

Conflict of Interest Policy

The potential for a conflict of interest arises in situations in which a person is responsible for promoting the interest of the ministry at the same time he or she is involved in a competing personal interest. The Conflict of Interest policy consists of formal standards for guidance of all the church personnel, volunteers, and associated ministries in financial, legal, contractual, and employment matters.

Faithful stewardship demands high levels of trust in every relationship and avoidance of actual or even the appearance of wrongdoing (I Thess. 5:22). In addition, fairness in decision-making is more likely to occur in an impartial environment. Avoiding or effectively managing conflicts of interest protects impartial environments.

To protect the impartial decision-making and the reputation of both Constance and those involved, transactions with related parties where a potential conflict of interest exists or may appear to exist must be carefully handled. Such transactions should be disclosed to the elder board and evaluated to ensure they are made on a sound economic basis and in the best interest of Constance.

Conflicts of interest may arise in the relations of elders, officers, and employees with any of the following third parties, but not limited to:

- Persons or entities supplying goods and services to the organization.
- Persons or entities from which the organization leases property and equipment.
- Persons or entities with whom the organization is dealing or planning to deal in connection with the gift, purchase, or sale of real estate, securities, or other property.
- Persons or entities paying honoraria or royalties for products or for services delivered by the organization for its agents or employees.
- Other ministries or nonprofit organizations.
- Donors and others supporting the organization.
- Stations or programmers that carry the organization's programming.

A material conflicting interest may be defined as an interest, direct or indirect, between any person or entity mentioned above and an elder, officer, or employee, which might affect, or reasonably be thought by others to affect, the judgment or conduct of an elder, officer, or employee of the organization. Such an interest might arise through, but are not limited to:

- Owning stock or holding debt or other proprietary interests in any third party dealing with Constance.
- Holding office, serving on the Board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with Constance.
- Receiving remuneration for services with respect to individual transactions involving Constance.
- Using the Constance personnel, equipment, supplies, or goodwill for other than Constance-approved activities, programs, and purposes.

- Receiving personal gifts or loans from third parties dealing with Constance. (Receipt of any gift is disapproved except gifts of nominal value, which could not be refused without discourtesy. No personal gift of money should ever be accepted.)
- Obtaining an interest in real estate, securities, or other property that Constance might consider buying or leasing.
- Expending staff time during normal business hours for personal affairs or for other organizations, civic or otherwise, to the detriment of work performance for Constance.

As noted above, conflicting interests may be indirect. An elder, officer, or employee will be considered to have an indirect interest in another entity or transaction if any of the following also have an interest:

- A family member of an elder, officer, or employee. (Family member is defined for these purposes as all persons related by blood or marriage.)
- An estate or trust of which the elder, officer, or employee or member of his family is a beneficiary, personal representative, or trustee.
- A company of which a member of the family of the elder, officer, or employee is an officer, director, or employee, or in which he has ownership or other proprietary interests.

The fact that one of the interests described in this Conflict of Interest Policy exists does not necessarily mean that a conflict exists. Nor does it imply that a conflict, if it exists, is material enough to be of practical importance or, if material, that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of Constance. However, it is the policy of Constance that the existence of any of the interests described in this Conflict of Interest Policy shall be disclosed before any transaction is consummated. It shall be the responsibility of all employees, officers, and elders to continually scrutinize transactions with business interests and relationships for potential conflicts and to immediately make such conflicts or potential conflicts known to their overseer, the CFO, or the elder board. If the conflict involves an elder, the elder will follow the policy pertinent to that board. Such transactions will be undertaken with related parties only in the following situations:

- The audited financial statements of the organization fully disclose material related-party transactions or;
- Related parties are excluded from the discussion and approval of related-party transactions or;
- There are competitive bids or comparable valuations or;
- The elder board or overseer approves the transaction as one that is in the best interest of the organization.