

# **Emmanuel Presbyterian Church**

## **Arlington, Virginia**

### **Conflict of Interest Policy**

#### **Reasons for the Policy**

Emmanuel Presbyterian Church [the Church], both as an association and as an ecclesiastical body initiated and sustained by God, has a mandate to conduct all its affairs decently and in order and in a manner which is above reproach in the sight of both God and man.

Such accountability includes a commitment to avoid all conflicts of interest. Such a duty is underscored by Standard 6 of the Evangelical Council for Financial Accountability (of which the Presbyterian Church of America is a member organization), which says simply, "Every member organization shall conduct its activities with the highest standards of financial integrity."

Emmanuel Presbyterian Church is a member of the PCA which, as a nonprofit tax-exempt ministry, depends on charitable contributions from its members and the Christian public. The maintenance of that tax-exempt status is important for the church's continued financial stability. The Internal Revenue Service and state corporate and tax officials view the operations of the church and its parts as in the nature of a public trust that is subject to scrutiny by and accountability to both governmental authorities and members of the public.

#### **Definitions**

- Covered Person: All elders, deacons, and staff members are covered persons under this Policy.
- Financial Interest: A person has a financial interest if the person has (directly or indirectly, through a related party) an ownership interest or compensation arrangement (or potential ownership interest or compensation arrangement) in any entity with which the Church does business or enters into a financial arrangement.
- Related Party: Includes any relative of a covered person and any entity or trust of which a covered person serves as a director, trustee, officer, employee or volunteer or has an ownership or other material financial interest.

#### **Nature of Conflicting Interest**

A conflict of interest can arise whenever a covered person

- has existing, potential or perceived financial or other interests which impair or might reasonably appear to impair such covered person's independent, unbiased judgment in the discharge of his or her responsibilities to the Church;

- such covered person is aware that a related party has existing, potential or perceived financial or other interests; or
- such a covered person or related party may receive a material benefit from knowledge of information which is confidential to the Church.

### **Annual Form Submission and Review Process**

At the beginning of each ministry year, members of the staff and Session (ruling and teaching elders), shall complete and submit the Conflict of Interest form to the deacons for review. Deacons shall complete and submit the Conflict of Interest form to the Session for review. Any concerns shall be brought from the respective reviewing entity to the Session for discussion and resolution as appropriate.

### **Process For Addressing Conflicts of Interest**

If the Church wishes to consider entering into a financial arrangement with a person, business or agency (proposed transaction), the following steps must be followed:

- Covered persons shall be given the opportunity to disclose all material facts relating to a conflict of interest to the deciding body.
- A covered person shall disclose the existence of any actual, potential or perceived conflict of interest as soon as such covered person identifies that there may be a conflict of interest and before the Church enters into the proposed transaction that gives rise to the conflict of interest.
- The disclosure shall be noted in the minutes for the meeting of the deciding body.
- After discussing the matter with the deciding body, the covered person should be recused so the proposed transaction may be discussed in his or her absence.
- The deciding body shall consider whether the Church can obtain with reasonable efforts an alternative transaction that would not give rise to a conflict of interest.
- If an alternative arrangement is not reasonably possible under circumstances not producing a conflict of interest, the deciding body shall determine by majority vote whether the proposed transaction is in the Church's best interest and fair and reasonable. The interested covered person shall not vote on the matter. In conformity with the above determinations, the deciding body shall make its decision as to whether to enter the proposed transaction.

### **Violations of Policy**

If the Church has reasonable cause to believe that a covered person has failed to disclose an actual, potential or perceived conflict of interest, it shall inform the covered person of the basis for such belief and afford the covered person an opportunity to explain the alleged failure to disclose.

If, after hearing the covered person's response and after making further investigation as warranted by the circumstances, the reviewing entity (the Session or the Diaconate, as appropriate) determines the covered person has failed to disclose an actual, potential or perceived conflict of interest, the Church shall take appropriate disciplinary and corrective action.

### **Confidentiality**

The Church shall maintain the confidentiality of any disclosures made in connection with this policy and limit access to the information for those who need to know.

# Emmanuel Presbyterian Church of Arlington

## STATEMENT OF ACTUAL, POTENTIAL OR PERCEIVED CONFLICT OF INTEREST

**Instructions: Staff and Session members should submit a printed or electronic copy to the deacons for review. Deacons should submit a printed or electronic copy to the Session.**

**Name (please print):** \_\_\_\_\_

**Leadership Role (circle):**     **Pastor/Elder**     **Deacon**     **Staff**

**For calendar/fiscal year:** \_\_\_\_\_

The policy on conflicts of interest adopted by Emmanuel Presbyterian Church requires that all members of the Staff, Session (ruling and teaching elders), and Diaconate disclose annually any current, potential or perceived conflicts of interest that might be expected to occur. The statement shall disclose all material facts related to actual, potential or perceived conflicts and the nature of the person's interest in potential transactions.

All statements of actual, potential or perceived conflicts of interest shall be circulated to the Session or Deacons as instructed above. Each person covered by this policy shall agree to answer any questions about conflicts that the reviewing entity may have.

\_\_\_ I do not have and do not anticipate having within the next year any actual, potential or perceived conflict of interest.

\_\_\_ I have now or anticipate having within the next year an actual, potential or perceived conflict of interest. (Please include a statement of explanation as noted above):

Signature \_\_\_\_\_

Date: \_\_\_\_\_