



**Govans Ecumenical Development Corporation  
CONFLICT OF INTEREST POLICY**

**ARTICLE I  
PURPOSE**

The purpose of the Conflict of Interest policy is to protect Govans Ecumenical Development Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of GEDCO, as well as that of staff and volunteers. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

**ARTICLE II  
DEFINITIONS**

**1. INTERESTED PERSON**

Any director, principal officer, or member of a committee with board delegated powers who has a direct or indirect financial interest, as defined below, is interested person. If a person is an interested person with respect to any entity within GEDCO, this applies.

**2. FINANCIAL INTEREST**

A person has a financial interest if the person has, directly or indirectly, through business, investment or family –

- a. an ownership or investment interest in any entity with which GEDCO has a transaction or arrangement, or
- b. a compensation arrangement with GEDCO or with any entity or individual with which GEDCO has any transaction or arrangement, or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which GEDCO is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature, defined as having a value of \$25.00 or greater.

*A financial interest is not necessarily a conflict of interest. Under article iii, section 2, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.*

## ARTICLE III PURPOSE

### 1. DUTY TO DISCLOSE

- d. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.
- e. Staff members shall disclose, in writing, any possible conflict of interest for themselves or their immediate families to their supervisor. The supervisor will report to the Executive Director, who will, if need be, present the information to the Board of Directors.

### 2. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

- a. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members decide if a conflict of interest exists.

### 3. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST

- a. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- b. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the board or committee shall determine whether GEDCO can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in GEDCO's best interest and for its own benefit and whether the transaction is fair and reasonable to GEDCO. The board or committee shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.



- e. The minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken, and, when applicable, the abstention from participation and voting of the person disclosing the potential conflict.

#### 4. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose an actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the member and making further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, the GEDCO Board of Directors shall take appropriate disciplinary and corrective action.

### ARTICLE IV RECORDS OF PROCEEDINGS

The meeting minutes of the board and all committees with board-delegated powers shall contain-

1. the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
2. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

### ARTICLE V COMPENSATION COMMITTEES

1. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from GEDCO for services is precluded from voting on matters pertaining to that member's compensation.
2. Anyone who receive compensation, directly or indirectly, from GEDCO, whether as employees or independent contractors, is precluded from voting on any committee whose jurisdiction includes compensation matters. No one, either individually or collectively, is prohibited from providing information to any committee regarding compensation.





## ARTICLE VI ANNUAL STATEMENTS

Each director, principal officer and member of a committee with board delegated powers shall annually sign a statement that affirms that such person -

- a. has received a copy of the conflict of interest policy
- b. has read and understands the policy
- c. has agreed to comply with the policy, and
- d. understands that GEDCO is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

## ARTICLE VII PERIODIC REVIEWS

To ensure that GEDCO operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- b. Whether acquisitions of services result in inurement or impermissible private benefit.
- c. Whether partnership and joint venture arrangements and arrangements with other companies and organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further GEDCO's charitable purposes and do not result in inurement of impermissible private benefit.
- d. Whether agreements to provide services in keeping with GEDCO's mission further GEDCO's charitable purposes and do not result in inurement or impermissible private benefit.

## ARTICLE VIII USE OF OUTSIDE EXPERTS

In conducting the periodic reviews provided for in Article VII, GEDCO may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

**Govans Ecumenical Development Corporation  
Disclosure Statement**

Please complete the questionnaire below, indicating any actual or potential conflicts of interest. If you answer "Yes " to any of the questions, please provide a written description of the details of the specific action or transaction in the space allowed. Attach additional sheets as needed.

Financial Interests - A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or transaction entered into by the organization.

Please indicate, during the past 12 months:

Has GEDCO contracted to purchase or lease goods, services, or property from you, ☐ Yes  
or from any of your relatives or business associates?

☐ No

*If yes, please describe:*

Has GEDCO purchased an ownership interest in or invested in a business entity owned ☐ Yes  
by you, or owned by any of your relatives or business associates?

☐ No

*If yes, please describe:*

Has GEDCO offered employment to you, or to any of your relatives or business  
associates, other than a person who was already employed by the organization?

☐ Yes  
☐ No

*If yes, please describe:*

Have you, or have any of your relatives or business associates, been provided with a ☐ Yes  
gift, gratuity or favor, of a substantial nature, from a person or entity that does



business, or seeks to do business with GEDCO? (\$25.00 or more)

No

*If yes, please describe:*

Have you or any of your relatives or business associates been gratuitously provided use of the facilities, property, or services of GEDCO? ☐ Yes

No

*If yes, please describe:*

Other Interests - A conflict may also exist where an interested party, or a relative or business associate of an interested party, obtains a non-financial benefit or advantage that he or she would not have obtained absent his/her relationship with GEDCO, or where his/her duty or responsibility owed to GEDCO conflicts with a duty or responsibility owed to some other organization.

Please indicate if at any time during the past twelve months:

Did you obtain preferential treatment by GEDCO for yourself, or for any of your relatives or business associates? ☐ Yes

No

*If yes, please describe:*

Do you make use of confidential information obtained from GEDCO for your own benefit, or for the benefit of a relative, business associate or other organization? ☐ Yes

No

*If yes, please describe:*

Did you take advantage of an opportunity, or enable a relative, business associate or other organization to take advantage of an opportunity, that you had reason to ☐ Yes

No

believe would be of interest to GEDCO?





*If yes, please describe:*

**Govans Ecumenical Development Corporation**

**Conflict of Interest Policy  
Annual Affirmation of Compliance  
and Disclosure Statement**

I have received and carefully read the Conflict of Interest Policy for board members, staff and volunteers of Govans Ecumenical Development Corporation (GEDCO) and have considered not only the literal expression of the policy, but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest policy. I further understand that GEDCO is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax exempt purposes.

Except as otherwise indicated in the Disclosure Statement and attachments, if any, below, I hereby state that I do not, to the best of my knowledge, have any conflict of interest that may be seen as competing with the interest of GEDCO, nor does any relative or business associate have such an actual or potential conflict of interest.

If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose the circumstances to the President of the Board of Directors of GEDCO or to the CEO, as applicable.

I further certify that the information set forth in the Disclosure Statement and attachments, if any, is true and correct to the best of my knowledge, information and belief.

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date