

Southwest California Synod of the ELCA

Synod Council Conflict of Interest Policy

1. Purpose of Policy

The Southwest California Synod Council constitutes the Synod's Board of Directors. Each Synod Council member owes a fiduciary duty of to the Synod to discharge his or her duties in good faith and with an awareness of any potential for conflicts of interest. This conflict of interest policy is designed to help members of the Southwest California Synod Council identify situations that present potential conflicts of interest, and to provide the Synod with a procedure that, if observed, could allow a transaction to be treated as valid and binding if approved by the Synod Council, even though a member of the Synod Council has or may have a conflict of interest with respect to the transaction. All capitalized terms are defined in Part 3 of this policy.

2. Conflict of Interest Defined.

For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

- a. Outside Interests.
 - i. An Agreement or Transaction between the Synod and a Responsible Person or Family Member.
 - ii. An Agreement or Transaction between the Synod and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.
- b. Outside Activities.
 - i. A Responsible Person competing with a third party in the provision of goods or rendering of services or in any other Agreement or Transaction with the Synod.
 - ii. A Responsible Person having a Material Financial Interest in, or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to, an entity or individual that competes with a third party in the provision of goods or rendering of services or in any other Agreement or Transaction with the Synod.
- c. Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that:
 - i. does or is seeking to do business with the Synod; or

- ii. has received, is receiving, or is seeking to receive other financial consideration or commitments from the Synod;
- iii. presents circumstances from which it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties as a member of the Synod Council. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of the Synod.

3. Definitions.

- a. A “Conflict of Interest” is any circumstance described in Part 1 of this Policy.
- b. A “Responsible Person” is any person serving as a member of the Synod Council of the Southwest California Synod of the ELCA.
- c. A “Family Member” is a spouse, domestic partner, parent, child, spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- d. A “Material Financial Interest” in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s or Family Member’s judgment with respect to transactions to which the entity is a party. A Material Financial Interest can include any form of compensation. An ownership interest of five percent or more in an entity or asset can be conclusively presumed to constitute a Material Financial Interest.
- e. An “Agreement or Transaction” is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship by the Synod with an entity or an individual. The making of a gift to the Synod is not an Agreement or Transaction within the meaning of this Policy.

4. Procedures.

- a. Before Synod Council action on an Agreement or Transaction involving a Conflict of Interest, a Council member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. A Synod Council member who plans not to attend a meeting at which he or she has reason to believe that the Synod Council will act on a matter in which the person has a Conflict of Interest shall disclose to the Vice-President of the Synod Council all facts material to the Conflict of Interest. The Vice-President shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the Synod Council's discussion concerning the matter, except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence in any way with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to an Agreement or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Agreement or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot and without discussion. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
- e. Responsible Persons who have a Conflict of Interest with respect to an Agreement or Transaction that is not the subject of Synod Council action, shall disclose to the Vice President of the Synod Council or the Vice-President's designee any Conflict of Interest that such Responsible Person has with respect to an Agreement or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect the Synod's participation in such Agreement or Transaction.
- f. In the event it is not entirely clear that a Conflict of Interest exists, a Council member with a potential conflict shall disclose the circumstances to the Vice-President of the Synod Council or the Vice-President's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

5. Confidentiality. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with his or her status as a Council member, or information the disclosure of which might be adverse to the interests of the Synod. Furthermore, a Responsible Person shall not disclose or use information relating to the business of the Synod for the personal profit or advantage of the Responsible Person or a Family Member or the Responsible Person's company.

6. Review of Policy.

- a. Each new Responsible Person shall be required to review a copy of this Policy and to acknowledge in writing on the Synod Council Annual Conflict of Interest Certification and Disclosure Form that he or she has done so.
- b. Each Responsible Person shall annually complete the Synod Council Annual Conflict of Interest Form identifying any relationships, positions, or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions, or circumstances might include service as a director of or consultant to a not-for-profit organization, or ownership of a business that might provide goods or services to the Synod. Each Responsible Person should also disclose to the Synod Council any potential Conflict

of Interest that may arise during the course of the year between the submission of annual disclosure forms. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Vice-President of the Synod Council, the Executive Committee, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

- c. This Policy shall be reviewed annually by each member of Synod Council. Any changes to this Policy shall be communicated immediately to all Responsible Persons.