**Conflict of Interest Policy**

Find and Replace CHURCH NAME with actual name (no need to replace “CHURCH”)

Find and Replace VESTRY with equivalent term in your church.

Find and Replace RECTOR or SR. WARDEN with term in your church.

Approved DATE

1 **Purpose**

The purpose of this policy is to protect the interests of CHURCH NAME (the “CHURCH”) when it is contemplating entering a transaction or arrangement that might benefit the private interest of a Church staff member or Church VESTRY Member or might result in a possible excess benefit transaction to a Church Staff member or Church VESTRY Member. 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.

2 **Definitions**

2.1 **Interested Person**

Any Church Staff or Church VESTRY Member, who has a direct or indirect personal or financial interest, as defined below, is an interested person.

2.2 **Personal Interest**

A person has a personal interest if the person’s own interests, family, friendships, church membership, or social factors could compromise his or her judgment, decisions, or actions on behalf of the CHURCH.

2.3 **Financial interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or immediate family:

* An ownership or investment interest in any entity with which the CHURCH has a transaction or arrangement,
* A compensation arrangement with the CHURCH or with any entity or individual with which the CHURCH has a transaction or arrangement, or
* A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the CHURCH is negotiating a transaction or arrangement.
* Membership at a church applying for or receiving Church funds.

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 Section 3.2, a person who has a financial interest may have a conflict of interest only if the Church VESTRY decides that a conflict of interest exists

3 **Procedures**

**3.1 Duty to Disclose**

Annually, each Church VESTRY member will sign a Church Conflict of Interest questionnaire (Appendix A). This questionnaire will be filed with the minutes of the Church VESTRY.

In addition, each member of the Church VESTRY must disclose any actual or possible conflict of interest to the VESTRY within a reasonable time after becoming aware of it at any time during the interval between their annual submissions of their aforesaid Church Conflict of Interest questionnaire.

**3.2 Determining whether a conflict of interest exists**

After disclosure of the conflict of interest and all material facts, and after any discussion with the interested person, the remaining Church VESTRY Members shall decide if a conflict of interest exists. The interested person may be asked by the Bishop or Vice Chair to excuse themselves from the Church VESTRY meeting while this determination is made.

**3.3 Procedures for addressing the conflict of interest**

1. An interested person may make a presentation at the Church VESTRY meeting; after the presentation, he/she may be asked by the RECTOR or SR. WARDEN to excuse themselves from the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The RECTOR or SR. WARDEN shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the Church VESTRY shall determine whether the CHURCH can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Church VESTRY shall determine by a two-thirds majority vote of the disinterested Church VESTRY Members present at a duly called meeting whether the transaction or arrangement is in the CHURCH’s best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
5. **3.4 Violations of this policy**
6. If the Church VESTRY has reasonable cause to believe a staff member or Church VESTRY Member has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose.
7. If, after hearing the individual’s response and after making further investigation as warranted by the circumstances, the Church VESTRY determines that he/she has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action. The CHURCH reserves the right to bring legal action if appropriate.

4 **Records of proceedings**

The minutes of the Church VESTRY meetings shall contain:

1. The names of the persons who disclosed or otherwise were found to have a conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the Church VESTRY’s decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

5 **Compensation**

A Church VESTRY Member who receives compensation, directly or indirectly, from the CHURCH for services is precluded from voting on matters pertaining to that member’s compensation.

**Appendix A. CHURCH NAME of Interest Questionnaire**

After reviewing the CHURCH NAME’s *Conflict of Interest Policy*, please complete the following questionnaire. This information will enable CHURCH NAME (“CHURCH”) to evaluate whether a conflict of interest exists, to determine whether any such conflict is material, and to appropriately address any material conflict of interest under the CHURCH Policy.

For purposes of this questionnaire, an “affiliated party” includes any of the following:

* A family member, which is defined by the Internal Revenue Service for these purposes as spouses, brothers and sisters (by whole or half-blood or adoption), spouses of brothers and sisters (by whole or half-blood or adoption), ancestors, children, granCHURCHildren, great granCHURCHildren, and spouses of children, granCHURCHildren, and great granCHURCHildren.
* An estate or trust of which you or a family member (as defined above) are/is a beneficiary, personal representative, or trustee.
* An entity of which you or a family member are/is an officer, director, or employee, or in which you or the family member has ownership or other proprietary interests.
* A congregation of which you or a family member are/is an employee, vestry or otherwise affiliated.

**Covered Year (Period)**

|  |  |  |
| --- | --- | --- |
| **Question** | **Yes** | **No** |
| I (or an affiliated party of mine) hold, directly or indirectly, a position of financial interest in an outside concern from which the CHURCH secures goods or services. |  |  |
| I (or an affiliated party of mine) render directive, managerial, or consultative services to, or am an employee of, any outside concern that does business with CHURCH. |  |  |
| I have accepted gifts or other benefits (other than minor courtesies, such as business lunches or holiday gifts totaling less than $100 annually), from any outside concern that does or is seeking to do business with CHURCH |  |  |
| I have participated in management decisions concerning transactions that affect or benefit my family, my personal financial interests, or me (other than ordinary management decisions on employment matters such as compensation). |  |  |
| I (or an affiliated party of mine) have been indebted to CHURCH at some time during the above stated period. If so, please note the nature, date, terms and amount. (For purposes of this document, pledges for charitable giving and pledges made to capital campaigns are not considered indebtedness.) |  |  |
| CHURCH has been indebted to me (or an affiliated party of mine) at some time during the above stated period. If so, please note the nature, date, terms and amount. |  |  |

Please provide further explanation of any "Yes" answers, and information on any related party transactions of which you are aware.

The answers to the above questions are correctly stated to the best of my knowledge and belief as of the date below. I understand that it is my responsibility to immediately report any new conflict that should arise subsequent to my having completed and returned this form. I affirm that I have received a copy of the conflicts of interest policy, have read and understand the policy, and have agreed to comply with the policy.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_