

CONFLICTS OF INTEREST POLICY

AS REQUIRED BY SECTION 501(c)3 OF THE UNITED STATES INTERNAL REVENUE CODE

Article I

Purpose

1.00. The purpose of this Conflicts of Interest Policy is to insure that the Anglo-Lutheran Catholic Church (ALCC) complies with the terms and provisions of section 501(c)3 of the United States Internal Revenue Code, in order to maintain its tax-exempt status as a Missouri Nonprofit Corporation which is a Church organized for religious, charitable, and educational purposes; and to protect the interests of the ALCC when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the ALCC or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to the ALCC as a Church which is a Missouri Nonprofit Corporation.

Article II

Definitions

2.00. Interested Person:

1. An interested person is any Director, principal officer, or member of the Executive Committee or other committee with Board of Directors delegated powers, who has a direct or indirect financial interest, as defined below. 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 ALCC has a transaction or arrangement; a compensation arrangement with the ALCC or with any entity or individual with which the ALCC has a transaction or arrangement; or a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the ALCC is negotiating a transaction or arrangement.
3. Compensation: 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. Under Section III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors, Executive Committee, or committee with Board delegated powers decides that a conflict of interest exists.

Article III

Procedures

3.00. Duty to Disclose:

1. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of Executive Committee or committees with Board of Directors 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, he/she shall leave the Board of Directors, Executive Committee, or meeting of a committee with Board delegated powers 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.

a. An interested person may make a presentation at the Board of Directors, or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The Chairman of the Board of Directors, Executive Committee, or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the Board of Directors, Executive Committee, or committee shall determine whether the ALCC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors, Executive Committee, or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the ALCC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy.

1. If the Board of Directors, Executive Committee, or committee with Board delegated powers has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors or Executive Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action

Section IV
Records of Proceedings

4.00 Records of Proceedings:

1. The minutes of the Board of Directors, Executive Committee, and all committees with Board delegated powers shall contain:

a. 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, and the Board of Director's or Executive Committee's decision as to whether a conflict of interest in fact existed.

b. 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, and a record of any votes taken in connection with the proceedings.

Section V
Compensation

5.00. Compensation:

1. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the ALCC for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any Executive Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the ALCC for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the Board of Directors , Executive Committee, or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the ALCC, either individually or collectively, is prohibited from providing information to the Board of Directors, Executive Committee, or any committee with Board delegated powers regarding compensation.

Section VI
Annual Statements

6.00. Annual Statements:

1. Each Director, principal officer and member of a Executive Committee or committee with Board delegated powers shall annually sign a statement which affirms such person has received a copy of the conflicts of interest policy; has read and understands the policy; has agreed to comply with the policy; understands the ALCC is a Church which is a Missouri Nonprofit Corporation with Federal 501(c)3 tax exempt status, and in order to maintain its federal tax exemption, this Church must engage only in activities which accomplish one or more of its tax-exempt purposes as a Nonprofit Corporation which is a Church.

Section VII
Periodic Reviews

7.00. Periodic Reviews:

1. To ensure the ALCC operates in a manner consistent with its religious, education, and charitable purposes as a Missouri nonprofit corporation which is a Church, 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.

2. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
3. Whether partnerships, joint ventures, and arrangements with management ALCCs conform to the ALCC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section VIII
Use of Outside Experts

8.00 Use of Outside Experts:

1. When conducting the periodic reviews as provided for in Section VII, the ALCC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

Adopted this 30th day of July, 2006.

The Most Reverend Irl A. Gladfelter, D.D.
Archbishop Metropolitan of the Anglo-Lutheran Catholic Church
President, Board of Directors

ATTEST:

Linda J. Merrill, M. A. Bus., D.D.
Secretary, Board of Directors