



Board of Directors policy on conduct and ethics, conflict of interest and document retention.

This document provides guidance on Conduct and Ethics, Conflict of Interest and Document Retention to assist the Board of Directors and the President in executing their responsibilities in support of accomplishing ARTS San Antonio's mission. The Board shall hold each Director and the President to the highest level of standards. The Board directs the President to provide guidance to employees regarding the standards and to work diligently to ensure that the standards are maintained throughout the organization.

Mission Responsibility

The Board, officers and committees appointed by the Board shall be selected based on their commitment to ARTS SA's Mission. Each Director shall attend Board meetings regularly, read distributed materials in advance and participate at each meeting. Each Director shall make decisions with the goal of enhancing the program and its effectiveness. Program effectiveness shall be reviewed periodically and adjustments shall be made as needed. The Board is responsible for strategic and long-range planning, fair compensation, and a management-succession plan. The Board shall provide the resources to accomplish ARTS SA's mission.

Environment

The Board shall support the President to secure the health, safety and development of employees and guests. The environment shall be free of violence and harassment. Hiring and employment shall comply with the equal opportunity requirements prohibiting discrimination. ARTS SA is a drug and alcohol free workplace.

Legal Compliance

The Board and the President shall comply fully with the letter and spirit of applicable laws and regulations.

Personal and Professional Integrity

Each Director shall act at all times with honesty, integrity and openness in the dealings of the Board and in representing ARTS SA. Directors shall officially represent ARTS SA in public or business dealings only as directed by the Executive Committee. The Board shall review their responsibilities on an annual basis and shall recommend any needed changes.

Conflict of Interest / Insider Transactions / Personal Disclosure

Each Director shall subordinate her or his personal interests to the welfare of ARTS SA's mission. Conflicting interests can be financial, personal relationships, status or power. Each Director shall disclose each conflict of interest as it arises and prior to discussions or votes on the matter that poses the conflict. Each Director who identifies a conflict shall abstain from voting on that issue. Each conflict identified by a Director shall be recorded in Board or

ARTS San Antonio Board of Directors policy on conduct and ethics, conflict of interest and document retention. Page 2

committee meeting minutes. Every Director is encouraged to make referrals, but a Director's referral will not be given preferential treatment in receiving or securing services. No transactions shall be authorized that may be construed as a loan to a Director or the President. A Director shall disclose any personal matter, issue, or situation that may impact or compromise ARTS SA's mission.

Responsible Stewardship

The Board shall disperse funds consistent with ARTS SA's mission. Appropriate allocations shall be made for programs, facilities, competent staff, internal controls, accounting and reporting. Reasonable allocations shall be authorized for fundraising. Funds shall not be accumulated excessively. Designated funds shall be dispersed in accordance with the donor's wishes and in a manner consistent with ARTS SA's mission.

Public Disclosure / Accuracy of Financial Statements / Confidentiality

The Board shall disseminate comprehensive and timely information about ARTS SA to the public, media and other entitled parties. Financial statements shall be accurate and reflective of the condition of ARTS SA operations. Fundraising materials shall describe ARTS SA accurately and completely. The Board and the President shall maintain the confidentiality of the employees.

Political Advocacy

The Board shall advocate on behalf of ARTS SA in accordance with the Policy on Legislative Advocacy.

Diversity

To enrich the effectiveness of ARTS SA programs, the Board shall promote inclusiveness and ensure the Board, our employees and those we serve reflect the diversity of our community.

Enforcement / Whistleblower

The Board shall ensure the Board and the President reflect the high ethics and the strong reputation of ARTS SA, correct each other when judgment errors occur and, if necessary, seek to remove offending individuals in accordance with the Bylaws. Directors shall report problems that can threaten the reputation of ARTS SA to the appropriate level in the chain of command: President, Board Chairman, etc. No retaliation shall be permitted by or to any Director or employee for reporting a problem or potential problem. A formal and separate whistleblower policy has also been adopted by ARTS SA and should be read in conjunction with this document.

Document Retention

ARTS SA shall comply with the various document retention requirements, which generally are the result of federal guidelines related to income tax law or as a result of our receiving federal or state funds of certain programs. Although federal and state law allows that some documents be retained for only three years, many documents must be retained for up to seven years. Therefore, in order to lessen confusion, our policy is to retain documents for seven years from the end of the fiscal year to which the document relates. Documents may be retained in either original form (paper) or may be stored electronically if such a storage system is available to

ARTS San Antonio Board of Directors policy on conduct and ethics, conflict of interest and document retention. Page 3

ARTS SA. An electronic storage system is one used to prepare, record, transfer, index, store, preserve, retrieve and reproduce books and records by either electronically imaging hard copy documents to an electronic storage media or by transferring computerized books and records to an electronic storage media that allows them to be viewed or reproduced without using the original program.

This policy is adopted on January 24, 2009.

Jon Wood, Secretary, Board of Directors