

# Related Party Transaction Policy

## 1. Purpose

The purpose of this Related Party Transaction Policy is to ensure that all transactions between the Gentle Journey Foundation and any related parties are conducted in a manner that is fair, reasonable, transparent, and in the best interest of the Foundation and its charitable mission. This policy is intended to prevent private benefit, conflicts of interest, and improper financial arrangements, and to ensure compliance with IRS regulations governing 501(c)(3) nonprofit organizations.

## 2. Definition of Related Party

A Related Party includes any of the following:

Board members.

Officers.

Key employees.

Founders.

Immediate family members of the above individuals.

Any business owned, operated, or financially controlled by the above individuals.

Any organization with shared ownership, management, or control.

Gentle Journey LTD.

Gentle Journey Holdings LLC.

Any future affiliated organizations.

## 3. Examples of Related Party Transactions

Related party transactions may include, but are not limited to:

The Foundation hiring Gentle Journey LTD to perform moving, transportation, or logistics services.

Leasing vehicles, equipment, or property from Gentle Journey Holdings LLC.

Purchasing services, equipment, or supplies from a board member or affiliated business

Reimbursement arrangements.

Shared employees or administrative services.

Any financial arrangement between the Foundation and an affiliated organization.

## 4. Policy Requirements

All related party transactions must meet the following requirements:

The transaction must be in the best interest of the Gentle Journey Foundation.

The transaction must be necessary for the Foundation's operations or programs.

The transaction must be conducted at fair market value.

The Foundation must not pay more than reasonable market rates.

The transaction must not result in private inurement or excessive benefit.

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The transaction must be fully disclosed to the Board of Directors.

The interested party must recuse themselves from discussion and voting.

The transaction must be approved by a majority of disinterested board members.

The transaction must be documented in board meeting minutes.

Written agreements or invoices must be maintained for all related party transactions.

### **5. Approval Process**

Before entering into any related party transaction:

The related party must disclose the relationship and financial interest.

The Board of Directors will review the proposed transaction.

The Board may compare market rates or obtain quotes if necessary.

The interested party must leave the meeting during discussion and voting.

The Board will vote on whether the transaction is fair, reasonable, and in the best interest of the Foundation.

The decision and reasoning must be recorded in the meeting minutes.

If approved, the Foundation may proceed with the transaction.

### **6. Documentation**

The Foundation will maintain documentation for all related party transactions including:

Board approval records

Meeting minutes

Invoices and receipts

Contracts or service agreements

Market rate comparisons (if applicable)

Conflict of Interest disclosures

Payment records

These records will be retained in accordance with the Foundation's Document Retention Policy.

### **7. Annual Disclosure**

Each board member and officer must annually disclose any business relationships, ownership interests, or affiliations that could result in a related party transaction.

### **8. Prohibited Activities**

The following are strictly prohibited:

Excessive compensation.

Paying above market rates.

Loans to board members or officers.

# Related Party Transaction Policy

Personal use of nonprofit funds or assets.

Transactions that primarily benefit an individual rather than the Foundation's mission.

Undisclosed related party transactions.

## **9. Policy Review**

This policy will be reviewed annually by the Board of Directors to ensure compliance with nonprofit governance standards and IRS regulations.

## **10. Approval**

This Related Party Transaction Policy was adopted by the Board of Directors of the Gentle Journey Foundation in 2024.