

FAQ 6 CONFLICT OF INTEREST - DIRECTORS

A director of a church may neither directly or indirectly benefit from any services provided to the church. An indirect benefit is considered to occur when a spouse, child or other person not dealing at arm's length with the director receives a benefit from the church in the form of, salary, honorarium or benevolence assistance. Please note the following additional issues:

1. Not all members of the church Council are necessarily directors. Have a competent person review your By-laws to determine who are the directors for legal purposes.
2. If a director donates more than the remuneration received from the church to the church during each year of service to the church, there is considered to be no conflict of interest.
3. If the person not dealing at arm's length with the director receives material benefits which together with the remuneration or honorarium received by the director exceeds the total donations made by the director to the church in any given year, there would appear to be a legal conflict of interest.