

CONFLICT OF INTEREST POLICY
For the POTOMAC ASSOCIATION of the
UNITED CHURCH OF CHRIST

APPROVED 4/22/2009, Board of Directors

POLICY

The Potomac Association (PA) of the United Church of Christ strives to maintain the highest ethical standards in all of its policies, procedures and programs and to avoid conflicts of interest. This policy applies to the Board of Directors, officers, committee members, employees and regular consultants. All persons shall act in good faith and best efforts in all matters relating to their responsibilities to the PA and shall avoid any conflict of interest. No person shall benefit financially from his or her relationship with the PA other than by compensation for services approved by the Board or through established policy. No person shall accept any favor, gratuity or gift made in connection with the person's decisions regarding the PA.

In all dealings with and on behalf of the Association or any affiliated entity, each Director, Officer, committee member, employee or regular consultant of the Potomac Association shall be held to a strict rule of honest and fair dealing, and no such person shall use his or her position, or knowledge gained there from, in such a manner as to create a Conflict of Interest.

DEFINITIONS

Interested Person. Any Director, Officer, member of a committee with Board delegated powers ("Committee Member"), employee or regular consultant who has or may have a direct or indirect financial interest or duality of interest is an Interested Person.

Financial Interest. An Interested Person has a Financial Interest if the person directly, or indirectly through a business, employment, investment or family relationship, has: (a) an ownership or investment interest in any entity with which the Potomac Association has a transaction or arrangement, (b) a compensation arrangement with the PA or with any entity or individual with which the PA has a transaction or arrangement, or (c) a potential ownership or investment interest in, or compensation arrangement with, an entity or individual with which the PA is negotiating a transaction or arrangement.

Duality of Interest. An Interested Person has a Duality of Interest if the person is affiliated with an organization requesting a grant or other financial benefit from the PA. Such an affiliation exists if the person is

a Director, Officer, Committee Member, employee, significant donor, volunteer, advocate or advisor of such organization.

Conflict of Interest. The existence of a Financial Interest or a Duality of Interest may create a Conflict of Interest. Receipt of compensation by an employee or consultant of the PA does not create a Conflict of Interest unless the employee also has a Financial Interest in an entity or individual with which the PA has a transaction or arrangement or is negotiating a transaction or arrangement.

Recusal from Voting and Other Involvement. No Director, Officer or Committee Member shall vote, or be counted in determining the quorum for any vote, on any transaction between the Association and any other entity in which such Director, Officer or Committee Member has a Financial Interest.

Any Duality of Interest shall be disclosed to the other Directors, Officers or Committee Members of the Association as applicable and made a matter of record. The Director, Officer or Committee Member shall make such disclosure.

PROCEDURES

Disclosure and Determination. Every Interested Person shall disclose immediately to the Board or an entity designated by the Board to address potential conflicts of interest ("Board Designee") any actual or possible Conflict of Interest. After disclosure and appropriate opportunity for discussion, the Board or Board Designee shall determine whether a Financial Interest or Duality of Interest exists. The Interested Person shall not participate in that determination.

Addressing a Potential Conflict of Interest. If the Board or Board Designee determines that a Financial Interest or Duality of Interest exists:

- A. If appropriate to protect the interests of the PA, the Association Moderator or a majority of the disinterested Directors shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement;
- B. After exercising reasonable due diligence, the disinterested Directors shall determine whether the PA could 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; and

- C. If a more advantageous transaction or arrangement is not reasonably attainable, the Directors shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the PA's best interests and for its own benefit and whether the transaction is fair and reasonable to the PA and shall decide whether to enter into the transaction or arrangement in conformity with such determination.

If the Moderator of the Association or a majority of the disinterested Directors determine that it is not necessary to investigate alternatives to the proposed transaction or arrangement to protect the interests of the PA, the Board, Board Designee or Moderator of the Association shall determine the extent to which the Interested Person shall recuse himself or herself from further involvement in the proposed transaction or arrangement.

Violations of the Conflicts of Interest Policy

- A. If the Board of Directors, Board Designee or Moderator of the Association has reasonable cause to believe that an Interested Person has failed to disclose a Financial Interest or Duality of Interest, it shall inform the Interested Person of the basis for such belief and afford the person an opportunity to explain the failure to disclose.
- B. If, after hearing the response of the Interested Person and, after making such further investigation as it concludes is warranted by the circumstances, the Board of Directors, Board Designee or Moderator of the Association determines the Interested Person has failed to disclose a Financial Interest or Duality of Interest, the Board shall take appropriate steps to protect the PA, including, but not limited to, termination of the Interested Person and repayment by the person of appropriate funds to the PA.

Annual Statements

Each Board member, employee and regular consultant is required to complete a Conflict of Interest Statement on an annual basis. The statement will affirm that the person has:

- A. Received a copy of this Policy (to which a current Association vendor list will be appended, if applicable),
- B. Read and understands the Policy, and

C. Agreed to comply with the Policy.

When in doubt as to whether a Financial Interest or Duality of Interest exists or may exist, the person shall seek guidance from the Moderator of the Association or Board Designee.

Applicability and Effective Date

Any person who is a Director, Officer, Committee Member, employee or regular consultant on the date the Board adopts this Policy ("Date of Adoption") shall become subject hereto as of the Date of Adoption or upon receiving a copy of the Policy and a current vendor list, whichever comes later. Any person who becomes a Director, Officer, Committee Member, employee or regular consultant after the Date of Adoption shall become subject hereto immediately upon becoming a Director, Officer, Committee Member, employee or regular consultant or upon receiving a copy of the Policy and a current vendor list, whichever comes later.

Conflict of Interest Training

Conflict of Interest training shall be conducted on a periodic basis but no less than every two years for all Directors, Officers, Committee Members, employees and regular consultants. New employees shall receive training within 30 days of the commencement of their employment. New Directors shall receive training within six months of assuming their Board duties. This training provides the opportunity to raise awareness, address questions and concerns, and reinforce the Association's requirement for ethical behavior. The goal of the training is to ensure that all Directors, Officers, Committee Members, employees or regular consultants are familiar with the Policy, know why it is important and know how to apply it to their work and responsibilities.

Commit to Continuous Improvement

The Potomac Association and the Board of Directors will review and evaluate the Conflict of Interest Policy and related procedures on a regular basis to determine effectiveness, request suggestions from all employees, Directors and Officers, and make adaptations as needed.

Adopted by PA Board: Date , 2009

**POTOMAC ASSOCIATION of the
UNITED CHURCH OF CHRIST**

CONFLICT OF INTEREST ACKNOWLEDGEMENT AND DISCLOSURE

I, the undersigned, acknowledge that I have received a copy of the Potomac Association of the United Church of Christ Conflict of Interest Policy (the "Policy"), that I have read the same, that I understand the terms and provisions of that Policy, that I will comply with the Policy, including by promptly disclosing any conflict of interest or potential conflict which may hereafter arise in accordance with that Policy, and that as of the date hereof I have no conflict or potential conflict other than as disclosed below:

Prior Calendar Year for Which Filing is made _____

Name [print]: Last First Middle

Telephone: Home: _____ Business: _____

Home Address:

(Street) (City, State, Zip Code)

Business Address: _____

(Street) (City, State, Zip Code)

Signed _____ day of _____, 20 _____

Signature _____

=====

FOR INTERNAL USE ONLY

Potomac Association

Date received:

Person receiving/reviewing:

Reporting Status (Check Appropriate Box) ___ New Report ___ Amended Report ___ Final Report

Date of Appointment _____ Final Date _____
(Month, Day, Year) (Month, Day, Year)

Adopted by PA Board: [date]

Revised date, form # if applicable

**Potomac Association
United Church of Christ**

CONFLICT OF INTEREST/RELATED PARTY QUESTIONNAIRE

A conflict of interest may relate to you, your spouse, family members, business interests, investments and/or associates.

Considering the period from _____ to date:

Yes* No

- | | | | |
|----|--|-------|-------|
| 1. | I (or a party related to me) have, directly or indirectly, a Financial Interest in an outside concern with which the Potomac Association (PA) has a transaction or arrangement or is negotiating a transaction or arrangement. | _____ | _____ |
| 2. | I (or a party related to me) is affiliated with an organization requesting a grant or other financial benefit from the PA. | _____ | _____ |
| 3. | I have accepted gifts or other benefits from any outside concern that does, or is seeking to do, business with PA. | _____ | _____ |
| 4. | I have participated in decisions concerning transactions or arrangements with the PA that affect or benefit me or my family financially. | _____ | _____ |
| 5. | I (or a party related to me) have been indebted to PA at some time during the above stated period.
If so, please note the nature, date, terms, and amount. | _____ | _____ |
| 6. | PA has been indebted to me (or a related party of mine) at some time during the above stated period. If so, please note the nature, date, terms and amount. | _____ | _____ |

*If you answered "Yes" to any of these statements, please provide further explanation and information on any related-party transactions.

NAME:

SIGNATURE:

DATE: