



Conflict of Interest Policy

Updated February 2018



Employees and volunteers of the Diocese of Orlando, including those who volunteer through service on advisory or governing Boards and Committees, are to exercise particular care to conduct their affairs so as to avoid conflicts (or the appearance of conflicts) between their own interests (including the interests of their family members and other related parties) and the interests of the Diocese of Orlando.

The term “conflict of interest” pertains to any situation in which an individual or a related party benefits or stands to benefit at the expense or potential expense of the Diocese and/or its affiliated entities or where the situation of an individual or related party and the Diocese present a potential conflict of interest. The policy regarding conflict of interest may also apply in circumstances when the closeness of relationship with the one who would benefit may suggest the perception of undue influence.

The conflict may be any activity, financial interest or relationship with another person or organization that would (a) impair or appear to impair an individual’s independent judgment in the discharge of his/her duties, (b) conflict with the best interests of the Diocese and/or its affiliated entities or (c) result in a personal profit or advantage to these individuals at the expense of the Diocese and/or its affiliated entities. The conflict may involve direct or indirect interests, and may arise if an action is taken which may compromise the individual’s capacity to act in the best interest of the Diocese and/or its affiliate entities.

I. Purpose

The purpose of the conflict of interest policy is to protect the Diocese of Orlando’s interest when it, or any of its parishes, entities or corporations, is contemplating entering into a transaction or arrangement that might benefit, directly or indirectly, the private interest of an employee or volunteer of the Diocese or officer or Director of an affiliated Corporation or result in an excess benefit transaction as defined in Section 4958 of the Code. This policy is intended to supplement but not replace any applicable federal or state laws governing conflicts of interest applicable to nonprofit and charitable corporations and any governance documents duly adopted by the Board or Corporation on which the employee or volunteer may be serving.

II. Definitions.

A. Interested Person. Any employee or volunteer of the Diocese of Orlando or Director, officer, or member of an advisory committee or a committee with Board delegated powers who has a direct or indirect Financial Interest, as defined below, is an Interested Person.

B. Financial Interest. A person has a Financial Interest if the person has, directly or indirectly, through business relationships, close friendships, investment interests, or family members (including relatives) (collectively, “Related Party” or “Related Parties”):

- I. an ownership or investment interest in any entity with which the Diocese of Orlando, its parishes, entities or corporations (Diocese and/or affiliated entity) has a transaction or arrangement, or



1. a compensation arrangement with the Diocese and/or affiliated entity or with any entity or individual with which the Diocese and/or affiliated entity has a transaction or arrangement, or
2. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Diocese and/or affiliated entity is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts, travel or favors that are substantial in nature (more than \$100). A Financial Interest is not necessarily a conflict of interest, but in no event shall an Interested Person, provide financial management or investment counseling services (collectively, "Financial Services") to the Diocese and/or affiliated entity. Therefore, if an Interested Person, directly, or indirectly through a company or entity in which he has a Financial Interest, provides Financial Services, a conflict of interest exists and conflict shall disqualify the Interested Person from serving the Diocese and/or affiliated entities in that capacity. Under paragraph III, B below, in cases other than the provision of Financial Services, a person who has a Financial Interest has a conflict of interest only if the Diocese and/or affiliated entity decides that a conflict of interest exists.

III. Procedures.

- A. Duty to Disclose. In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature and all material facts to the Diocese and/or affiliated entity considering the proposed transaction or arrangement and the benefit, if any, to the Interested Person or a Related Party.
- B. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after discussion with the Interested Person, he or she shall not participate in a committee or management discussion while the determination of a conflict of interest is evaluated. The Interested Party's supervisor or Board or committee members shall decide if a conflict of interest exists, except in cases involving the provision of Financial Services.
- C. Procedures for Addressing Conflicts of Interest.
 1. An Interested Person may provide information or make a presentation but he or she shall not participate in the discussion of, and the decision related to, the transaction or arrangement that results in the conflict of interest.
 2. If needed, the Interested Person's supervisor or the chairperson of the Board 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, a determination shall be made whether the Diocese and/or its affiliated entity 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 Interested Person's supervisor or the Board or committee shall determine whether the transaction or arrangement is in the Diocese and/or affiliated entity's best interest, for its own benefit and whether the transaction or arrangement is fair and reasonable and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

D. Violations of the Conflicts of Interest Policy.

1. If the Interested Person's supervisor or the Board or committee has reasonable cause to believe that an Interested Person has failed to disclose actual or potential conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.
2. If, after hearing the response of the Interested Person and making such further investigation as may be warranted in the circumstances, supervisor or the Board or committee determines that the Interested Person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

IV. Documenting Resolution of Conflict of Interest. The minutes of the Board and all committees with Board-delegated powers shall contain:

- A. The names of the persons or Related Parties 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's or 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 action or arrangement, and a record of any votes taken in connection therewith.
- C. When the Interested Person is an employee or volunteer not serving on a Board or committee, the supervisor overseeing the individual is responsible to document the issues related to the conflict of interest and its resolution.

V. Compensation Conflicts for Interested Persons.

- A. A voting member of a Board who receives compensation, directly or indirectly, from the Diocese and/or affiliated or related entities for services is precluded from voting on matters pertaining to that member's compensation.
- B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Diocese and/or affiliated or related entities for services is precluded from voting on matters pertaining to his or her compensation.



C. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Diocese and/or affiliated or related entities, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

VI. Annual Statements: Board Members. Each Director, officer or member of a committee with Board-delegated powers shall annually sign a statement which affirms that 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; and
- understands that the Diocese and/or affiliated or related entity is a charitable organization 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.

VII. Annual Statements: Employees. Each employee shall sign a statement which affirms that 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; and
- understands that the Diocese and/or affiliated or related entity is a charitable organization 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.

VIII. Periodic Reviews. To ensure that the Diocese and/or affiliated or related entity operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining; and
- B. whether partnerships, joint ventures, and arrangements with management service organizations or third parties conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Diocese's and/or affiliated or related entity's charitable purposes and do not result in private inurement, impermissible private benefit, or in an excess benefit transaction.

IX. Use of Outside Experts. In conducting periodic reviews provided for herein, the Diocese and/or affiliated or related entity may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Diocese and/or affiliated or related entity of its responsibility for ensuring that periodic reviews are conducted.



X. Prohibited Behaviors. Employees of the Diocese of Orlando or any of its affiliated entities should avoid putting themselves in a position that might present a conflict of interest or even the appearance of a conflict of interest. Such a situation can call into question one's integrity and professional conduct and does not support the stewardship of Church resources that is expected of those who serve the Church. One should avoid even the perception of a conflict of interest by not engaging in prohibited behaviors, including but not limited to:

1. Accepting gifts, travel, entertainment beyond items of modest, nominal value;
2. Accepting gifts or favors of any value from individuals or vendors with whom the Diocese and/or its affiliated or related entities are considering, or are engaged in, purchasing goods or services;
3. Awarding contracts or business agreements to Related Parties for their or the Related Parties personal or business gain at the expense of the Diocese and/or its affiliated or related entities;
4. Awarding or receiving loans from the Diocese and/or its affiliated or related entities;
5. Using confidential information for personal gain or for personal or business gain of Related Parties.

Engaging in prohibited behaviors may result in disciplinary action up to and including termination from employment.

Reference: Code of Governance, Bylaws, Articles of Incorporation, Diocesan High Schools
Bylaws and Articles of Incorporation: Catholic Charities
Hope Community Center
Catholic Foundation
Bishop Grady Villas

Charter, Diocese of Orlando Audit Committee

Initiated: April, 2010
Current: April, 2010



DISCLOSURE REGARDING CONFLICT OF INTEREST

At this time, I, _____, am a

_____an employee of the Diocese /entity

_____Board member or Committee member

This is to certify that I, except as described below, am not now nor at any time during the past year have been:

1. A participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party; doing business with the Diocese and/or its affiliated entities which has resulted or could result in personal benefit to me.
2. A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with the Diocese and/or its affiliated entities.
3. Any exceptions to 1 or 2 above are stated below with a full description of the transactions and of the interest, whether direct or indirect, which I have (or have had during the past year) in the persons or organizations having transactions with the Diocese and/or its affiliated entities.

Exceptions:

Date: _____

Signature: _____

Printed name: _____