

Conflict of Interest Policy

No director, officer, employee or volunteer of [CHURCH] shall have an inappropriate conflict of interest. A conflict of interest will be considered to be inappropriate where such a situation would, in the opinion of the board, influence or would have the appearance of influencing the conduct or judgment of any director, officer, employee, or volunteer of [CHURCH].

- Every board meeting shall begin with opportunity for directors, officers, employees and volunteers to declare potential conflicts of interest with items that are on the agenda.
- It is also the continuing responsibility of all directors, officers, employees, and volunteers to scrutinize their transactions and outside business interests and relationships for potential conflicts of interest and to immediately make such disclosures to the appropriate person: the Chair (if a board member) or the Lead Pastor for all others. The Pastor or Chair shall bring these matters to a meeting of the board.

The board shall then determine whether a conflict exists and whether it is material, and where, in the opinion of the board, a material conflict exists, decide whether the contemplated transaction may be authorized as just, fair and reasonable having regard to the fiduciary and trustee-like duties of [CHURCH], its directors and officers. The primary concern must always be the welfare of [CHURCH] and the advancement of its purposes. Even if a director, officer, employee, or volunteer is invited to enter into a transaction, which may be a conflict, but refuses, the individual involved should notify the appropriate person of the offer as a point of information but the board need not be advised.

The fact that a conflict exists does not necessarily mean that the conflict is objectionable, or material enough to be of practical importance, or that it is necessarily adverse to the interests of [CHURCH] or its charitable purposes. However, it is the policy of the board that the existence of any conflict must be disclosed before any transaction or action is carried out. If a director, officer, employee, or volunteer has any doubt, or has questions of interpretation, the appropriate person should be consulted.

Violations of this Policy by a director or officer, may constitute grounds for dismissal at the exclusive discretion of the board, particularly if the director or officer has failed to disclose relevant information in a timely manner. Violations of this Policy by an employee or volunteer may constitute grounds for dismissal at the exclusive discretion of the Lead Pastor, with advice to the board or its executive committee. Disclosure should be made at the earliest date possible and should be in writing.

Reason for the Policy

[CHURCH], as a ministry initiated and sustained by God, has a mandate to conduct all of its affairs decently and above reproach both in the sight of God and man. Such a mandate includes a commitment to operate with the highest level of integrity and to avoid conflicts of interest that either directly or indirectly result in material personal advantage or privilege.¹

1. Conflict Definition

Conflict of interest arises in a transaction or significant relationship involving [CHURCH] where the director, officer, employee or volunteer or a person who does not deal at “arm’s length”² with a director, officer, employee or volunteer:

- realizes a direct or indirect gain of a commercial nature,
- receives money or property³, or
- receives a direct or indirect significant advantage or privilege in connection with any such transaction or significant relationship.

2. Areas in Which Conflicts May Arise

Areas of potential conflict areas may include but are not limited to:

- The acquisition or supply of goods or services.
- The acquisition or granting of property and equipment leases.
- The investments made by [CHURCH].
- Dealings with donors.
- Dealings with any other individuals, agencies, organizations, companies, governments or associations that affect the purpose or operation of [CHURCH].

3. Application of the Policy

Examples of potential conflicts of interest are where the director, officer, employee or volunteer or a person who does not deal at arm’s length with a director, officer, employee or volunteer:

- has a significant interest⁴ in any business, which deals with [CHURCH] or an Affiliate.⁵
- is engaged in a professional practice, which provides services to [CHURCH] or an Affiliate organization.
- is a director or an employee of [CHURCH] while serving on the board or holding an office in any entity that has dealings with [CHURCH] or an Affiliate.
- provides goods or services to [CHURCH] or an Affiliate for consideration, while serving as a director, officer, employee or volunteer of [CHURCH] or an Affiliate.
- receives any compensation, whether cash, goods or services, from any business, CHURCH or individual where such compensation is provided as a direct or indirect result of a relationship established through [CHURCH] or an Affiliate.
- uses [CHURCH]'s or an Affiliate's personnel, equipment, supplies, name, publications, or other resources for non-[CHURCH] purposes outside of established policy.
- receives personal gifts or loans from any third parties having dealings with [CHURCH] or an Affiliate given as a direct or indirect result of the [CHURCH] relationship.
- has an interest in real estate, securities, or other property that [CHURCH] or an Affiliate has an interest in buying or leasing.

4. Interpretation of the Policy

The examples in section 3 above are not exhaustive. There will be other areas and situations that could also be considered a conflict of interest. The examples are based on the basic principles stated in section 1 above. It is assumed that the directors, officers, employees, and volunteers will use these principles and recognize a conflict of interest when it arises.

It is the continuing responsibility of all directors, officers, employees, and volunteers to scrutinize their transactions and outside business interests and relationships for potential conflicts of interest and to immediately make such disclosures to the Chair (if a board member) or the Lead Pastor for all others. Even if a director, officer, employee, or volunteer is invited to enter into a transaction, which may be a conflict, but refuses, the individual involved should notify the Chair and/or Pastor of the offer. The Chair and/or Pastor shall bring these matters to a meeting of the board. The board shall then determine whether a conflict exists and whether it is material, and where, in the opinion of the board, a material conflict exists, decide whether the contemplated transaction may be authorized as just, fair and reasonable having regard to the fiduciary and trustee-like duties of [CHURCH], its directors and officers. The primary concern must always be the welfare of [CHURCH] and the advancement of its purposes.

The fact that a conflict exists does not necessarily mean that the conflict is objectionable, or material enough to be of practical importance, or that it is necessarily adverse to the interests of [CHURCH] or its charitable purposes. However, it is the policy of the board that the existence of any conflict as defined in section 2 above and described in sections 3 and 4 above must be disclosed before any transaction is consummated. If a director, officer, employee, or volunteer has any doubt, or has questions of interpretation, the Chair and/or Lead Pastor should be consulted.

Violations of this Policy by a director or officer, may constitute grounds for dismissal at the exclusive discretion of the board, particularly if the director or officer has failed to disclose relevant information in a timely manner. Violations of this Policy by an employee or volunteer may constitute grounds for dismissal at the exclusive discretion of the Chair and/or Lead Pastor upon the advise of the board or its executive committee. Disclosure should be made at the earliest date possible and should be in writing.

¹ As a registered charitable organization, [CHURCH] depends for its continued existence on charitable contributions from the public. Maintenance of [CHURCH] as a church under trust law and registration with CRA under the Income Tax Act is important both for its continued financial stability and for the receipt of contributions and public support. Canada Revenue Agent (CRA) and provincial regulators view the operations of [CHURCH] as a public trust, which must devote all of its resources for exclusively charitable purposes of benefit to the public. Therefore, [CHURCH] is accountable to both governmental authorities and the public at large.

[CHURCH], its directors and officers have a fiduciary and trustee-like duty, which carries with it a broad and unbending duty of honesty, loyalty, care, diligence, skill, and prudence. Since the board delegates the carrying out of the policies and affairs of [CHURCH] to its employees and volunteers, the board also requires such employees and volunteers to respect the legal duties imposed on such directors and officers. The directors, officers, employees, and volunteers have the duty and responsibility to administer the affairs of [CHURCH] in accordance with the governing documents and trust law, and to exercise their respective tasks in furthering the objects of [CHURCH] for the sole benefit of its public purposes. Directors, officers, employees, and volunteers of [CHURCH] must exercise good faith in all their transactions and not use their position or knowledge gained from their position for any personal advantage or privilege. The phrase “advantage or privilege” received or given because of a conflict of interest has a commercial meaning in this policy signifying consideration resulting from covert or overt bartering. There should never be a question of, or even an appearance of, an advantage or privilege being received or given without the individual concerned fully disclosing the facts that could give rise to a question of real or perceived conflict to the person designated by the board under this policy.

² Persons who are not considered to deal at arm’s length with each other include an individual and

- a. related persons (as defined in the Income Tax Act).
- b. an estate or trust (whether incorporated or not) of which the director, officer, employee, volunteer or a family member of any of them is a beneficiary, personal representative, or trustee.
- c. a business or not-for-profit entity of which the individual or related person is an officer, director or employee, or a business in which the director, officer, employee or volunteer has a significant interests.
- d. a law firm, accounting firm, or other professional entity of which the individual or related person is a partner or employee.

³This policy is not intended to prohibit the acceptance or giving of gifts of nominal value, provided they are consistent with commonly accepted courtesies, any applicable Canada Revenue Agency policies, and could not be construed as an improper payment. Cash payments in any amount must never be accepted or given as a gift or favour under any circumstances.

⁴ A significant interest for the purpose of this policy means either direct or indirect control of more than 10% of the business

⁵ An Affiliate is any other entity over which [CHURCH] may exercise direction or control by means of being able to appoint 20% or more of the board members or trustees, or by means of controlling 30% or more of the decision making vote of the entity.