



## Jesus Freaks Ministry

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### Conflict of Interest Policy

#### Article I – Purpose

The purpose of this Conflict of Interest Policy is to protect the interests of Jesus Freaks Ministry (the “Organization”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or other interested person. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### Article II – Definitions

##### 1. Interested Person

Any director, principal officer, or member of a committee with governing board-delegated powers, who has a direct or indirect financial interest, is an interested person.

##### 2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which the Organization has a transaction or arrangement
- A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A conflict of interest exists if the governing board or committee decides that a conflict of interest is present.

#### Article III – Procedures

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### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and all material facts to the directors and members of committees with governing board-delegated powers considering the proposed transaction or arrangement.

### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest**

- An interested person may make a presentation at the board or committee meeting, but after the presentation, they shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the board or committee shall determine whether the Organization can 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.
- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable.

## **Article IV – Violations of the Policy**

If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member and allow them an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and making further investigation as warranted, the board or committee determines the member has failed to disclose a conflict of interest, it shall take appropriate disciplinary and corrective action.

## **Article V – Records of Proceedings**

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The minutes of the board and all committees with board-delegated powers shall contain:

- The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest
- The nature of the financial interest
- Any action taken to determine whether a conflict of interest was present
- The board's or committee's decision as to whether a conflict of interest in fact existed
- The names of the persons who were present for discussions and votes relating to the transaction or arrangement
- The content of the discussion, including any alternatives to the proposed transaction or arrangement
- A record of any votes taken in connection with the proceedings

#### Article VI – Compensation

A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters shall participate in any discussion of compensation, except to provide information as requested.

#### Article VII – Annual Statements

Each director, principal officer, and member of a committee with governing board-delegated powers shall annually sign a statement which affirms that such person:

- Has received a copy of the Conflict of Interest Policy
- Has read and understands the policy
- Has agreed to comply with the policy

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- Understands the Organization is charitable and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes

### Article VIII – Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted.

The periodic reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits are reasonable and based on competent survey information and the result of arm’s-length bargaining
- Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement or impermissible private benefit

### Certification

I acknowledge that I have received and read the Conflict of Interest Policy for Jesus Freaks Ministry and agree to comply with it.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_