CONFLICT OF INTEREST POLICY
for
Nazarene Compassionate Ministries, Inc.

Fairness in decision-making is more likely to occur in an impartial environment. Conflicts of interest and related-party transactions are two forms of subjective activity that can result in improper results. The following policy is communicated to board members, management, employees and volunteers upon either joining the organization or the formalization of policy changes or additions for their full adherence and will be reaffirmed annually thereafter.

Conflicts of Interest

The potential for a conflict of interest arises in situations in which a person has a responsibility to promote the organization's best interest, but has a direct or indirect personal competing interest at the same time. If the personal competing interest is exercised over a fiduciary interest, the conflict is realized. Conflicts of interest or the appearance thereof should be avoided. Examples of conflict of interest may include, but are not limited to the following situations in which a director, employee or volunteer of the organization:

- Receives a gift from a vendor if the organization's representative is responsible for initiating or approving purchases from that vendor.
- Approves or authorizes the organization to provide financial or other assistance to persons related to the director, employees or volunteer.
- Transacts a contract, sale, lease or purchase for the organization and receives direct or indirect personal benefit from the purchaser, lessor or vendor. Transactions with officials of the organization are adequately controlled and disclosed in the records, and such transactions occur only in the normal course of business and are approved by the board.
- Uses the organization's facilities, assets, employees or other resources for personal benefit.

Related-Party Transactions

Related-party transactions are transactions that occur between two or more parties that have interlinking relationships. These transactions should be disclosed to the governing board. Transactions should be evaluated to ensure they are made on a sound economic basis. Some related-party transactions are clearly to the advantage of the organization and should be pursued. Other related-party transactions are conflicts of interest and should be avoided. Transactions with related parties should be undertaken only in the following situations:

- The audited financial statements of the organization fully disclose material related-party transactions.
- Related parties are excluded from the discussion and approval of related-party transactions.
- Competitive bids or comparable valuations exist.
- The organization's board approves the transaction as being in the best interest of the institution.
Each board member, the president, members of senior management, employees or certain volunteers with purchasing and/or hiring authority or responsibilities are required to sign the following statement. The statement must be kept on file and updated annually.

To the Audit Committee

I have read and understand the organization's conflict of interest policy and represent that I will not engage in any activities that would be prohibited under that policy.

Name _________________________________ Date __________________________
