

## Conflicts of Interest—Sample Policy

**This sample policy should be reviewed and approved by your attorney prior to use.**

As a Christian [*insert church, school, college, camp, nonprofit*], [*insert organization name*] (“Organization”) expects its board members, directors, officers, trustees, representatives, volunteers, or other agents acting on behalf of the Organization (“Representatives”) to conduct Organization business according to this Conflicts of Interest Policy (“Policy”). The goals of the Policy are to ultimately achieve the highest ethical standards of conduct, to comply with all applicable laws, and to conform with biblical principles. Organization Representatives are expected to put the Organization’s interests ahead of their own personal interests as they carry out their responsibilities on behalf of the Organization, and they have a duty to recognize, disclose, and avoid conflicts of interest. This Policy is intended to inform Representatives of potential conflicts of interest and to establish a procedure for reporting conflicts as provided in more detail below.

### Section 1: Conflict of Interest

Representatives should always act in the best interest of the Organization and not permit outside interests to interfere with their duties. Representatives are prohibited from using their position with the Organization for any type of private gain or to obtain benefits for themselves or members of their family.

For purposes of this Policy, a potential conflict of interest occurs when a Representative’s outside interests (i.e. financial, business, personal, or relational interests) interfere with the Organization’s interests or the Representative’s work-related duties. For example, a conflict of interest may occur when a Representative is in a position to influence a decision that may result in a personal gain for the Representative or the Representative’s family member as a result of the Organization’s business dealings. Areas in which conflicts may arise between Representatives and the Organization, may include, but are not limited to, the following transactions with third parties:

- Transactions involving supplying goods and services to the Organization;
- Transactions involving real estate or property leases to or with the Organization;
- Transactions involving donors or others supporting the Organization;
- Transactions that pay royalties or monetary awards to Representatives for products or services provided to the Organization; or
- Transactions involving other organizations that affect the operations of the Organization.

Below are a few hypothetical situations that would create a conflict of interest:

**Example:** *As a church board member, Sue learns about a great real estate opportunity made available to the church. Before the Board has a chance to discuss the opportunity and vote on it, Sue purchases the real estate herself and resells it at a profit.*

**Example:** *Toby owns a local roofing business and serves as a board member of ABC Christian Camp. The Camp needs a new roof for its recreation hall. Toby’s company has submitted a bid for the roof replacement. Toby has a conflict of interest because he owes loyalty to both his business and ABC Christian Camp. In order to avoid a breach of his duty to the Camp, he likely needs to disclose the conflict and abstain from the Board’s decision-making process.*

If a Representative has a question about whether a situation is a potential conflict of interest, the Representative should contact *[insert name and contact information of person/department]* ("Conflicts Administrator") at the information below:

*[insert contact information for person/committee responsible for receiving and investigating conflicts of interest]*

## Section 2: Reporting Procedure

If a Representative becomes aware of any potential conflict of interest or ethical concern regarding the Representative's position with the Organization or another Representative's position with the Organization, the Representative must promptly complete a *Conflict of Interest Disclosure—Situational* form and submit it to the Conflicts Administrator.

Representatives serving the Organization as board members, directors, officers, or trustees shall also complete a *Conflict of Interest Disclosure—Annual* form each year and submit it to the Conflicts Administrator.

## Section 3: No Retaliation

The Organization prohibits any form of discipline, reprisal, intimidation, or retaliation against a Representative for reporting a potential conflict of interest or for cooperating in related investigations.

## Section 4: Administration of this Policy

The Conflicts Administrator is responsible for the administration of this Policy. Anyone who has questions about conflicts of interest at the Organization that are not addressed in this Policy should contact the Conflicts Administrator.

## Section 5: Miscellaneous Provisions

The Organization has the full authority and discretion permitted by law to interpret, administer, modify, and amend this Policy at any time with or without notice. Failure to enforce any provision of this Policy against any Representative will not constitute a waiver of Organization's right to do so in the future. This Policy is governed by and should be interpreted in accordance with *[insert your state]* law.

## Acknowledgment of Receipt and Review of Conflicts of Interest Policy

I, \_\_\_\_\_ (Representative name), acknowledge that on \_\_\_\_\_ (date), I received a copy of *[insert organization name]* Conflicts of Interest Policy, and that I have read, understood, and agree to comply with it.

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

*This is a sample document only. Your organization is responsible for compliance with all applicable laws. Accordingly, this sample policy should not be used or adopted by your organization without first being reviewed and approved by an attorney. Brotherhood Mutual Insurance Company assumes no liability in the preparation and distribution of this sample policy.*