the Corporation in exchange for consideration?

_____YES _____NO

(ii) had any direct or indirect interest in any transaction to which the Corporation was or is a party?

_____YES _____NO

(iii) become indebted to pay money to the Corporation (other than travel advances or the like)?

_____YES _____NO

(iv) received or become entitled to receive any personal benefits from the Corporation that in the aggregate could be valued in excess of $100, that were not or will not be compensation directly related to your duties to the Corporation?

_____YES _____NO

(v) received compensation from an organization that is related to the Corporation through common supervision or control?

_____YES _____NO

If yes, please describe the proceeding(s) and if a family member or related entity is involved, the identity of the family member or related entity and your relationship with that person or entity:

_____

_____

_____

C. Do you have a family relationship or a business relationship with any other officer, director, trustee, or key employee of the Corporation?

_____YES _____NO

D. Did you receive compensation from any unrelated organization for services rendered to the Corporation?

_____YES _____NO

E. Are you aware of any other events, transactions or other situations that have occurred or may occur in the future that you believe should be examined by the Corporation in accordance with the terms and intent of the Policy?

_____YES _____NO

If yes, please describe the situation(s) and if a family member or related entity is involved, the identity of the family member or related entity and your relationship with that person or entity:

_____

_____

_____

By signing this disclosure, I hereby confirm that:

1) I have received a copy of the Policy,

2) I have read and understand the Policy

3) I agree to comply with the Policy,

4) My responses to the above questions are complete and accurate to the best of my information and belief.

5) I understand that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

6) If I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this Policy, I will notify an officer of the Board immediately.

Signature._____

Printed Name._____

Date._____

PENSAR ACADEMY

IRS FORM 990 REVIEW POLICY

PENSAR ACADEMY is a nonprofit corporation organized under the laws of the State of Arizona ("Corporation"). The following policies and guidelines ("Policy") govern the Corporation.

ARTICLE I
PURPOSE

The purpose of this Policy is to establish the Corporation's procedures for review of the Form 990 by the Board of Directors ("Board") prior to its annual filing.

ARTICLE II
POLICY

The Corporation recognizes that the governance role of its Board includes the annual review of the Form 990. Accordingly, the Corporation requires a thorough review of the Form 990, by the Board, prior to its filing.

ARTICLE III
PROCEDURES

1. The Corporation's senior management is responsible for the timely preparation of the Form 990.

2. The completed Form 990 will be provided to the committee responsible for finances sufficiently in advance of the filing deadline to enable a detailed review by all members of the committee. All questions, concerns, etc. of the committee members will be addressed by the Treasurer or the Corporation's CPA and incorporated into the Form 990 as appropriate.

3. All members of the Board will be invited to review the completed Form 990 in advance of the filing deadline. All questions, concerns, etc. of the members of the Board will be addressed by the Treasurer or CPA and incorporated into the Form 990 as appropriate.

4. After all of the input from the Board and the relevant committees has been appropriately addressed, the Corporation's senior management will file the final Form 990 as required.

CERTIFICATE OF ADOPTION

The foregoing Policy was duly adopted by the Board effective as of the 12 day of April, 2015.

PENSAR ACADEMY

Sandra Zupetz, Secretary

Patricia Paddock

Tricia Mercado

PENSAR ACADEMY
FUNDRAISING POLICIES AND GUIDELINES

PENSAR ACADEMY is a nonprofit corporation organized under the laws of the State of Arizona ("Corporation"). Charitable fundraising is an important source of the Corporation's financial support. The following policies and guidelines ("Policy") govern the Corporation's fundraising activities:

ARTICLE I
MISSION

The mission of the Corporation is to PENSAR ACADEMY'S ("Mission"). All fundraising efforts are intended to provide financial support for activities in furtherance of this Mission.

ARTICLE II
PURPOSE OF POLICIES AND GUIDELINES

The Corporation is committed to maintaining the highest standards of conduct and ethics with respect to its fundraising activities. The Board of Directors ("Board") is responsible for ensuring that fundraising activities meet those standards. The Board has therefore adopted this Policy.

ARTICLE III
COVERED ACTIVITIES

For purposes of this Policy, the definitions of "fundraising" and "fundraising activities" include, but are not limited to:

A. Mail solicitations;

B. Email solicitations;

C. Personal solicitations;

D. Vehicle, boat, plane, or similar donations;

E. Phone solicitations;

F. Donations submitted via the Corporation's website;

G. Donations submitted via another organization's website;

H. Government grant solicitations; and

I. Corporate grant solicitations.

ARTICLE IV
DONOR RELATIONS

It is the Corporation's policy that fundraising be respectful of the needs and interests of the donor or potential donor. The Corporation will take steps to ensure that gifts will be used for the purposes for which they were given and respect the privacy of individual donors. The Corporation recognizes that donors and potential donors have the right:

A. To be informed of the Corporation's Mission, the way solicited funds will be used, and the Corporation's capacity to use donations effectively for their intended purposes;

B. To be informed of the identity of those serving on the Board and to expect the Board to exercise prudent judgment in its stewardship responsibilities;

C. To have access to the Corporation's most recent financial statements;

D. To be assured that their gifts will be used for the purposes for which they were given;

E To receive appropriate acknowledgment and recognition that complies with the substantiation requirements for tax-deductible contributions;

F. To be assured that information about their donations is handled with respect and confidentiality;

G. To expect that all interaction with individuals representing the Corporation will be professional in nature;

H. To be informed whether those soliciting donations are volunteers, employees, or hired fundraisers;

I. To have the opportunity to have their names deleted from mailing lists that the Corporation may intend to share; and

J. To feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers.

ARTICLE V
FEDERAL AND STATE LAW REQUIREMENTS

The Corporation must register, or cause paid fundraisers to register, in each and every state in which the Corporation plans to solicit contributions. This necessarily requires that the Corporation determine the registration requirements of each state in which it plans to solicit contributions and take steps to comply with those requirements. The Corporation shall cause charitable solicitation registration applications and annual reports to be filed in a timely manner.

ARTICLE VI
ADVERTISING MATERIALS

The Corporation must take steps to ensure that any promotional, marketing, or other fundraising material is clear and accurate. Such materials must fairly describe the Corporation, its Mission, the purpose or purposes for which funds are sought, and the tax-deductible nature of contributions.

If material is prepared by a paid fundraiser, the Corporation must takes steps to review and approve such material before it is distributed to potential donors.

ARTICLE VII
FUNDRAISING COSTS

The Corporation must endeavor to hold its fundraising costs to a reasonable level.

ARTICLE VIII
PAID FUNDRAISERS

In selecting paid fundraisers, the Corporation will use only those entities or individuals who are registered in the state in which the fundraising will occur. Paid fundraisers must also provide good references. The Corporation must take steps to continuously monitor the performance of paid fundraisers.

If the Corporation engages a paid fundraiser, it must enter into a contractual agreement with that paid fundraiser before funds are solicited. The terms of the agreement must identify:

A. The purpose of the fundraising which will occur under the contract;

B. The length of the agreement;

C. A description of the fundraising methods allowed under the agreement;

D. An agreement by the paid fundraiser to comply with all applicable state and federal regulations;

E. The frequency with which the paid fundraiser must report to the Corporation;

F. The terms of the paid fundraiser's compensation and;

G. Which entity will control the solicited funds.

Regardless of which party holds responsibility for developing marketing and promotional materials, the Corporation must ensure that all distributed materials accurately and fairly describe the Corporation, its Mission, and the purposes for which funds are sought. The materials must also include contact information for the paid fundraiser and the Corporation.

ARTICLE IX
CHANGES TO FUNDRAISING POLICIES AND GUIDELINES

This Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Policy was duly adopted by the Board effective as of the 12 day of April, 2015.

PENSAR ACADEMY

Sandra Zupetz, Secretary

Patricia Paddock

Tricia Mercado

PENSAR ACADEMY
GIFT ACCEPTANCE POLICIES AND GUIDELINES

PENSAR ACADEMY ("Corporation"), a nonprofit corporation organized under the laws of the State of Arizona, encourages the solicitation and acceptance of gifts for purposes that will help to further and fulfill its mission. The following policies and guidelines ("Policy") govern the acceptance of gifts made to the Corporation or for the benefit of any of its programs.

ARTICLE I
MISSION

The Corporation's mission is to raise funds for education and make scholarship grants ("Mission"). All fundraising efforts are intended to provide financial support for activities in furtherance of this Mission.

ARTICLE II
PURPOSE OF POLICIES AND GUIDELINES

The Corporation's Board of Directors ("Board") and its staff solicit current and deferred gifts from individuals, foundations, and corporations to secure the Corporation's future growth. This Policy governs the Corporation's acceptance of gifts and provides guidance to prospective donors and their advisors when making gifts. The provisions of this Policy shall apply to all non-cash gifts received for any of the Corporation's programs or services. All cash gifts will be accepted.

ARTICLE III
USE OF LEGAL COUNSEL

The Corporation shall seek the advice of legal counsel in matters relating to acceptance of gifts when appropriate. Review by counsel is recommended for:

- Real property interests;
- Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- Documents naming the Corporation as Trustee;
- Gifts involving contracts, such as bargain sales or other documents requiring the Corporation to assume an obligation;
- Transactions with potential conflicts of interest that may invoke Internal Revenue Service sanctions;
- Limited partnership, limited liability company or s-corporation shares that may be substantially similar to a listed transaction; and
- Other instances in which advice of counsel is deemed appropriate by the Board.

ARTICLE IV
CONFLICT OF INTEREST

The Corporation will urge all prospective donors to seek the assistance of personal legal and financial advisors in matters relating to their gifts and the resulting tax and estate planning

consequences. The Corporation will comply with the Model Standards of Practice for the Charitable Gift Planner promulgated by the National Committee on Planned Giving.

ARTICLE V
RESTRICTIONS ON GIFTS

The Corporation will accept unrestricted gifts and gifts for specific programs and purposes, provided that such gifts are not inconsistent with its Mission, purposes, and priorities. The Corporation will not accept gifts that are too restrictive in purpose. Gifts that are too restrictive are those that violate the terms of the governing documents, are too difficult to administer, or are for purposes outside the Mission. All final decisions on the restrictive nature of a gift, and its acceptance or refusal, shall be made by the Corporation's Gift Acceptance Committee ("Committee"). Examples of the types of gifts the Corporation will not accept include, but are not limited to, the following:

- Gifts that violate any federal, state, or local statute or ordinance
- Gifts that contain unreasonable conditions such as a lien or encumbrance
- Gifts that are financially unsound
- Gifts that could expose the Corporation to liability
- Gifts that are discriminatory in line with local, state and federal laws and Corporation policies
- Securities that are assessable or which in any way may create a liability; those that, by their nature, may not be assigned (such as series "E" savings bonds); those that have no apparent value
- General partnership interests
- Any gift that is substantially similar to a listed transaction

ARTICLE VI
THE GIFT ACCEPTANCE COMMITTEE

The Committee shall consist of the Corporation's officers. The Committee is charged with the responsibility of reviewing all non-cash gifts, properly screening and accepting those gifts, and making recommendations to the Board on gift acceptance issues when appropriate.

ARTICLE VII
TYPES OF GIFTS

A. The following non-cash gifts are acceptable: tangible personal property; securities; real estate; remainder interests in property; oil, gas, and mineral interests; bargain sales; life insurance; charitable gift annuities; charitable remainder trusts; charitable lead trusts; retirement plan beneficiary designations; bequests; and life insurance beneficiary designations.

B. The following criteria govern the acceptance of each gift form:

1. **TANGIBLE PERSONAL PROPERTY.** All gifts of tangible personal property shall be examined in light of the following criteria:

- Does the property fulfill the Corporation's Mission?
- Is the property marketable?
- Are there any undue restrictions on the use, display, or sale of the property?
- Are there any carrying costs for the property?

The final determination on the acceptance of other tangible property gifts shall be made by the Committee.

2. **PUBLICLY TRADED SECURITIES.** Marketable securities may be transferred to an account maintained at one or more brokerage firms or delivered physically with the transferor's signature or stock power attached. As a general rule, all marketable securities shall be sold upon receipt. In some cases, marketable securities may be restricted by applicable securities laws; in such instances, the Committee shall make the final determination on the acceptance of restricted securities.

3. **CLOSELY HELD SECURITIES.** Closely held securities, which include not only debt and equity positions in non-publicly traded companies, but also interests in LLPs and LLCs or other ownership forms, can be accepted subject to the approval of the Committee. However, gifts must be reviewed prior to acceptance to determine that:

- there are no restrictions on the security that would prevent the Corporation from ultimately converting those assets to cash;
- the security is marketable; and
- the security will not generate any undesirable tax consequences.

If potential problems arise on initial review of the security, further review and recommendation by an outside professional may be sought before making a final decision on acceptance of the gift. The Committee shall make the final determination on the acceptance of closely held securities and shall be assisted by legal counsel when necessary. Every effort will be made to sell non-marketable securities as quickly as possible.

4. **REAL ESTATE.** Gifts of real estate may include developed property, undeveloped property, or gifts subject to a prior life interest. Prior to acceptance of real estate, the Corporation shall require an initial environmental review of the property to ensure that the property has no environmental damage. In the event that the initial inspection reveals a potential problem, the Corporation shall retain a qualified inspection firm to conduct an environmental audit. The cost of the environmental audit shall generally be an expense of the donor.

When appropriate, the Corporation shall obtain a title binder shall prior to the acceptance of the real property gift. The cost of this title binder shall generally be an expense of the donor.

Prior to acceptance of the real estate, the gift shall be approved by the Committee and its legal counsel. Criteria for acceptance of the property shall include:

- Is the property useful for the Corporation's purposes?
- Is the property marketable?

- Are there any restrictions, reservations, easements, or other limitations associated with the property?
- Are there carrying costs, which may include insurance, property taxes, mortgages, or notes, etc., associated with the property?
- Does the environmental audit reflect that the property is not damaged?

5. **REMAINDER INTERESTS IN PROPERTY.** The Corporation will accept a remainder interest in a personal residence, farm or vacation property subject to the provisions of paragraph 4 above. The donor or other occupants may continue to occupy the real property for the duration of its stated life. At the death of the donor, the Corporation may use the property or reduce it to cash. Where the Corporation receives a gift of a remainder interest, expenses for maintenance, real estate taxes, and any property indebtedness are to be paid by the donor or primary beneficiary.

6. **OIL, GAS, AND MINERAL INTERESTS.** The Corporation may accept oil, gas and mineral property interests, when appropriate. Prior to the acceptance of an oil, gas or mineral interest, the gift shall be approved by the Committee and, if necessary, legal counsel. Criteria for acceptance of the property shall include:

- Gifts of surface rights should have a value of $20,000 or greater.
- Gifts of oil, gas and mineral interests should generate at least $3,000 per year in royalties or other income (as determined by the average of the three years prior to the gift).
- The property should not have extended liabilities or other considerations that make receipt of the gift inappropriate.
- A working interest may only be accepted when there is a plan to minimize potential liability and tax consequences.
- The property should undergo an environmental review to ensure that the Corporation has no current or potential exposure to environmental liability.

7. **BARGAIN SALES.** The Corporation will enter into a bargain sale arrangement in instances in which the bargain sale furthers its Mission. All bargain sales must be reviewed and recommended by the Committee and approved by the Board. Factors used in determining the appropriateness of the transaction include:

- An independent appraisal substantiating the value of the property.
- If the Corporation assumes debt with the property, the debt ratio must be less than 50% of the appraised market value.
- The Corporation's determination that it will use the property or that there is a market for sale of the property allowing sale within 12 months of receipt.
- The costs to safeguard, insure, and expense the property (including property tax, if applicable) during the holding period.

8. **LIFE INSURANCE.** The Corporation must be named as both beneficiary and irrevocable owner before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. If the donor contributes future premium payments, the Corporation will include the entire amount of the

additional premium payment as a gift in the year that it is made.

If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, the Corporation may:

- continue to pay the premiums;
- convert the policy to paid up insurance; or
- surrender the policy for its current cash value.

9. **CHARITABLE GIFT ANNUITIES.** So long as the Corporation has been in continuous operation at least three years and has unrestricted cash or cash equivalents of at least $300,000, it may offer charitable gift annuities. The Committee may determine the minimum gift for funding. All gift annuities shall comply with A.R.S. §§ 20703-20719, as amended. The minimum age for life income beneficiaries of a gift annuity shall be 55. Where a deferred gift annuity is offered, the minimum age for life income beneficiaries shall be 45. No more than two life income beneficiaries will be permitted for any gift annuity.

Annuity payments may be made on a quarterly, semi-annual, or annual schedule. The Committee may approve exceptions to this payment schedule.

The Corporation will not accept real estate, tangible personal property, or any other illiquid asset in exchange for current charitable gift annuities. The Corporation may accept real estate, tangible personal property, or other illiquid assets in exchange for deferred gift annuities so long as there is at least a five-year period before the commencement of the annuity payment date, the value of the property is reasonably certain, and the Committee approves the arrangement.

Funds contributed in exchange for a gift annuity shall be set aside and invested during the term of the annuity payments. Once those payments have terminated, the funds representing the remaining principal contributed in exchange for the gift annuity shall be transferred to the Corporation's general operating funds or to such specific fund as designated by the donor.

10. **CHARITABLE REMAINDER TRUSTS.** The Corporation may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the Committee, it will not accept appointment as Trustee of a charitable remainder trust.

11. **CHARITABLE LEAD TRUSTS.** The Corporation may accept a designation as income beneficiary of a charitable lead trust, it will not accept an appointment as Trustee of a charitable lead trust.

12. **RETIREMENT PLAN BENEFICIARY DESIGNATIONS.** Donors and supporters of the Corporation will be encouraged to name it as beneficiary of their retirement plans. Such designations will not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded.

13. **BEQUESTS.** Donors and supporters of the Corporation will be encouraged to make bequests to it under their wills and trusts. Such bequests will not be recorded as gifts until

such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded.

14. **LIFE INSURANCE BENEFICIARY DESIGNATIONS.** Donors and supporters of the Corporation will be encouraged to name it as beneficiary or contingent beneficiary of their life insurance policies. Such designations shall not be recorded as gifts until such time as the gift is irrevocable. When the gift is irrevocable, but is not due until a future date, the present value of that gift may be recorded.

C. Unless the donor has expressly specified one or more restrictions on the use of a gift, all gifts shall be classified as "unrestricted." The Corporation shall not accept gifts with restrictions that violate the organization's underlying purpose, Mission or ethical standards in any way.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

A. **SECURING LEGAL FEES AND APPRAISALS FOR GIFTS TO THE CORPORATION.** It will be the responsibility of the donor to secure an appraisal (where required) and independent legal counsel for all gifts made to the Corporation.

B. **VALUATION OF GIFTS FOR DEVELOPMENT PURPOSES.** The Corporation will record a gift received at its valuation for gift tax purposes on the date of the gift.

C. **RESPONSIBILITY FOR INTERNAL REVENUE SERVICE FILINGS UPON SALE OF GIFT ITEMS.** The Committee is responsible for filing Internal Revenue Service Form 8282 upon the sale or disposition of any asset sold within two years of receipt when the charitable deduction value of the item is more than $5,000. The Corporation must file this form within 125 days of the date of sale or disposition of the asset. If the Corporation accepts a vehicle valued at over $500, it must file Form 1098-C.

D. **ACKNOWLEDGMENT OF GIFTS.** Acknowledgment of all gifts and compliance with the current Internal Revenue Service requirements in acknowledgment of such gifts shall be the responsibility of the Board.

ARTICLE IX
CHANGES TO GIFT ACCEPTANCE POLICIES

This Policy has been reviewed and accepted by the Board. The Board must approve any changes to or deviations from this Policy.

CERTIFICATE OF ADOPTION

The foregoing Policy was duly adopted by the Board effective as of the 12 day of April, 2015.

PENSAR ACADEMY

Sandra Zupetz, Secretary

Patricia Paddock

Tricia Mercado

PENSAR ACADEMY
JOINT VENTURE POLICY

PENSAR ACADEMY's ("Corporation") Joint Venture Policy ("Policy") requires it to evaluate its investment in, contribution to, or participation in joint ventures or other similar arrangements under applicable federal tax laws and take steps to safeguard its tax-exempt status with respect to such arrangements that such joint ventures or other similar arrangements do not jeopardize its tax-exempt status under section 501(c) of the Internal Revenue Code of 1986, as amended ("Code").

This Policy applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this Policy.

ARTICLE I
JOINT VENTURES OR SIMILAR ARRANGEMENTS WITH TAXABLE ENTITIES

For purposes of this Policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (i) whether the Corporation controls the venture or arrangement; (ii) the legal structure of the venture or arrangement; or (iii) whether the venture or arrangement is taxed as a partnership, association or corporation for federal income tax purposes.

A venture or arrangement that is essentially a passive investment vehicle is not subject to this Policy if it meets both of the following conditions:

a) 95% or more of the venture or arrangement's income for its tax year ending within the Corporation's tax year is excluded from unrelated business income taxation, including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property; and

b) The primary purpose of the Corporation's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.

ARTICLE II
SAFEGUARDS TO ENSURE EXEMPT STATUS PROTECTION

The Corporation will take steps to safeguard its tax-exempt status with respect to the venture or arrangement and the transactions contemplated thereby. Some examples of safeguards include:

a) Control over the venture or arrangement sufficient to ensure that it furthers the Corporation's exempt purpose;

b) Requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;

c) That parties to the venture or arrangement not engage in activities that would jeopardize the Corporation's exemption; and

d) That all contracts entered into with the Corporation be on terms that are arm's length or more favorable to the Corporation.

CERTIFICATE OF ADOPTION

The foregoing Policy was duly adopted by the Board effective as of the 12 day of April, 2015.

PENSAR ACADEMY

Sandra Zupetz, Secretary

Patricia Paddock

Tricia Mercado

PENSAR ACADEMY
RECORD RETENTION POLICY

PENSAR ACADEMY's ("Corporation") Record Retention Policy ("Policy") was approved by its Board of Directors ("Board") and represents its policy regarding the retention and disposal of records and the retention and disposal of electronic documents.

ARTICLE I
PURPOSE

The purpose of this Policy is to ensure that necessary records and documents are adequately protected and maintained and that records that are no longer needed or are of no value are discarded at the proper time.

ARTICLE II
ADMINISTRATION

Attached as **Appendix A** is a Record Retention Schedule ("Schedule") that is approved as the initial maintenance, retention and disposal schedule for the Corporation's physical records and electronic documents. The Chief Executive is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Schedule is followed. The Chief Executive is also authorized to: make modifications to the Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the Corporation's appropriate document and record categories; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

Note: In the event of a governmental audit, investigation or pending litigation, record disposal shall be suspended upon the direction of the Chief Executive. In addition, he/she should be informed of any situation that might give rise to legal action as soon as the situation becomes apparent and shall thereafter have the discretion to suspend record disposal as he/she may consider appropriate.

ARTICLE III
APPLICABILITY

This Policy applies to all physical records generated in the course of the Corporation's operation, including both original documents and reproductions.

CERTIFICATE OF ADOPTION

The foregoing Policy was duly adopted by the Board effective as of the 12 day of April, 2015.

PENSAR ACADEMY

Sandra Zapata, Secretary

Patricia Maddock

Tricia Mercado

APPENDIX A

RECORD RETENTION SCHEDULE

The Record Retention Schedule is organized as follows:

SECTION TOPICS

A	Accounting and Finance
B	Contracts
C	Corporate Records
D	Correspondence and Internal Memoranda
E	Grant Records
F	Insurance Records
G	Legal Files and Papers
H	Miscellaneous
I	Payroll Documents
J	Pension Documents
K	Personnel Records
L	Property Records
M	Tax Records
N	Contribution Records

A. ACCOUNTING AND FINANCE

Record Type	Retention Period
Accounts Payable ledgers and schedules	7 years
Accounts Receivable ledgers and schedules	7 years
Annual Audit Reports and Financial Statements including compiled financial statements and reviews	Permanent
Annual Audit Records, including work papers and other documents that relate to the audit	7 years after completion of audit
Annual Plans and Budgets	2 years
Bank Statements and Canceled Checks	7 years
Employee Expense Reports	7 years
General Ledgers	Permanent
Interim Financial Statements	7 years
Notes Receivable ledgers and schedules	7 years
Investment Records	7 years after sale of investment
Student Counts	Permanent

B. CONTRACTS

Record Type	Retention Period
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documentation)	7 years after expiration or termination

C. CORPORATE RECORDS

Record Type	Retention Period
Corporate Records (minute books, signed minutes of the Board and all committees, corporate seals, articles of incorporation, bylaws, annual corporate reports)	Permanent
Licenses and Permits	Permanent

D. CORRESPONDENCE AND INTERNAL MEMORANDA

General Principle: Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as long as the contract (7 years after expiration). It is recommended that records that support a particular project be kept with the project and take on the retention time of that particular project file.

Correspondence or memoranda that do not pertain to documents having a prescribed retention period should generally be discarded sooner. These may be divided into two general categories:

1. Those pertaining to routine matters and having no significant, lasting consequences should be discarded *within two years*. Some examples include:

- Routine letters and notes that require no acknowledgment or follow-up, such as notes of appreciation, congratulations, letters of transmittal, and plans for meetings.
- Form letters that require no follow-up.
- Letters of general inquiry and replies that complete a cycle of correspondence.
- Letters or complaints requesting specific action that have no further value after changes are made or action taken (such as name or address change).
- Other letters of inconsequential subject matter or that definitely close correspondence to which no further reference will be necessary.
- Chronological correspondence files.

Please note that copies of interoffice correspondence and documents where a copy will be in the originating department file should be read and destroyed, unless that information provides

reference to or direction to other documents and must be kept for project traceability.

2. Those pertaining to non-routine matters or having significant lasting consequences should generally be retained permanently.

E. GRANT RECORDS

Record Type	Retention Period
Original grant proposal	7 years after completion of grant period
Grant agreement and subsequent modifications, if applicable	7 years after completion of grant period
All requested IRS/grantee correspondence including determination letters and "no change" in exempt status letters	7 years after completion of grant period
Final grantee reports, both financial and narrative	7 years after completion of grant period
All evidence of returned grant funds	7 years after completion of grant period
All pertinent formal correspondence including opinion letters of counsel	7 years after completion of grant period
Report assessment forms	7 years after completion of grant period
Documentation relating to grantee evidence of invoices and matching or challenge grants that would support grantee compliance with the grant agreement	7 years after completion of grant period
Pre-grant inquiry forms and other documentation for expenditure responsibility grants	7 years after completion of grant period
Grantee work product produced with the grant funds	7 years after completion of grant period

F. INSURANCE RECORDS

Record Type	Retention Period
Annual Loss Summaries	10 years
Audits and Adjustments	3 years after final adjustment
Certificates Issued to the Corporation	Permanent
Claims Files (including correspondence, medical records, injury documentation, etc.)	Permanent
Group Insurance Plans - Active Employees	Until Plan is amended or terminated
Group Insurance Plans - Retirees	Permanent or until 6 years after death of last eligible participant
Inspections	3 years
Insurance Policies (including expired policies)	Permanent
Journal Entry Support Data	7 years
Loss Runs	10 years
Releases and Settlements	25 years

G. LEGAL FILES AND PAPERS

Record Type	Retention Period
Legal Memoranda and Opinions (including all subject matter files)	7 years after close of matter
Litigation Files	1 year after expiration of appeals or time for filing appeals
Court Orders	Permanent

Requests for Departure from Records Retention Plan	10 years

H. MISCELLANEOUS

Record Type	Retention Period
Consultant's Reports	2 years
Material of Historical Value (including pictures, publications)	Permanent
Policy and Procedures Manuals - Original	Current version with revision history
Policy and Procedures Manuals - Copies	Retain current version only
Annual Reports	Permanent

I. PAYROLL DOCUMENTS

Record Type	Retention Period
Employee Deduction Authorizations	4 years after termination
Payroll Deductions	Termination + 7 years
W-2 and W-4 Forms	Termination + 7 years
Garnishments, Assignments, Attachments	Termination + 7 years
Labor Distribution Cost Records	7 years
Payroll Registers (gross and net)	7 years
Time Cards/Sheets	2 years
Unclaimed Wage Records	6 years

J. PENSION DOCUMENTS AND SUPPORTING EMPLOYEE DATA

General Principle: Pension documents and supporting employee data shall be kept in such a manner that the Corporation can establish at all times whether or not any pension is payable to any person and, if so, the amount of such pension.

Record Type	Retention Period
Retirement and Pension Records	Permanent

K. PERSONNEL RECORDS

Record Type	Retention Period
Commissions/Bonuses/Incentives/Awards	7 years
EEO- I /EEO-2 - Employer Information Reports	2 years after superseded or filing (whichever is longer)
Employee Earnings Records	Termination + 7 years
Employee Handbooks	1 copy kept permanently
Employee Medical Records	Termination + 6 years
Employee Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, withholding information, garnishments, test results, training and qualification records)	6 years after termination
Employment Contracts - Individual	7 years after termination
Employment Records - Correspondence with Employment Agencies and Advertisements for Job Openings	3 years from date of hiring decision
Employment Records - All Non-Hired Applicants (including all applications and resumes - whether solicited or unsolicited, results of post-offer, pre-employment physicals, results of background investigations, if any, related correspondence)	2-4 years (4 years if file contains any correspondence which might be construed as an offer)
Job Descriptions	3 years after superseded

Personnel Count Records	3 years
Forms I-9	3 years after hiring, or 1 year after termination if later

L. PROPERTY RECORDS

Record Type	Retention Period
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent
Original Purchase/Sale/Lease Agreement	Permanent
Property Insurance Policies	Permanent

M. TAX RECORDS

General Principle: The Corporation must keep books of account or records as are sufficient to establish amount of gross income, deductions, credits, or other matters required to be shown in any such return.

These documents and records shall be kept for as long as the contents thereof may become material in the administration of federal, state, and local income, franchise, and property tax laws.

Record Type	Retention Period
Tax-Exemption Documents and Related Correspondence	Permanent
IRS Rulings	Permanent
Excise Tax Records	7 years
Payroll Tax Records	7 years
Tax Bills, Receipts, Statements	7 years
Tax Returns - Income, Franchise, Property	Permanent

Tax Work paper Packages - Originals	7 years
Sales/Use Tax Records	7 years
Annual Information Returns - Federal and State	Permanent
IRS or other Government Audit Records	Permanent

N. CONTRIBUTION RECORDS

Record Type	**Retention Period**
Records of Contributions	Permanent
Wills, trusts or other documents evidencing terms of gifts	Permanent

PENSAR ACADEMY
SIGNATURE AUTHORITY POLICY

I. Purpose of Policy

PENSAR ACADEMY's ("Corporation") Signature Authority Policy ("Policy") is intended to ensure that commitments of its resources are properly reviewed and approved and that its contracts and agreements are signed by authorized officials. It identifies who within the Corporation is authorized to commit institutional resources on its behalf through agreements executed in its name. It also describes necessary steps in the contract review process and protocols for the delegation of signatory authority.

II. Applicability of the Policy

The policy is applicable to all the Corporation's officers and employees. It governs contractual agreements relating to commercial and non-commercial transactions, such as those involving goods, supplies, equipment, services, and real property.

III. Signatures Required for Checks and Fund Transfers

Checks and fund transfers may be authorized as follows:

	[Principal Officer] Sandra Marie Zupetz	**One Additional Board Member** Patricia Moran Paddock	**Board Resolution**
Budgeted financial commitments of $5,000 or less	Required - May do so alone	~~Not required~~ Required-May do so alone	Not required
Budgeted financial commitments greater than $5,000 and less than $25,000	Required May do so alone with board approval.	~~Not Required~~ Required-May do so with Board approval.	Not Required
Unbudgeted financial commitments and budgeted financial commitments of $25,000 or more	Required May do so with Board approval.	~~Not Required~~ May do so with Board approval.	Required

IV. Contract Approval Authority

Purchase orders and contracts may be executed as follows:

	~~[Principal Officer]~~ SZ Sandra Zupetz SZ	One Additional Board Member Patricia Moran Paddock	Legal Counsel Review and Board Resolution
All budgeted purchase orders and contracts committing less than $25,000 or whose terms are no more than one year	May do so alone	~~Not required~~ SZ May do so alone.	Not required
Budgeted purchase orders and contracts whose values or financial exposure are greater than $25,000 but less than $100,000 or whose terms are greater than one year but less than three years	Required Need Board SZ approval.	Required Need SZ Board approval.	Not Required
Unbudgeted purchase orders and contracts as well as budgeted purchase orders and contracts whose values or financial exposure are greater than $100,000 or whose terms are greater than three years	Required Need Board SZ approval.	Not Required Need Board SZ approval.	Required

CERTIFICATE OF ADOPTION

The foregoing Policy was duly adopted by the Board effective as of the 12 day of April, 2015.

PENSAR ACADEMY

Sandra Zupetz, Secretary

Patricia Paddock

Tricia Mercado

PENSAR ACADEMY
TRAVEL AND EXPENSE REIMBURSEMENT POLICY

PENSAR ACADEMY is a nonprofit corporation organized under the laws of the State of Arizona ("Corporation"). The following policies and guidelines ("Policy") govern its travel and expense reimbursement practices.

ARTICLE I
WHO IS REIMBURSED

Members of the Board of Directors ("Board"), officers, committees, special committees, staff and authorized representatives shall be reimbursed for pre-authorized expenses incurred while on Board approved corporate business.

ARTICLE II
REIMBURSEMENT

The Corporation's Expense Statement is to be used for requesting reimbursement and should be submitted within two weeks of completion of the trip, accompanied by an explanation for all unusual items or amounts.

Receipts are required for all expenditures billed to the individual or directly to the organization including credit card charges, airfare and applicable hotel charges. Receipts are required for all expenditures paid by the traveler that exceed $25.00.

Allow at least two weeks after receipt for reimbursement.

ARTICLE III
REIMBURSABLE TRANSPORTATION EXPENSES

Airfare - The least expensive direct, nonstop commercial airfare in coach class will be reimbursable from the airport nearest the traveler's home or office to the airport nearest the destination.

Airline reservations should be made at least 14 days in advance of travel. Detailed reservation reports should be sent to the Corporation's business office. Any additional expense related to companion travel is the responsibility of the traveler. Preferred carriers may be utilized if the airfare is equivalent to the lowest fare available. Mileage earned and compensation for denied boarding awarded to the traveler while on Corporation business is the property of the traveler and may be used at the traveler's discretion.

Automobile, train, or bus - Total reimbursable expenses, including expenses incurred en route, shall not exceed the cost of airfare. Automobile expenses shall be reimbursed at the Corporation's then current mileage reimbursement rate.

Shuttle, taxi, personal automobile, or other similar cost means to and from the airport at the points of origin and destination, if essential for business purposes.

Parking - Parking at the airport of origin if personal automobile is used. Parking at the meeting site if travel by automobile is required.

ARTICLE IV
LODGING

Lodging at the single-room rate for days of meetings, including night before and after if flight schedules make such stays necessary.

ARTICLE V
MEALS

The reasonable cost of meals while attending meetings and while in transit to and from the meeting site. If, in addition, meals are purchased for others, the individuals must be identified as those for whom the Corporation has responsibility for such expenses.

ARTICLE VI
OTHER EXPENSES

The Corporation will reimburse reasonable telephone and fax charges due to absence of traveler from the individual's place of business. It will also reimburse reasonable and necessary gratuities. All tipping should be based on service and is at the reasonable discretion of the traveler but according to the following guidelines:

- Airline Skycap: $1.00 per bag
- Cab Driver: 5–15% of fare
- Shuttle Van Driver: $5.00
- Hotel Bellman: $1.00 per bag
- Restaurant Wait Staff: 10–20% of total bill
- Room Service: Gratuity is usually included in the bill
- Hotel staff who delivers a special request: $1.00

Emergency secretarial work and/or postage charges incurred in carrying out responsibilities authorized by the Board will also be reimbursed.

ARTICLE VII
SATURDAY NIGHT STAY

If the airfare saving for a Saturday-night-stay is greater than or equal to the lodging, meals, and other reimbursable expense for the additional day(s) stay, the traveler has the option to stay and be reimbursed for expenses (up to the saved amount) for the additional day(s).

ARTICLE VIII
NONREIMBURSABLE EXPENDITURES

- First-class upgrades in air travel.
- When lodging accommodations have been arranged by the Corporation and the traveler

elects to stay elsewhere, reimbursement is made at an amount no higher than the rate negotiated by the Corporation, and reimbursement is not made for transportation between the alternate lodging and meeting site.

- If an individual accompanies the traveler, it is the responsibility of the traveler to determine the added cost for double occupancy and related expenses and to make the appropriate adjustment in the reimbursement request.
- Personal non-business related entertainment costs including movies, liquor, or bar costs.

CERTIFICATE OF ADOPTION

The foregoing Policy was duly adopted by the Board effective as of the 12 day of April, 2015.

PENSAR ACADEMY

Sandra Zupetz, Secretary

Patricia Paddock

Tricia Mercado

PENSAR ACADEMY
WHISTLEBLOWER POLICY

PENSAR ACADEMY ("Corporation") promotes ethical conduct, transparency and compliance with the law. Should any person know of, or have a suspicion about, illegal or unethical conduct in connection with the finances or other aspect of its operations, that person should inform the Secretary. If the alleged wrongdoing concerns the Secretary, then another officer or director should be notified instead.

Should the Secretary or another officer or director receive information regarding alleged illegal or unethical conduct in connection with the finances or other aspect of operations, those officers or directors shall inform the full Board of Directors. The Board of Directors shall investigate all credible allegations and, at all times, respect the privacy and reputation of individuals involved.

There will be no punishment or other retaliation for the reporting of conduct pursuant to this Policy. If the person providing the information requests anonymity, the request will be respected to the extent that doing so does not impede an investigation.

CERTIFICATE OF ADOPTION

The foregoing Policy was duly adopted by the Board of Directors effective as of the 12 day of April, 2015.

PENSAR ACADEMY

Sandra Zupetz, Secretary

Patricia Paddock

Tricia Mercado