

Tennessee Valley Unitarian Universalist Church	Policy/Procedure: Conflict of Interest	Document No: PP-TBD-00 Page 1 of 6
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Article I

Purpose

The purpose of the conflict of interest policy is to protect Tennessee Valley Unitarian Universalist Church's (TVUUC) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of TVUUC or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

1. Interested Person

This policy applies to the following positions within TVUUC :

- a. Ministers;
- b. Staff (all full-time staff, and any part-time staff who have management responsibilities for hiring, contracting, or purchasing);
- c. Officers and other Members of the Board of Directors;
- d. Members of the Endowment Committee (owing to management of grant money);
- e. Members of the Building and Grounds Committees (owing to material amount of contracting/spending involved in these committees);
- f. Any other person identified by the Board or the Senior Minister (*example: someone helping the Senior Minister with an ad-hoc project that involves contracting or purchasing*).

Any person from this list who has a direct or indirect financial interest, as defined below, is an interested person.

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

arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial.

3. Conflict of Interest

An actual or potential conflict of interest occurs when:

- a. An interested person is in a position to influence a decision that may result in a personal gain for that person or for a relative as a result of TVUUC's business dealings. For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.
- b. In addition, a conflict of interest exists when an interested person on the Endowment Committee is affiliated with an organization requesting a grant from TVUUC. Such affiliation exists if the interested person is a director, trustee, officer, or employee of TVUUC, or has an unofficial role such as significant donor, volunteer, advocate, or advisor.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have of interest only if the Board of Directors decides that a conflict of interest exists.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors related to the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall 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 of Directors meeting, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The President of the Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether TVUUC can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If the the President of the Board of Directors is the party with a potential conflict of interest, the Incoming President shall be responsible to perform the duties of the President in section b. of these Procedures.
- e. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in TVUUC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

For Board Members

- a. If the Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflicts 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 member's response and after making further investigation as warranted by the circumstances, the Board of Trustees determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

For Ministers and Staff and other people (as identified in II.1.g)

- a. If the Senior Minister has reasonable cause to believe that someone has failed to disclose actual or possible conflicts of interest, the Senior Minister shall inform that person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Senior Minister determines the person has failed to disclose an actual or possible conflict of interest, the Senior Minister shall take appropriate disciplinary and corrective action.
- c. The Senior Minister will notify the Board of Directors of the situation and its resolution at the next meeting of the Board of Directors. The Secretary of the Board of Directors will include this information in the meeting notes.

For the Endowment and Building & Grounds Committees

- a. If the Chair has reasonable cause to believe a committee member has failed to disclose actual or possible conflicts of interest, the Chair shall inform the committee member of the basis for such belief and afford that person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the committee member's response and after making further investigation as warranted by the circumstances, the Chair determines the person has failed to disclose an actual or possible conflict of interest, the Chair shall take appropriate disciplinary and corrective action.
- c. The Chair will notify the Secretary of the Board of Directors of the situation and its resolution before the next Board meeting. The Secretary will include this information in the meeting notes.

If any Board Member is not satisfied with the handling of the violations by the Senior Minister or the Committee Chairs, the Trustee can raise the subject for full Board discussion.

Article IV

Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. 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 governing Board's decision as to whether a conflict of interest in fact existed.
- b. 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 with the proceedings.

Article V

Compensation

A voting member of the governing board who receives compensation, directly or indirectly, from TVUUC for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from TVUUC for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from TVUUC, 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 governing board delegated powers shall annually sign a statement which affirms 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.

The Director of Administration will be responsible for collecting and storing the signed statements for all relevant positions (as defined in Article II.1).

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Annual Affirmation of Compliance and Disclosure of Conflicts of Interest

I have received and carefully read the Conflict of Interest Policy of the Tennessee Valley Unitarian Universalist Church (TVUUC) 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 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 interests of TVUUC, nor does any relative or business associate have such an actual or potential conflict of interest.

If any situation should arise in the future which I think may involve me in a conflict of interest, I will promptly and fully disclose the circumstances to the appropriate person per the policy.

In addition, I recognize the need to maintain confidentiality regarding information I might receive regarding donors, donations, and grant making activities of TVUUC.

NAME: (printed) _____ DATE: _____

NAME: (signature) _____

TVUUC title/role: _____