



## About Business Ethics and Conflict of Interest Policy

Best practices for all organizations, including nonprofits and churches, recommend that a business ethics and conflict-of-interest policy be in place. ELCA congregations are encouraged to review the model policy and work to adapt this form or create their own policy.

### Some Explanations

Ethics policies are designed to help persons understand fiduciary duties and address conflicts of interest or appearance of conflicts. For example, there is a conflict of interest that needs to be examined if the congregation president is the head of the construction company that is bidding to build the new addition to the sanctuary. Likewise if the congregation is considering hiring a choir director who is the niece of the associate pastor, this needs to be carefully handled.

This policy contemplates coverage for all congregation officers, congregation council members, congregation committee members, and congregation staff. In some organizations, there are separate policies for staff. This policy is a combined policy designed to cover directors, committee members, and employees.

You will note that we have called it an "operational" ethics policy. The reason for this name is to be clear that the ELCA has many ethical concerns that are certainly not covered in this short policy. This policy is to address the business side of your congregation and its role as a nonprofit corporation.

Some ethics policies require that all those who are covered sign the policy at inception and then re-sign on a regular basis. There is no such requirement in the draft, but you may choose to require it. In any event, it is very important that all staff and directors be provided a copy when it is adopted, and a protocol should be in place to provide a copy to all new persons. It is also a good idea to consider having this as part of your website.

It is important to consult with your legal and financial advisors when adopting a business ethics policy.

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