



ROMAN CATHOLIC
DIOCESE OF ROCHESTER

Parish Conflict of Interest Policy

Issued by: Most Rev. Matthew H. Clark
June 26, 2000
Revised: December 1, 2010

Effective: September 1, 2000
Effective: _____ 1, 2010

I. Purpose

The purpose of this Policy is to protect the interest of the Parish when contemplating entering into a transaction or arrangement that might benefit the private interest of a trustee or volunteer of the Parish. The relationship between the Parish and its trustees, appointees with administrative responsibilities, employees, and volunteers is one, which carries with it a strict duty of loyalty and fidelity. Such persons shall exercise the utmost good faith in all transactions touching upon their duties at the Parish and its property. They shall not use their positions or knowledge gained there from so that a conflict might arise between the interests of the Parish and that of the individual trustee, appointee, employee or volunteer. All acts of the officers, appointees, employees and volunteers of Parish shall be for the benefit of the Parish in any dealings which may affect it adversely.

This Policy is intended to supplement but not replace any applicable New York State laws governing conflicts of interest applicable to non-profit and charitable corporations.

II. Policy Definitions

Interested Person. Any trustee, or member of a Council or committee with delegated power who has a direct or indirect financial interest, as defined below, is an interested person.

Financial Interest. A person has a financial interest if he or she personally has, directly or indirectly, through business, investment or family:

1. An ownership or investment interest in any entity with which the Parish engages in a business transaction, or arrangement, or
2. A compensation arrangement with the Parish and any entity or individual with which the Parish has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity, or individual with which the Parish is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Council or committee decides that a conflict of interest exists.

III. Procedures

- a) Disclosure. The form attached is to be used for disclosure purposes and must be completed prior to initial appointment to Pastoral or Finance Council or a committee of the Councils and annually thereafter.
- b) Duty to Disclose. In connection with any actual or perceived conflicts of interest, an interested person must annually disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the members of committees with delegated powers considering the proposed transaction or arrangement.
- c) 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 Council or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Council or committee members shall decide if a conflict of interest exists.
- d) Procedures for Addressing the Conflict of Interest.
 - 1) An interested person may make a presentation at the Council or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that result in the conflict of interest.
 - 2) The Chair of the Council or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - 3) After exercising due diligence, the Council or committee shall determine whether the Parish 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.
 - 4) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Council or committee shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in the best interest of the Parish and for its own benefit and whether the transaction is fair and reasonable to the Parish and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

- 5) If the actual or possible conflict of interest arises from a relationship between an interested person and the Parish, the disclosure by such interested person shall be referred to the Parish Corporation officers for review and/or forwarding (if required for action) to the appropriate Council or committees.

e) Violations of the Conflicts of Interest Policy

- 1) If the Council or committee has reasonable cause to believe that 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 response of the member and making such further investigation as may be warranted in the circumstances, the Council or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including removal from the Council or committee.

IV. Records of Proceedings

The minutes of the Council and all committees with 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 perceived conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Council's or committee's decision as to whether a conflict of interest in fact existed: and
- 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 therewith.

V. Compensation

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

VI. Annual Statements

Each principal trustee and member of a Council or committee with delegated powers shall annually sign a statement, which affirms that such person:

- a) Has received a copy of the Conflict of Interest Policy of the Parish;
- b) Has read and understands that Policy;
- c) Has agreed to comply with that Policy;

- d) Understands that the Parish are religious organizations and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and
- e) Discloses any potential conflicts of interest in writing.

VII. Annual Reviews

To ensure that the Parish operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, annual reviews will be conducted. The periodic reviews will include whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.

On an annual basis, all transactions discussed and identified as Conflicts of Interest will be evaluated by the disinterested persons as to whether the transaction meets the requirements of a fair and reasonable transaction in accordance with the NYS Attorney General's guidance.

VIII. Use of Outside Experts

In conducting the annual reviews provided for in this Policy, the Parish may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Council of its responsibility for ensuring that annual reviews are conducted.

IX. Loans

No loans, other than through the purchase of bonds, debentures, or similar obligations of the type customarily sold in public offerings, or through the ordinary deposit of funds in a bank, shall be made by the Parish to its trustees, volunteers, or to any other corporation, firm, association or other entity in which one or more of its officers are directors or officers or hold a substantial financial interest.

X. Compliance with Laws

It is the intention of the Parish that in all matters related to the Parish, all members of the Councils, corporate trustees and members of committees with delegated powers shall adhere to applicable federal and state laws and regulations. If there is doubt as to the legality of any action or transaction, reasonable legal assistance should be obtained.

XI. Political Activity

The Parish respects the rights of members of the Council, corporate trustees, and members of committees with delegated powers to be or not to be involved on an individual basis with political activities of their own choosing. No funds of the Parish may be used in connection with any such activity and no individual may make political contributions on behalf of the Parish.

Diocese of Rochester
Conflict of Interest Disclosure Statement

Name _____

Parish _____

Trustee or employee –
give job title _____

Steward, committee member or
volunteer – list involvement _____

I have familiarized myself with the provisions of the Parish Conflict of Interest Policy of the Diocese of Rochester.

I wish to report that to the best of my knowledge, information and belief, no situation in which I am involved could be construed as placing me in a position of having a conflict of interest with the Parish except possibly the following:

I also hereby certify that I, my spouse or minor children are not officers, directors, owners of more than ten per centum of the stock of a corporation whose aggregate sales or services to the Parish exceed five per centum of its total sales or service revenue.

Any future situation whereby a possible conflict of interest might arise with the Parish will be reported promptly to the Pastor/Pastoral Administrator.

Signature _____

Date _____