Conflict of Interest Policy:

Applicable for Traditional Board & Board as Elders

Article I: Purpose

The purpose of this Conflict of Interest policy is to protect [Church Name's] tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of any officer or member of [Church Name's] Board of Directors. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II: Definitions

1. **Interested Person:** Any officer or member of the [Church Name's] Board of Directors who has a direct or indirect financial interest, as defined below, is an interested person.

2. **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
    a. An ownership or investment interest in any entity with which [Church Name] has a transaction or arrangement,
    b. A compensation arrangement with [Church Name] or with any entity or individual with which [Church Name] has a transaction or arrangement, or
    c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which [Church Name] is negotiating a transaction or arrangement.

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 Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

Article III: Procedures

1. **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors.

2. **Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave

the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board of Directors members shall decide if a conflict of interest exists.

3. **Procedures for Addressing the Conflict of Interest**

    a. An interested person may make a presentation at the Board of Directors meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

    b. The Chair of the Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

    c. After exercising due diligence, the Board of Directors shall determine whether [Church Name] 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.

    d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of [Church Name], 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.

4. **Violations of the Conflicts of Interest Policy**

    a. If the Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member the opportunity to explain the alleged failure to disclose.

    b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV: Records of Proceedings

The minutes of the Board of Directors shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' 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.

Article V: Compensation

1. A voting member of the Board of Directors who receives compensation, directly or indirectly, from [Church Name] for services is precluded from voting on matters pertaining to that member's compensation.

2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from [Church Name] for services is precluded from voting on matters pertaining to that member's compensation.

3. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from [Church Name], either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI: Annual Statements

Each officer and member of the Board of Directors shall annually sign a statement which affirms such person:

1. Has received a copy of the Conflict of Interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands [Church Name] is charitable and, in order to maintain its federal tax exemption, must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Conflict of Interest Policy:
Applicable for Board and Elders

Article I: Purpose

The purpose of this Conflict of Interest policy is to protect [Church Name's] tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of any officer, member of [Church Name's] Board of Directors, or Elder Team. This policy is intended to supplement but not replace any applicable state and federal governing conflicts of interest applicable to nonprofit and charitable organizations.

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