

**COVENANT PRESBYTERIAN CHURCH
MEETING OF SESSION
MONDAY, FEBRUARY 9, 2026
7:00 P.M.
CONSENT AGENDA**

ACTION ITEMS

1. Approval of December 8, 2025, Session Meeting Minutes (pp. 2-4). Philip James, Clerk of Session, moves that the minutes of this meeting be approved as written.
2. Approval of January 21, 2026, Session Meeting Minutes (pp. 5-6). Philip James, Clerk of Session, moves that the minutes of this meeting be approved as written.
3. Approval of January 30, 2026, Session Meeting Minutes (pp. 7-8). Philip James, Clerk of Session, moves that the minutes of this meeting be approved as written.
4. Approval of Called Session Meetings Minutes from December and January to receive new members (p. 9). Philip James, Clerk of Session, moves that the minutes of these meetings be approved as written.
5. Approval of request for changes to active roll (p. 10)
6. Approval of baptisms (p. 11)
7. Approval of 2025 Church Statistical Report (p. 12)

INFORMATION ITEMS

1. January 2026 Treasurer's Report (pp.13-14)
2. Covenant Conflict of Interest (pp. 15-20)
3. Clerk's Communications (p. 21)

FUTURE EVENTS

- | | | |
|---------------|--------------------------------|--------------------------------------|
| • February 18 | Ash Wednesday & soup lunch | 12:00 p.m. Chapel & Fellowship Hall |
| • February 18 | Ash Wednesday | 6:30 p.m. Sanctuary |
| • February 22 | Mission Remarkable | 9:00 a.m. – 1:00 p.m. Welcome Center |
| • March 1 | Peek Music Concert | 4:00 p.m. Sanctuary |
| • March 8 | Child of the Covenant | 9:30 a.m. Sanctuary |
| • March 8 | Shea Watts' Ordination Service | 4:00 p.m. Sanctuary |
| • March 9 | Session Meeting | 7:00 p.m. Peek Music Room |

**COVENANT PRESBYTERIAN CHURCH
MINUTES OF THE MEETING OF SESSION ON
MONDAY, DECEMBER 8, 2025**

Attendance:

Class of 2025: W. Bouknight, A. Friello, R. Goodson, S. Hicks, T. Horne, A. Hunter, B. Koonce, W. Saunders, B. Unger

Class of 2026: B. Cathey, J. Delery, V. DiSandro, J. Dobbins, D. Frost, J. McAbee, J. McAlister, T. Moore, L. Watson, S. Wilson

Class of 2027: A. Abrahm, J. Beyer, A. Chinery, J. Emken, A. Gildea, V. Hindman, P. James, A. Liu, J. Schriefer, K. Spivey, A. Reynolds, H. Klutz

Installed Ministers: B. Henderson, K. Kerr, G. Lindvall, S. Taylor

Other Staff: E. Bender, M. Rencher

Other Attendees: Tom Coley, Ellen Schubert, Virginia Bouknight, Kim Moseley, Jim Hamilton, Lauren McCormick, Leigh Ann Hall, Alan Morrow, Breiten Brown, Ellen Holloway, Derek Thomas

Call to Order and Opening Prayer

Bob Henderson, Moderator

The Moderator called the meeting to order at 6:30 p.m. in the Peek Music Room. The Moderator offered words of welcome, opened in prayer.

Determination of Quorum and Review of Agenda

The Moderator declared that a quorum was present and made a motion to adopt the meeting agenda and the Consent Agenda. The motion was approved on vote by the attendees.

Elder Examination

The following Elders-elect were examined, as is customary, by small groups of current Session members, then presented to the full Session as having been examined satisfactorily and motions were made that their exams be sustained until their ordination and/or installation:

Tom Coley, Ellen Schubert, Virginia Bouknight, Kim Moseley, Jim Hamilton, Lauren McCormick, Leigh Ann Hall, Alan Morrow, Breiten Brown, Ellen Holloway, Derek Thomas.

Additionally, it was noted by Janet Delery that Campbell Tucker was satisfactorily examined by a small group of elders on Sunday, November 30 as he was unable to attend this evening. She made a motion that his exam be sustained until his ordination and/or installation.

The Moderator noted at conclusion of the presentations that all elders-elect had been examined satisfactorily and moved to approve the motions. The motion was approved by the Session on unanimous vote. Ordination and Installation is scheduled for January 11, 2026.

Administration Report

Ashley Friello, Treasurer

Friello began her report by expressing her joy of having served on Session. She briefly referenced the financials as included in the Consent Agenda and commended for our consumption. Friello noted that 2025 pledge fulfillments are on track, with expectation of additional \$450,000 to come in late this year. While she noted that this is a traditional pattern, she also encouraged the Session members themselves to fulfill pledged contributions. Friello also noted that we are at 74% of our pledge goal for 2026. This is ~\$1M short at this moment. She encouraged the Session to ensure that we have all pledged.

Planning and Evaluation Report

Kim Spivey, P&E Chair

Spivey noted that she had three subjects to cover: 1) An update and proposal from Property Committee, 2) An update on Operations Manual changes, and 3) an update on the planned Session Retreat in January 2026.

Spivey introduced Rob McNeill, chair of Property Committee and Lucy Butler who is chairing a Property project subcommittee to share details of a proposal involving a potential land use on the Covenant property.

McNeill and Butler presented details of an invitation by the Robert Haywood Morrison Foundation (the Foundation) for Covenant to apply for a \$200,000 grant, with access to an additional \$75,000 grant if we match. The funding would be used to improve and preserve “the Point” (the triangle of undeveloped land bordered by Dilworth Rd and Morehead St.) as an urban green space amidst planned commercial development in the surrounding area. To prepare for potential funding of the match, and other anticipated project expenses, the Finance Committee has already approved designation of \$85,000 from various sources.

Spivey offered a motion on behalf of P&E that the Session approve moving forward with the grant application in response to the invitation from the Foundation and that Session approve a \$7,500 distribution from the Rosebro Restricted Fund for use as part of the project plan. After discussion, the motion passed on a unanimous vote by the Session.

Next, Spivey offered a reminder of the November Session presentation of the approach to editing and updating the Operations Manual. She noted that she had received no comment, question or concern and so offered the following motion from P&E: That the Session approve the Operations Manual edits as outlined in the summary document distributed at the November Session meeting. After brief discussion, the motion passed on a unanimous vote by the Session.

Finally, Spivey called attention to information conveyed by Lynne Koeniger regarding the January 30-31 Session Retreat. She noted that the focus will be on spiritual formation.

Ministry Reports

Congregational Life

Bill Saunders, Congregational Life Chair

Saunders noted the robust slate of activities that are part of the life of the church, generally, and made statement of appreciation for the work put into Christmas Crafts.

No additional Ministry had a report

Clerk's Report

Janet Delery, Clerk of Session

Delery noted the need for Elders to help serve Communion in, and perhaps clean up after, the 5:00 PM Christmas Eve service. She noted January 7 as planned Elder Ordination and Installation in the morning worship services and encouraged Session members to be in attendance. Delery noted there will be a special session meeting on January 21 for the purpose of approving the budget. Details are TBD. She then presented a motion to call a congregational meeting on January 25 for the purpose of presenting the budget and approving the terms of call of the installed ministers.

Old Business/New Business

Bob Henderson, Moderator

Henderson used this opportunity to recognize the retiring Class of 2025 Session members. He shared a few announcements regarding upcoming events in the life of the community and some known prayer concerns.

Staff Announcements/Pastoral Concerns

The pastoral staff noted a few pastoral concerns and requests for prayer.

Closing Prayer:

Katherine Kerr closed the meeting with prayer at 8:45 p.m.

Respectfully submitted,



Philip James, Clerk



Robert W. Henderson, Moderator

**COVENANT PRESBYTERIAN CHURCH
MINUTES OF THE MEETING OF SESSION ON
WEDNESDAY, JANUARY 21, 2026**

Session Members in Attendance:

Class of 2026: B. Cathey, J. Delery, V. DiSandro, J. Dobbins, D. Frost, J. McAbee, J. McAlister, T. Moore, L. Watson, S. Wilson

Class of 2027: A. Abrahm, J. Beyer, A. Chinery, J. Emken, A. Gildea, V. Hindman, P. James, A. Liu, J. Schriefer, K. Spivey

Class of 2028: T. Coley, L. Hall, J. Hamilton, E. Holloway, K. Moseley, L. McCormick, E. Schubert, D. Thomas, C. Tucker, V. Bouknight, B. Brown

Installed Ministers: B. Henderson, K. Kerr, G. Lindvall, S. Taylor

Other Staff: E. Bender, M. Rencher, C. Shudak

Call to Order and Opening Prayer-Bob Henderson, Moderator

The moderator called the meeting to order at 7:46 pm via Zoom and in Fellowship Hall Room 105. The Moderator offered words of welcome and opened in prayer.

Determination of Quorum and Adoption of Agenda

The Moderator declared that a quorum was present and reviewed the agenda. The agenda and Consent Agenda were both adopted without objections.

Moderator referenced the anticipated winter weather for the weekend and entered a motion that the Congregational Meeting planned for January 25 be moved to February 1. The motion was so moved, seconded and approved unanimously. Communication about the change will be handled via Weekend Update.

Administration Treasurer's Report-Vince DiSandro

The Moderator thanked Vince DiSandro, the Budget Advisory Committee, and Eva Bender for their good work on the 2026 budget. Moderator also thanked Serenitye Taylor and Laci King for their capable leadership on the Stewardship campaign.

Vince DiSandro provided updates on 1) the 2025 Income Statement and year-end financial results and 2) the 2026 budget. Regarding 2025: he reviewed several line items and noted that total income (\$235,545) was above budget by \$189k. The result was attributed to strong congregational giving, a favorable interest rate environment and good planning and oversight that resulted in many ministry areas coming in under budget. He then shared Finance Committee's recommendation that the 2025 net income of \$235k be placed in a project fund to be used to replace our AV system which is now 17 years old, several years beyond the expected life of such systems. After discussion the motion was approved unanimously.

Regarding 2026: DiSandro shared that the 2026 budget is built based on appropriately conservative income estimates and reviewed several expense line items. He commented that Personnel expense increases reflect a 3% annual increase, alignment of salaries to market and increased medical costs. He also reflected that our expense budget reflects the direction set via our Envision work.

DiSandro then entered a motion from the Budget Advisory Committee to accept the 2025 Budget Report as presented. The motion was so moved, seconded and approved unanimously.

Personnel: No Report

Planning and Evaluation: No Report

Ministry Reports:

Congregational Care: No Report

Congregational Life: No Report

Education: No Report

Mission and Outreach: No Report

Worship: No Report

The Moderator adjourned the meeting at 8:30pm

Respectfully submitted,

A handwritten signature in black ink, appearing to be "Philip James", written over a light gray rectangular background.

Philip James, Clerk

A handwritten signature in black ink, appearing to be "Robert W. Henderson", written on a white background.

Robert W. Henderson, Moderator

**COVENANT PRESBYTERIAN CHURCH
MINUTES OF THE MEETING OF SESSION ON
FRIDAY, JANUARY 30, 2026**

Session Members in Attendance:

Class of 2026: B. Cathey, J. Delery, V. DiSandro, J. Dobbins, J. McAbee, J. McAlister, L. Watson, S. Wilson

Class of 2027: A. Abrahm, A. Chinery, J. Emken, A. Gildea, V. Hindman, P. James, A. Liu, J. Schriefer, K. Spivey

Class of 2028: T. Coley, L. Hall, J. Hamilton, E. Holloway, L. McCormick, A. Morrow, E. Schubert, V. Bouknight

Installed Ministers: B. Henderson, K. Kerr, G. Lindvall, S. Taylor

Other Staff: E. Bender, M. Rencher, C. Shudak

Call to Order and Opening Prayer-Bob Henderson, Moderator

The Moderator called the meeting to order at 8:00 pm at the offices of Faison Associates just after the close of the Session Retreat program. He referenced that Grace Lindvall had just led the group in prayer as part of that program.

Determination of Quorum and Adoption of Agenda

The Moderator declared that a quorum was present and turned the floor over to Philip James, Clerk of Session to review two agenda items.

James explained that the first agenda item is the matter of a required element of the grant application to the Robert Haywood Morrison Foundation (the Foundation). The Session approved moving forward with this grant application at its meeting on December 8, 2025.

James shared that the required item is a non-binding Declaration of Intent (the Declaration) to preserve "the Point" as an urban green space. Should Covenant's application be rejected, or Covenant choose not to enter into the agreement with the Foundation, the Declaration would be invalidated. James then read the statement draft and opened the floor for questions. Assuming grant approval, congregational communication, including draft plans, will be provided and input will be sought. After discussion James entered a motion that Session approve the language of the agreement. The motion was so moved, seconded and unanimously approved.

James then raised the second agenda item which was the anticipated winter weather for the weekend and the potential impact on the Congregational Meeting scheduled for February 1. He entered a motion that the Congregational Meeting planned originally for January 25 that had been moved to February 1 due to inclement weather be moved to February 8 if necessary, based on weather

developments over the weekend. After brief discussion the motion was so moved, seconded and approved unanimously.

Administration: No Report

Personnel: No Report

Planning and Evaluation: No Report

Ministry Reports:

Congregational Care: No Report

Congregational Life: No Report

Education: No Report

Mission and Outreach: No Report

Worship: No Report

Clerk's Report

Old Business/New Business

Staff Announcements/Pastoral Concerns

The pastoral staff noted a few pastoral concerns and requests for prayer

Closing Prayer

Katherine Kerr closed the meeting in prayer at 8:28pm

Respectfully submitted,

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Philip James, Clerk

A handwritten signature in black ink, appearing to read "Robert W. Henderson", written on a white background.

Robert W. Henderson, Moderator

**COVENANT PRESBYTERIAN CHURCH
CALLED SESSION MEETINGS
SUNDAYS, DECEMBER 7, 2025, and JANUARY 4, 2026**

Covenant held TWO Called Session Meetings each on a Sunday morning for the purpose of receiving new members. Lora Borrelli introduced the following new members and information:

December 7, 2025

Curtis Wallin	Reaffirmation
Janie West	Reaffirmation
Arthur Newcombe	Transfer Letter--First Presbyterian Church, Thomasville, GA
Francis Walker	Reaffirmation
Cheryl Johnstone	Reaffirmation
Steve Johnstone	Reaffirmation

January 4, 2026

Mary Scott Kennedy	Reaffirmation
Drew Mansfield	Reaffirmation

Active (confirmed) members as of 1/31/2026: 2889

2026 new members as of 1/31/2026: 2

2026 new affiliate members as of 1/31/2026: 0

2026 transfers as of 1/31/2026: 0

2026 deaths as of 1/31/2026: 1

Motions of acceptance were made, seconded and approved. Each meeting adjourned with prayer.

Respectfully submitted,



Philip James, Clerk



Robert W. Henderson, Moderator

**COVENANT PRESBYTERIAN CHURCH
SESSION MEETING
REQUEST FOR CHANGES IN THE ACTIVE ROLL**

Removed from Active Roll Per Request

None to Report.

**COVENANT PRESBYTERIAN CHURCH
SESSION ACTION ITEM
SUMMARY**

SUBJECT: Baptisms at Covenant

DATE: February 3, 2026

Report From: Baptism Committee

Background: Baptisms must be approved by the Session.

Process to Date: Parents and individuals have requested that they or their children be baptized in worship at Covenant.

Budget Impact: None

Actions Taken or Recommendation: The Baptism Committee, with the support of the Ministry of Worship, recommends approval of the following baptisms at Covenant:

February 22, 2026, at the 9:30 service in the Covenant Sanctuary

Camille Charlotte Andrews

Parents: Nicole Spurlock Andrews and Douglas Mark Andrews

March 29, 2026, at the 11:00 service in the Covenant Sanctuary

Margaret Evans Richards

Parents: Margaret Jane (Maggie) Fryling Richards and Richard (Rich) Evans Richards

April 12, 2026, at the 11:00 service in the Covenant Sanctuary

Holland (Holly) Caroline Friello

Parents: Ashley Holland Friello and Bryan Charles Friello

Motion: Motion to approve the baptisms of Camille Charlotte Andrews, Margaret Evans Richards, and Holland (Holly) Caroline Friello.

2025 Church Statistical Report

Church	Covenant	PIN	21216
Presbytery	Charlotte		
Address	1000 E Morehead St, Charlotte, NC 28204-2888		
Phone	704-333-9071	Fax	704-333-0386
Email			
Web Site	www.covenantpresby.org		



Membership			
Prior Active Members	2742	Adjusted membership	2742
Gains		Losses	
Certificate	43	Certificate	25
Youth Professions	23	Deaths	25
Professions & Reaffirmations	80	Deleted for any Other Reason	13
Total Gains	146	Total Losses	63
Total Ending Active Members	2825		
Baptisms		Average Weekly Worship Attendance	717
Presented by Others	44	Friends of the Congregation	48
At Confirmation		Ruling Elders on Session	30
All Other	4	Do you have Deacons?	No
Age Distribution of Active Members		People with Disabilities	
17 & Under	223	Hearing impairment	
18 - 25	179	Sight impairment	
26 - 40	784	Mobility impairment	
41 - 55	693	Other impairment	
56 - 70	526		
Over 70	420	Gender Distribution	
Total Age Distribution	2825	Women	1570
		Men	1255
		Non-Binary	
Youth in Congregation			
Age 4 and under	215	Middle School (6th – 8th grade)	142
Elementary School (K-5th grade)	263	High School (9th – 12th grade)	123
		Total Youth	743
Racial Ethnic			
Asian/Pacific Islander/South Asian		Native American/Alaska Native/Indigenous	
Black/African American/African		White	
Middle Eastern/North African		Multiracial	
Hispanic/Latino-a			
		Total Racial Ethnic	0
Budgeted Income	7,345,875		
Budgeted Expense	7,345,875		
Receipts			
Regular Contributions	4,231,450	Bequests	80,578
Capital Building Fund	0	Other Income	2,488,195
Investment Income	303,957	Subsidy or Aid	0
Expenditures			
Local Program	6,197,236	Investment Expenditures	99,500
Local Mission	505,100	Per Capita Apprt	54,000
Capital Expenditures	406,708	Other Mission	410,930

**COVENANT PRESBYTERIAN CHURCH
SESSION INFORMATION ITEM
SUMMARY**

Subject: Treasurer's Report

From: Vince DiSandro, Treasurer

**Covenant Presbyterian Church
Monthly Financial Comments
January 2026**

Income Statement Comments

The main impacts of the January Income Statement are outlined below.

Income: Pledge receipts totaled approximately \$658K, which was below budget by \$42K, but approximately \$86K higher than the same period of 2025. Total income was approximately \$36K below budget, which primarily reflects the pledge income variance as previously described.

Expenses: Total expenses were below budget by \$65K for the month, primarily due to timing.

The Bottom Line: Net Income for the month was \$460K, which was \$30K above budget.

Balance Sheet Comments

Significant changes in the Balance Sheet, as compared to the prior month, were:

Line 25: Reflects the month's net cash from operations.

Lines 29 & 35: Reflects market value increases in Endowment funds.

Line 36: Increase reflects receipt of member donations and deferral of 2025 receipts into a Project Fund for property improvements; offset by Administration, CDC Financial Assistance, Mission and Outreach, and other ministry operations expenses. Reflects the month's operating Net Income.

Covenant Presbyterian Church				Period ending:	01/31/26				
INCOME STATEMENT		YTD	YTD	YTD	Annual	Y-T-D Actual as % of Annual			
		Budget	Actual	Variance	Budget	2026	2025	2024	2023
Income:									
1	Pledge Receipts/ Anticipated Contributions	\$ 699,277	\$ 657,623	\$ (41,654)	\$ 3,680,406	18%	16%	22%	22%
2	Miscellaneous Contributions	44,938	43,150	\$ (1,788)	399,500				
3	Investment/Interest Income	18,000	2,696	\$ (15,304)	420,000				
4	Transfer from Restricted Funds	-	8,000	\$ 8,000	513,250				
5	Other Income	4,700	6,458	\$ 1,758	56,000				
6	Total Schools	193,932	184,405	\$ (9,527)	2,104,374				
7	Child Dev. Ctr. Income	134,155	136,474	\$ 2,319	1,645,905				
8	Preschool Income	59,777	47,932	\$ (11,845)	458,469				
9	Food Service	14,050	16,762	\$ 2,712	198,000				
10	Recreation Wing Income	8,567	7,429	\$ (1,138)	181,200				
11	Ministry Trip Income	61,333	68,714	\$ 7,381	207,800				
12	Ministry Other Income	\$ -	\$ 13,810	\$ 13,810	\$ 43,500				
	Total Income	\$ 1,044,797	\$ 1,009,048	\$ (35,750)	\$ 7,804,030	13%	14%	17%	20%
Expenses:									
13	Worship	\$ 10,759	\$ 9,155	\$ (1,604)	\$ 144,600				
14	Congregational Care	1,800	1,062	\$ (738)	19,700				
15	Congregational Life	4,028	405	\$ (3,623)	82,000				
16	Mission & Outreach	-	9,691	\$ 9,691	773,600				
17	Education	51,277	26,469	\$ (24,808)	328,375				
18	Total Schools	174,051	167,154	\$ (6,898)	2,078,707				
19	Child Dev. Ctr.	128,907	127,169	\$ (1,738)	1,608,465				
20	Preschool	45,144	39,985	\$ (5,159)	470,242				
21	Food Service	9,905	6,217	\$ (3,688)	109,500				
22	Recreation Ministries	-	-	\$ -	53,600				
23	Administration	72,593	56,921	\$ (15,672)	806,658				
24	Personnel	290,204	272,053	\$ (18,151)	3,407,290				
	Total Expenses	\$ 614,617	\$ 549,126	\$ (65,490)	\$ 7,804,030	7%	7%	7%	8%
	Net Income	\$ 430,181	\$ 459,921	\$ 29,741	\$ -				
BALANCE SHEET			January 31, 2026	December 31, 2025	Change				
Assets:									
25	Truist (BB&T) Checking/Savings		\$ 2,188,599	\$ 2,061,749	\$ 126,850				
26	Wells Fargo & Morgan Stanley Holding		3,118,207	3,110,661	7,546				
27	Petty Cash		350	350	-				
28	Accounts Receivable and Advances		70,319	67,173	3,146				
29	Endowment Fund Mkt Value		19,423,114	19,074,315	348,799				
30	Real Estate Funds		2,425,000	2,425,000	-				
	Total Assets		\$ 27,225,589	\$ 26,739,248	\$ 486,341				
Liabilities:									
31	Accounts Payable and Misc. Accruals		\$ 7,724	346,627	(338,903)				
	Total Liabilities		\$ 7,724	\$ 346,627	\$ (338,903)				
Fund Balances:									
32	Donor Advised		331,974	332,174	(200)				
33	Infrastructure Fund/Cornerstone Income		32,619	33,944	(1,325)				
34	Payable to Endowment Corpus		19,786	19,611	175				
35	Restricted End/Cornerst & Real Estate		21,848,114	21,499,315	348,799				
36	Restricted Funds		3,655,475	3,423,397	232,078				
37	Non-Budgeted Benevolences		33,336	33,336	-				
38	Section 125 Plan		(1,784)	(143)	(1,641)				
39	Genl Fund Balance		1,150,865	926,488	224,376				
40	Columbarium		30,682	31,282	(600)				
41	Reserve Fund Balances		116,798	93,216	23,582				
	Total Fund Balances		\$ 27,217,865	\$ 26,392,621	\$ 825,244				
	Total Liab. & Fund Balances		\$ 27,225,589	\$ 26,739,248	\$ 486,341				

**COVENANT PRESBYTERIAN CHURCH
SESSION INFORMATION ITEM
SUMMARY**

Subject: Conflict of Interest Policy Annual Statement

Date: February 2, 2026

Report From: Philip James, Clerk of Session

Background: The Covenant Presbyterian Church Conflict of Interest Policy (the “Policy”) was developed by the Planning and Evaluation Board and approved by Session on February 12, 2024.

Process to Date: Per the Policy, each member of the Session shall annually receive a copy of the Policy and sign the Covenant Presbyterian Church Conflict of Interest Policy Annual Compliance Statement.

Budget Impact: None

Actions Taken or Recommendation: The Policy and Annual Compliance Statement are attached. Each member of the Session shall sign the Annual Compliance Statement and submit it to the Clerk of Session no later than February 20, 2026. Printed copies of the Annual Compliance Statement will be available at the Session meeting.

Motion: None

Attachment(s):

Covenant Presbyterian Church Conflict of Interest Policy

Covenant Presbyterian Church Conflict of Interest Policy Annual Compliance Statement

COVENANT PRESBYTERIAN CHURCH CONFLICT OF INTEREST POLICY

Article I. Purpose

The purpose of this conflict of interest policy (this “**Policy**”) is to protect the interest of Covenant Presbyterian Church and its affiliates (including, without limitation, Covenant Presbyterian Church, Charlotte, North Carolina, Presbyterian Church (U.S.A.), Covenant Presbyterian Church Child Development Center and Covenant Presbyterian Preschool) (together, the “Church”) when the Church is contemplating entering into a transaction or arrangement that might benefit the interest of a member of the Session, a principal officer of the Church, a member of a committee of the Session or a member of a governing advisory board of an affiliate of the Church, or might result in a possible “excess benefit” transaction as defined in Section 4958 of the Internal Revenue Code of 1986, as amended. This policy will assist Interested Persons in identifying actual or potential Conflicts of Interest and provide the Session and committees with a procedure to address such Conflicts.

This **Policy** is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II. Definitions

1. Conflict of Interest Defined. For the purposes of this **Policy** the following circumstances shall be deemed to create Conflicts of Interest:

A. “Direct Interest”

- i. An interested person or a family member has an existing or potential interest in a transaction that impairs or might reasonably appear to impair his or her independent, unbiased judgment in the discharge of his or her responsibilities to the Church.
- ii. An interested person or a family member has a relationship with the other parties to the transaction that impairs or might reasonably appear to impair his or her independent, unbiased judgment in a manner adverse to the Church.

B. “Indirect Interest”

- i. An interested person has a material financial interest or is a general partner in another entity which is a party to the transaction; or
- ii. An interested person is a director, officer, manager, or trustee in another entity which is a party to the transaction and the transaction is of sufficient importance that it is or should be considered by the Church.

2. “Interested Person”

Any member of the Session, principal officer of the Church, staff with contracting authority (e.g., Business Administrator and all Director level staff), member of a governing or advisory board of an affiliate of the Church, and member of a committee to which any of the foregoing has delegated any of its authority, shall be an “interested person” within the meaning of this Policy whenever such person has a direct or indirect interest as defined above.

3. “Family Member”

Includes an interested person’s spouse, parents, children, domestic partner and any person residing in an interested person's household.

4. A “**material financial interest**” is a direct or indirect ownership interest of an interested person or family member of more than five percent of any corporation, partnership, limited liability company, unincorporated association or other entity.
5. A “**transaction**” is any agreement to which the Church is a party or a relationship to which the Church is a party that involves the sale or purchase of real property, goods, services or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship.

Article III. Procedures

1. Duty to Disclose

In connection with any actual or potential conflict of interest, an interested person must disclose the existence of the conflict of interest prior to the consideration of a transaction and then be given the opportunity to disclose all material facts to the applicable board or committee considering the proposed transaction or arrangement. Disclosure should be made to the Clerk of Session and the appropriate Committee or Board Chair in writing prior to a meeting where the transaction or arrangement will be discussed.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the conflict of interest and all material facts, and after any discussion with the interested person, such person shall be excused from the Session, committee, or advisory board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Session, committee or advisory board members shall decide if a conflict of interest exists, taking into consideration the materiality of the direct or indirect interest of such person, the particular circumstances of the transaction or arrangement, and such other factors as shall be deemed relevant. A decision will be determined by a majority vote.

3. Procedures for Addressing the Conflict of Interest

- A. An interested person may make a presentation at the Session, committee or advisory board meeting with respect to the transaction or arrangement under consideration; provided, however, that such person shall then be excused from the meeting during the discussion of, and the vote on, such transaction or arrangement.
- B. After disclosure of a potential Conflict of Interest, disinterested members of the Session, committee or advisory board shall determine whether a Conflict of Interest exists. An interested person who has a potential Conflict of Interest shall not participate in or be permitted to hear the discussion of the matter except to disclose material facts and to respond to questions. Such interested person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside of the meeting.

- C. If the Session, committee or advisory board determines that a Conflict of Interest exists, then after considering the circumstances and any reasonable alternatives to the transaction, they shall determine by majority vote of those present, if the transaction is approved, authorized or ratified.
- D. If a committee or advisory board is unable to determine if a Conflict of Interest exists, then they shall refer the decision to the Clerk of Session and the Moderator.

4. Violations of the Conflict-of-Interest Policy

- A. If the Session, committee or advisory board believes, or has reasonable cause to believe, a person has failed to disclose actual or potential conflicts of interest, it shall inform the person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose.
- B. If, after hearing such person's response and after making further investigation as warranted by the circumstances, the Session, committee or advisory board determines the person has failed to disclose an actual or potential conflict of interest, it shall report such failure to the Clerk of Session and to the Moderator who will consider if appropriate disciplinary and corrective action consistent with The Constitution of the Presbyterian Church (U.S.A.) (Part II): Book of Order is needed.

Article IV. Records of Proceedings

The minutes of the Session, the governing or advisory board of each affiliate of the Church, and all committees with authority delegated by any such board shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a conflict of interest in connection with a transaction or arrangement involving the Church, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the 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.

Article V. Annual Statements

Each member of the Session, principal officer of the Church, member of an advisory board of an affiliate of the Church, and members of those committees designated by the Clerk of Session, shall annually sign a statement which affirms such person:

- A. has received a copy of this Policy,
- B. has read and understands the Policy,
- C. has agreed to comply with the Policy, and

- D. discloses any actual or potential conflict of interest known by the person and
- E. understands that the Church is a religious and charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

**Covenant Presbyterian Church
Conflict of Interest Policy
Annual Compliance Statement**

I hereby affirm the following:

- a. I have received a copy of the Conflict of Interest Policy of Covenant Presbyterian Church (the "Policy")
- b. I have read and understand the Policy
- c. I have agreed to comply with the Policy
- d. I know of no current actual or potential conflict of interest (except as may be disclosed below);
- e. if at any time following submission of this Statement I become aware of any actual or potential conflict of interest concerning myself I will promptly notify the Clerk of Session in writing and
- f. I understand Covenant Presbyterian Church is a religious and charitable organization 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.

Actual or Potential Conflicts of Interest:

Signature

Name (please print)

Church Office or Title

Date

**COVENANT PRESBYTERIAN CHURCH
SESSION INFORMATION ITEM
SUMMARY**

Subject: Clerk's Communications

From: Philip James, Clerk

Communication has been received from the following organizations in acknowledgement of donations:

- Crossnore Communities for Children