

CHALLENGE UNLIMITED, INC. CODE OF ETHICS AND CONFLICT OF INTEREST POLICY

Code of Ethics

I. Personal and Professional Integrity

All Challenge Unlimited, Inc. employees, board members and volunteers shall act with honesty and integrity, and will abide by this Code of Ethics and Conflict of Interest Policy (hereinafter referred to as the “Policy”) at all times in their dealings on behalf of the organization and its various programs and endeavors. All Board members, employees and volunteers will receive a copy of this Code of Ethics and Conflict of Interest Policy at the date of hire, Board election or commencement of volunteer service, and on an annual basis thereafter, and shall sign a statement acknowledging their agreement to follow this Policy.

II. Mission

Challenge Unlimited, Inc. has a clearly stated charitable mission that has been approved by its Board of Directors:

To provide and promote educational, therapeutic, athletic and recreational services for individuals with disabilities and to provide educational and recreational activities using horses and the working farm environment for people with and without disabilities.

This mission is responsive to the families and children that are the recipients of the services provided by the organization.

III. Governance

Challenge Unlimited, Inc. has an active Board of Directors that is responsible for setting the mission and strategic direction of the organization, and for oversight of the organization’s finances, operations and policies.

The Board of Directors, in addition to its other responsibilities and duties:

- Ensures that its members have the requisite skills and experience to carry out their duties and that they understand and fulfill their governance duties acting for the benefit of the organization and its public purpose;

- Has a conflict of interest policy (which is set forth herein) that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means;
- Is responsible for the hiring, disciplining and regular review of the performance of the Executive Director and all senior staff, and ensures that their compensation is reasonable and appropriate in light of the overall finances of the organization;
- Implements policies requiring the organization to be inclusive and not engage in discriminatory conduct in its policies and practices for all board, staff and volunteer positions;
- Ensures that the Executive Director and appropriate staff provide the Board with timely and comprehensive information to enable it to effectively carry out its duties;
- Ensures that the organization and its Board members conducts transactions and dealings with integrity and honesty, and fulfills all fiduciary duties;
- Ensures that the organization promotes working relationships with Board members, staff, volunteers and program beneficiaries that are based on mutual respect and fairness;
- Ensures that the resources of the organization are responsibly and prudently managed; and
- Ensures that the organization has the capacity to effectively carry out its programs.

IV. Legal Compliance

Challenge Unlimited, Inc. is knowledgeable about, and complies with, all applicable laws, rules and regulations.

V. Responsible Stewardship

Challenge Unlimited, Inc. manages its funds in a responsible and prudent manner.

The organization:

- Spends an appropriate percentage of its annual budget on programs in furtherance of its mission;

- Spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls and other expenditures critical to the management of the organization;
- Compensates staff, and any others who may receive compensation, reasonably and appropriately in light of the overall finances of the organization;
- Has reasonable fundraising costs (recognizing the internal and external factors that impact fundraising costs);
- Does not accumulate operating funds excessively;
- Only draws from endowment funds as may exist from time to time consistent with donor intent and to support the charitable purpose of the organization;
- Ensures that all spending practices and policies are reasonable and appropriate to fulfill the mission of the organization; and
- Ensures that all financial reports are accurate and complete in all material respects.

VI. Openness and Disclosure

Challenge Unlimited, Inc. provides comprehensive and timely information to the public and all interested persons and agencies, and responds in a timely manner to reasonable requests for information. Basic informational data about the organization, such as Form 990, reviews and compilations, and audited financial statements, are available to the public. All solicitation materials accurately represent the organization's policies and practices. All financial, organization and program reports are complete and accurate in all material respects.

VII. Program Evaluation

Challenge Unlimited, Inc. regularly reviews and assesses its various programs, and makes changes whenever warranted to better serve its constituents. The organization is committed to improving program and organizational effectiveness.

VIII. Fundraising

When raising funds from the public or donor institutions, Challenge Unlimited, Inc. is truthful in its solicitation materials. The organization respects the privacy concerns of individual donors and expends funds consistent with donor intent. The organization discloses relevant information to potential donors, and respects the rights of donors as follows:

- To be informed of the mission of the organization, the way resources will be used and the capacity to use donations effectively for their intended purposes;
- To be informed of the identity of those serving on the organization’s Board of Directors, if requested, and to expect the Board members to exercise prudent judgment in its stewardship responsibilities;
- To have access to the organization’s most recent financial reports;
- To be assured their gifts will be used for the stated purpose for which they are given;
- To receive appropriate acknowledgement and recognition;
- To be assured that information about their donations is handled with respect and confidentiality to the extent requested, or as provided by law;
- To expect that all communications with individuals representing the organization will be professional;
- To have the opportunity for their name to be deleted from the mailing lists that are maintained by the organization; and
- To feel free to ask questions when making a donation and to receive prompt and accurate responses.

Conflict of Interest Policy

This policy is designed to protect the integrity of, and promote continued public trust and confidence in Challenge Unlimited, Inc. by ensuring that any actual, potential and/or perceived conflicts of interest, whether direct or indirect (collectively referred to as “conflict of interest”), are either avoided or are appropriately managed through prompt and full disclosure, recusal and/or other means.

The term “conflict of interest” refers to a situation where an employee, board member or other volunteer of the organization has a personal, professional or business interest that conflicts with, or may give the appearance of conflicting with, the best interest of the organization. Certain conflicts of interest may arise in nonprofit organizations and are not necessarily inappropriate. For example, an “acceptable” conflict of interest may arise if an employee or volunteer of the organization (or his/her relative, friend, business acquaintance, etc.) has an interest in, or relationship with, an entity that proposes to provide needed goods or services to the organization on terms and conditions that are more advantageous than the organization could obtain otherwise.

In any situation which may give rise to an actual, potential or perceived conflict of interest, including the example set forth above, all Challenge Unlimited, Inc. employees,

Board members and volunteers are required to promptly and fully disclose to the organization any such conflict of interest situation. Upon disclosure of the conflict of interest situation, the organization's Board of Directors shall review all relevant information and factors, and take appropriate action. The individual(s) that are involved in any respect with the conflict of interest situation may not thereafter attempt to influence the organization's decision, nor may they vote on whether to approve or disapprove the particular transaction. The individual(s) disclosure and abstention from voting shall be reflected in the minutes of the meeting at which the decision is made.

Under no circumstances shall any Challenge Unlimited, Inc. employee, Board member or volunteer: (a) accept any personal gifts, loans, favors or other consideration of more than a nominal value (i.e., \$25) from any vendor, sponsor or other outside party doing business with, or seeking to do business with, the organization; (b) use the organization's property or resources for personal profit or advantage, or for any purpose not related to the activities of the organization; and (3) use or disclose the name, likeness or identity of any person receiving services from the organization's various services without first obtaining the organization's express written permission.

If any Challenge Unlimited, Inc. employee, Board member or volunteer should have any questions concerning this Code of Ethics and Conflict of Interest Policy, please speak with the Executive Director or the Chairperson of the Board of Directors.