

Addressing Conflicts of Interest

Life in a community is filled with joys but also conflict. Our responsibilities and relationships in communities of faith are sometimes highly condensed and concentrated due to the size and nature of our church. Fostering a community of trust and transparency is an important and perpetual task for leaders if they are to maintain a ministry focused on mission and service rather than one preoccupied by avoidable distractions. Conflicts of interest and perceptions of bias may raise questions about integrity and professional conduct with unfortunate pastoral results.

The following are fictional examples of conflicts of interest in ministry situations.

Scenario 1

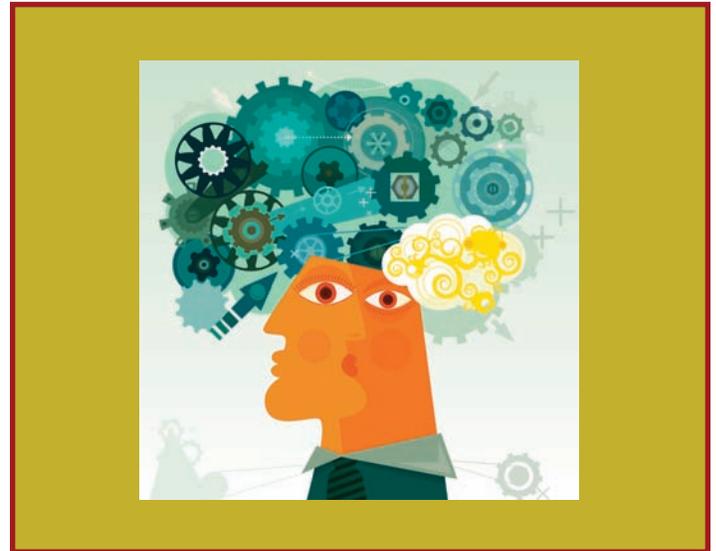
St. Ephraim's Presbyterian Church sold a piece of its property with the intention of using the proceeds to support a new outreach program. Some people in the congregation feel the price and conditions of sale might have been more favorable if the convener of the Board's spouse were not an employee of the property developer.

Scenario 2

A minister's daughter and son-in-law are members of the session and have been named as the only members of the nominating committee tasked with facilitating the election of new elders at Springfield Presbyterian Church. The nominating committee does good and careful work. However, when the slate of nominees is published, questions are asked about who was nominated and many people have concerns about the minister's influence over the process. Some of the nominees feel that their vocation to eldership is being questioned because of the concerns expressed about the transparency of the process.

Scenario 3

Alex Park is on the board of a camp and also sits on a finance committee that decides the allocation of grants for ministries within the synod's bounds. When one camp legitimately receives a grant for a unique project while another camp receives no financial assistance,



questions are raised about the bias of the committee. Because the minutes of the grants committee do not show that Alex disclosed a conflict of interest, did not leave the room during the discussion and did not vote on the decision, there are hard feelings and calls for the committee to be replaced.

Sessions, boards, committees, and governing bodies of the ministries of the church might consider these scenarios as they discuss the creation of a conflict of interest policy. The following guidelines may also inform their practices.

What is a Conflict of Interest?

Conflicts of interest occur when members of governing bodies have personal interests in decision-making that reasonably appear to influence their action, bias their judgment, or prejudice the outcome of decisions for direct or indirect benefit of themselves, their family or friends, or other organizations to which they owe allegiance.

Exceptions

For various reasons, it may be appropriate for governing bodies, after due consideration, to waive an apparent conflict of interest and permit a member to participate in the discussion and/or decision. The governing body

will, as far as possible, ensure that in waiving a feature of a conflict of interest policy it will not have an effect upon the transparency or integrity of the decision or process. (E.g. it may be decided that a certain situation is not a conflict of interest, if the member's monetary interest is no greater than the monetary interest of all other members.)

What a conflict of interest is not

A conflict of interest is about the presence of factors that might reasonably be thought to bias judgment on any issue. Conflicts of interest are not unethical or signals of wrongdoing. Likewise, drawing attention to the fact that someone has a conflict of interest is not accusation about any lack of integrity.

What are the Responsibilities of Individuals?

For individuals who find themselves in a conflict of interest, the best course of action is to:

- *identify conflicts* - members routinely consider whether any item of business before a governing body presents a conflict of interest for them. If it is unclear whether there is a conflict of interest, members ought to seek advice.
- *disclose conflicts* - members disclose the conflict of interest to the governing body as soon as possible after becoming aware of a conflict.
- *follow the process* - members follow the guidelines and practices regarding conflicts of interest established by the governing body.
- *refrain from participation* - it may be prudent for the member to not participate in decision-making when in a conflict of interest. This may include leaving the room while the matter is discussed as well as abstaining from voting.
- *refrain from voting* (but not discussion) - Sometimes the nature of the conflict of interest puts a member of a governing body in conflict with the responsibilities they have with another body. In this case, the member may participate in the governing body's discussions on any matters to which the conflict of interest relates. The member should, however, abstain from voting.

What are the Responsibilities of Governing Bodies?

Conflicts of interest may not occur often or be very significant in some situations; however, governing bodies should take appropriate steps that anticipate conflicts of interest. Members of governing bodies:

- *create a policy* - it might be wise in some circumstances to create and regularly review a clear and reasonable conflict of interest policy that defines conflicts of interest and outlines the steps to take to disclose and handle conflicts of interest. (Some boards are required to do this by law.)
- *document* - the agendas of meetings might feature an opportunity to disclose conflicts of interest at the beginning of the meeting. The minutes of the meeting record that conflicts of interest were disclosed and any abstentions in voting because of conflicts of interest.
- *have a responsibility beyond themselves* - should a member of a governing body fail to notice or disclose a conflict of interest, other members may raise the issue for discussion.
- *help build healthy communities* - leaders foster a culture of trust, reasonableness, transparency and grace that makes it easy to recognize and disclose conflicts of interest and to handle them in non-accusatory ways.

Leader's Prayer

Gracious and guiding God, there is beauty in community when it is built upon Christ and marked by his courage, honesty and grace.

Help us to grow together in community and to be thoughtful in our actions, wise in our discernment, intentional in our leadership, focused on your kingdom and to do all things for your glory. Amen.

