Conflict of Interest Policy

Purpose

The purpose of this Conflict of Interest Policy is to ensure that the Pastor, Administrative Board members, church committee or ministry members, volunteers with direct financial oversight of approved budget line items, and the Child Development Center Director conduct their duties in a manner that prioritizes the mission and vision of St. Mark's UMC. The policy is designed to prevent conflicts of interest and maintain transparency and integrity in all church-related business transactions and decisions.

Policy

A conflict of interest arises when an individual in a leadership or oversight role within St. Mark's UMC may financially benefit from a business arrangement or transaction involving the church. Examples include, but are not limited to:

- The church purchasing goods or services from the individual, their company, family members, or their family's companies.
- Selling items to related parties.
- Renting property to or from related parties.
- Accepting gifts, entertainment, or other favors from any individual or entity that: (1) does or is seeking to do business with the Church; or (2) has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from the Church; unless such gift is of nominal value (e.g., less than $50).

Federal Tax Law Compliance

This policy acknowledges the restrictions imposed by federal tax law, including Intermediate Sanctions under Section 4958 of the Internal Revenue Code. This provision penalizes excess benefit transactions between tax-exempt organizations and their leaders. These regulations are intended to prevent undue enrichment of individuals through their involvement with tax-exempt organizations.

Disclosure and Recusal

If a conflict of interest or the appearance of a conflict arises, it is the responsibility of the individual to disclose this conflict fully. Alternatively, any other church employee or volunteer who identifies a potential conflict should report it. The following steps should be taken:

1. The individual must disclose the conflict or appearance of a conflict to the chair of their committee or to the Administrative Board. Board Minutes should explicitly document the disclosure of the interest, the recusal of the interested person, the discussion of alternatives, and the final vote.
2. In cases of ambiguity or uncertainty, the individual must provide the information to the Human Resources chair.
3. The individual must use their judgment to excuse themselves from the decision-making process when appropriate.

Violations

If the Board has reasonable cause to believe a member has failed to disclose a conflict, it shall inform the member and afford them an opportunity to explain. If a violation is confirmed, the Board shall take appropriate disciplinary and corrective action.

Acknowledgment and Review

All employees and Administrative Board members of St. Mark's UMC are required to review and sign the Conflict of Interest Policy annually. This process ensures ongoing awareness and compliance with the policy.

Acknowledgment of Understanding and Agreement

I, _____, have read and understand the Conflict of Interest Policy for St. Mark's UMC. I agree to abide by the terms of this policy and to disclose any potential or actual conflicts of interest as outlined.

Signature: _____

Date: _____