A conflict of interest arises “where an individual is in a position where he or she is on both sides of an actual or potential transaction or situation” (Hopkins, Nonprofit Law Dictionary). It is sound policy for an organization to protect itself and its decision makers from conflict of interest. This contributes to the safeguarding of the reputation and integrity of the organization and its decision-making officials; it can contribute to the organization’s obtaining the best value for goods and services acquired; and in some cases, it can protect it from legal liability.

The ordinary protection against conflict of interest is based on principles of transparency and disclosure. A conflict of interest protection rule or policy consists generally of the definition of conflict, the obligation to disclose conflict, and the steps to be taken in order to protect the decision-making process from real or perceived conflict.

The following reasons are given for the adoption of a conflict of interest policy:

- The Church is making a statement of the importance of safeguarding the integrity of the decision-making process. It speaks to integrity and character, foundational principles applicable to Elders, Deacons, officers and Staff members of the Church;
- The policy would establish a procedure to review the issues as they arise;
- Detailing the rule through a policy, in addition to its increased visibility, serves in guiding decision makers;
- Expanding and not limiting conflict of interest protection is sound from a Christian perspective (Matthew 6:24; Matthew 18:8-10).

A conflict of interest policy should include: (1) the scope of individuals covered; (2) the scope of activities and relationships covered, and (3) the standards and procedures through which the policy is implemented. The policy can also help by clarifying through examples what other type of nonfinancial interests can give rise to a conflict of interest.
CHAPEL HILL BIBLE CHURCH POLICY

ON CONFLICTS OF INTEREST FOR ELDERS, DEACONS AND STAFF

The policy set forth in this statement is applicable to all Elders, Deacons, Officers and Staff (hereinafter covered persons) of The Chapel Hill Bible Church (the Church).

A conflict of interest can arise whenever a covered person (a) has existing or potential 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; (b) such covered person is aware that a member of his or her family or any organization in which such covered person (or a member of his or her family) is an officer, director, employee, member, partner, Trustee, or controlling stockholder, has such existing or potential financial or other interests; or (c) such a covered person or a member of his or her family may receive a material benefit from knowledge of information which is confidential to the Church.

It is difficult to define what might be considered a potential conflict, but at least the following should be so considered:

- Official relationship with banks with which the Church does business;
- Official relationship with investment brokers with which the Church does business;
- Official relationship with suppliers of goods or services to the Church;
- Official relationship with insurance agents or carriers doing business with the Church;
- Covered person or a family member is either receiving financial support from the Church (e.g., campus ministers) or is serving on the board or in the employ of an organization the Church supports;
- Family relationships with employees of the Church.

Duty to Chapel Hill Bible Church

At all times, covered persons shall exercise particular care that no detriment to the interests of the Church (or even an appearance of such detriment) may result from a conflict between those interests and any personal interests which the covered person may have.

Principle of Disclosure

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1 Though substantially modified and adapted, the policy drafted was based on the one from Trinity School, which based its policy on that of Mount Holyoke College reproduced in Exhibit 3 of David B. Rigney, Conflict of Interest Policies and Procedures for Nonprofit Organizations, in NONPROFIT GOVERNANCE AND MANAGEMENT (Victor Futter, et al., eds. 2002).
If one of the covered persons believes that he or she may have a conflict of interest with respect to any transaction or decision, he or she shall promptly and fully disclose the potential conflict to (i) the Deacon Board Chairperson (or, if the covered person is the Deacon Board Chairperson, the Deacon Board Vice-Chairperson); or (ii) if the covered person is an elder, to the chairman of the Board of Elders (or, if the covered person is the Elder Board Chairperson, to the Elder Board Vice-Chairperson).

For purposes of the duty to disclose, members of the family of the covered person include the spouse, child and parent. Covered persons are however encouraged to disclose a situation or transaction between the Church and a family member other than spouse, child or parent, that may constitute an apparent or real conflict of interest for the covered person.

No Elder or Deacon Board member shall vote on any matter, under consideration at a board or committee meeting, in which such board member has a conflict of interest. Board members shall abstain from participating in the discussion of that matter at the earliest practicable time. The minutes of such meeting shall reflect that a disclosure was made and that the board member having a conflict of interest abstained from participating. Any board members who are uncertain whether they have a conflict of interest in any matter may and should request the board or committee to determine whether a conflict of interest exists, and the board or committee shall resolve the question by a majority vote.

Persons covered by this policy that are not board members should refrain from participating at the earliest possible or appropriate point in discussions on any matter under consideration by the relevant board in which such covered person has a conflict of interest. Any covered persons, not members of the board, who are uncertain whether they have a conflict of interest in any matter may request the Deacon Board Chairperson to submit the question to the board or a committee, accordingly, to determine whether a conflict of interest exists, and the board or committee shall resolve the question by a majority vote.

All covered persons shall agree to answer any questions the Elder and/or Deacon Board or any committee might have about a conflict of interest. All information concerning actual or potential conflicts of interest under this policy shall be held in confidence unless the best interests of the Church dictate otherwise.

Each covered person under this policy shall file a statement annually with the Church Administrator setting forth any conflicts of interest which might be expected to occur within the following year. The statement shall disclose as fully as possible the nature of potential conflicts and the nature of the covered person’s interest in the potential transactions. All statements which anticipate conflicts of interest shall be circulated to the Deacon Board.
STATEMENT OF ACTUAL OR POTENTIAL CONFLICT OF INTEREST

Name (please print): ________________________________

Leadership Role (circle): Elder Deacon Staff Officer

For calendar year:

The policy on conflicts of interest adopted by the Chapel Hill Bible Church Board of Deacons on February 10, 2004 requires that all Elders, Deacons, Officers and Staff disclose any current or potential conflicts of interest that might be expected to occur. The statement shall disclose as fully as possible the nature of potential conflicts and the nature of the person’s interest in the potential transactions. All statements, which anticipate conflicts of interest, shall be circulated to members of the Deacon Board. Each person covered by this policy shall agree to answer any questions about potential conflicts that the Deacon Board members may have.

___ I do not have and do not anticipate having within the next year any actual or potential conflict of interest.

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

Signature ________________________________ Date:______________

UPDATE For calendar year:

___ No changes except as noted below:

Signature ________________________________ Date:______________

UPDATE For calendar year:

___ No changes except as noted below:

Signature ________________________________ Date:______________