

Conflicts of Interest Policy

~ *Adopted by the Elders of Grace BFC Wallingford on March 19, 2019* ~

1. Reason for Policy

As a ministry initiated and sustained by God, Grace Bible Fellowship Church (Grace BFC) has a mandate to conduct all of its affairs decently and above reproach both in the sight of God and man. That accountability includes a commitment to operate with the highest level of integrity and to avoid conflicts of interest.

As a nonprofit, tax-exempt entity, Grace BFC depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the IRS and state corporate and tax officials view the operations of the Church as a public trust, accountable to both governmental authorities and members of the public.

Among Grace BFC and its Elder Board and other employees, there exists a fiduciary duty, which carries with it a broad and unbending duty of loyalty. The Board and employees are responsible for administering the affairs of the Church honestly and prudently, and for exercising their best care, skill, and judgment for the sole benefit of the Church. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the Church or knowledge gained there from for their personal benefit. The interests of Grace BFC must have the first priority, and all purchases of goods and services must be affected on a basis that secures for the Church full competitive advantages as to product, service, and price.

2. Persons Concerned

This statement is directed to Elder Board members as well as those employees and volunteers designated by the Board who influence the actions of the Church or its Board, or make commitments on their behalf. For example, this would include all who make purchasing decisions, all other persons who might be described as “staff” (both full-time and part-time), and all who have proprietary information concerning the Church.

3. Areas in Which Conflicts May Arise

Conflicts of interest may arise in the relations of Elders and employees with any of the following third parties:

- 3.1 Persons or entities supplying goods and services to Grace BFC.
- 3.2 Persons or entities from which the Church leases property and equipment.
- 3.3 Persons or entities with whom the Church is dealing or planning to deal in connection with the gift, purchase, or sale of real estate, securities, or other property.
- 3.4 Other ministries or nonprofit organizations that affect the operations of the Church.
- 3.5 Donors and others supporting Grace BFC.

4. Nature of Conflicting Interest

A material conflicting interest may be defined as an interest, direct or indirect, between any person or entity mentioned in Section 3, and an Elder, employee, or volunteer which might affect, or might reasonably be thought by others to affect, the judgment or conduct of a Elder or employee of Grace BFC. Such an interest might arise through:

- . 4.1 Owning stock or holding debt or other proprietary interests in any third party dealing with the Church.
- . 4.2 Holding office, serving on the Board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with the Church.
- . 4.3 Receiving remuneration for services with respect to individual transactions involving the Church.
- . 4.4 Using the Church's personnel, equipment, supplies, or goodwill for other than Church-approved activities, programs, and purposes.
- . 4.5 Receiving personal gifts or loans from third parties dealing with Grace BFC. (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.)

- . 4.6 Obtaining an interest in real estate, securities, or other property that the Church might consider buying or leasing.
- . 4.7 Expending staff time during the Church's normal business hours for personal affairs to the detriment of work performance for Grace BFC.

5. Indirect Interests

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

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

6. Interpretation of This Policy

The areas of conflicting interest listed above and the relations in those areas which may give rise to conflict, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the Elders and employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the 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 the Church. However, it is the policy of the Board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of Elders and employees to scrutinize their transactions with outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Disclosure should be made to the Chairman of the Elder Board (or if he is the one with the conflict, then to the Sr. Pastor), who shall bring these matters to the attention of the Elder Board. The Board shall then determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable as to the Church. The decisions on these matters are the sole discretion of the Board. The Board's first concern must be the welfare of the Church and the advancement of its purposes.