



Conflicts of Interest Policy

1. Reason for Statement

As a ministry initiated and sustained by God, Mwana Villages has a mandate to conduct all of its affairs decently and above reproach both in the sight of God and man. That accountability includes a commitment to operate with the highest level of integrity and to avoid conflicts of interest. This duty is underscored by Standard 6 of ECFA (Evangelical Council for Financial Accountability).

As a nonprofit, tax-exempt entity, Mwana Villages depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the IRS and state corporate and tax officials view the operations of the organization as a public trust, account-able to both governmental authorities and members of the public.

Among the organization and its Board, officers, and management employees, there exists a fiduciary duty, which carries with it a broad and unbending duty of loyalty. The Board, officers, and management employees are responsible for administering the affairs of the organization honestly and prudently, and for exercising their best care, skill, and judgment for the sole benefit of the organization. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the organization or knowledge gained there from for their personal benefit. The interests of the organization must have the first priority, and all purchases of goods and services must be affected on a basis that secures for the organization full competitive advantages as to product, service, and price.

2. Persons Concerned

This statement is directed to Trustees and officers, as well as those employees annually designated by the Board who influence the actions of the organization or its Board, or make commitments on their behalf. For example, this would include all who make purchasing decisions, all other persons who might be described as "management personnel," and all who have proprietary information concerning the organization.

3. Areas in Which Conflicts May Arise

Conflicts of interest may arise in the relations of Trustees, officers, and management employees with any of the following third parties:

- 3.1. Persons or entities supplying goods and services to the organization.
- 3.2. Persons or entities from which the organization leases property and equipment.
- 3.3. Persons or entities with whom the organization is dealing or planning to deal in connection with the gift, purchase, or sale of real estate, securities, or other property.
- 3.4. Persons or entities paying honoraria or royalties for products or for services delivered by the organization for its agents or employees.
- 3.5. Other ministries or nonprofit organizations.
- 3.6. Donors and others supporting the organization.
- 3.7. Stations or programmers that carry the organization's programming.
- 3.8. Agencies, organizations, and associations that affect the operations of the organization.

4. Nature of Conflicting Interest

A material conflicting interest may be defined as an interest, direct or indirect, between any person or entity mentioned in Section 3, and a Trustee, officer, or management employee, which might affect, *or might reasonably be thought by others to affect*, the judgment or conduct of a Trustee, officer, or management employee of the organization. Such an interest might arise through

- 4.1. Owning stock or holding debt or other proprietary interests in any third party dealing with the organization.
- 4.2. Holding office, serving on the Board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with the organization.
- 4.3. Receiving remuneration for services with respect to individual transactions involving the organization.
- 4.4. Using the organization's personnel, equipment, supplies, or goodwill for other than organization-approved activities, programs, and purposes.
- 4.5. Receiving personal gifts or loans from third parties dealing with the organizations. (Receipt of any gift is disapproved except gifts of nominal value, which could not be refused without discourtesy. No personal gift of money should ever be accepted.)
- 4.6. Obtaining an interest in real estate, securities, or other property that the organization might consider buying or leasing.
- 4.7. Expending staff time during the organization's normal business hours for personal affairs or for other organizations, civic or otherwise, to the detriment of work performance for the organization.

5. Indirect Interests

As noted above, conflicting interests may be indirect. A Trustee, officer, or management employee will be considered to have an indirect interest in another entity or transaction if any of the following also have an interest:

- 5.1. A family member of a Trustee, officer, or management employee. (Family member is defined for these purposes as all persons related by blood or marriage.)
- 5.2. An estate or trust of which the Trustee, officer, or management employee or member of his family is a beneficiary, personal representative, or trustee.
- 5.3. A company of which a member of the family of the Trustee, officer, or management employee is an officer, director, or employee, or in which he has ownership or other proprietary interests.

6. Interpretation of This Statement of Policy

The areas of conflicting interest listed in Section 3 and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the Trustees, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of the organization. However, *it is the policy of the Board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated.* It shall be the continuing responsibility of Trustees, officers, and management employees to scrutinize their transactions with outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Disclosure should be made to the Executive Director (or if she is the one with the conflict, then to the Chairman of the Board), who shall bring these matters to the attention of the Board. The Board shall then determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable as to the organization. The decisions on these matters are the sole discretion of the Board. The Board's first concern must be the welfare of the organization and the advancement of its purposes.

I have carefully read the foregoing Statement of Policy concerning Conflicts of Interest and the accompanying Resolution of the Board of Trustees. In signing this certificate, I

have considered not only the literal expression of the policy, but also its intent. I do not, *except as hereinafter stated*, to the best of my knowledge: (1) have any of the relations described in Section 4 with any person or firm of the classes listed in Section 3; and (2) I have no interests conflicting with the interests of this organization, nor do I have any relationship that may appear conflicting.

If any situation should arise in the future which I believe may involve me in a conflict of interest, I will promptly and fully disclose the circumstances to the President or the Chairman of the Board, directly or through my immediate superior.

(Signature)