



## **Catholic Diocese of Columbus**

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### **1805.1 - Conflict of Interest Policy Example**

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##### **Purpose and Coverage.**

All employees and members of advisory boards and committees (the “Covered Individual”) shall avoid and minimize activities and situations which actually, potentially, or apparently conflict with the Diocese/Parish/School/Institution’s interests or interfere with the Diocese’s duty to serve the Roman Catholic Church’s teachings and missions (“Conflict” or “Conflicts”). The Covered Individuals shall stand in a fiduciary relationship to the Diocese/Parish/School/Institution and their fiduciary responsibilities are to perform their duties in good faith and in a manner reasonably believed to be in the best interest of the Diocese/Parish/School/Institution and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

**Types of Conflicts.** A conflict can include, but is not limited to, the following:

- (a) having a direct or indirect financial interest or a close personal interest through family or otherwise in a company, service, transaction, property, or product that could be affected (in a positive or negative manner) by decision which the Covered Individual makes;
- (b) serving as a partner, member, shareholder, director, officer, or trustee of another entity that has a direct or indirect interest in a transaction with the Diocese/Parish/School/Institution.
- (c) revealing or misusing confidential information;
- (d) accepting or offering substantial gifts, excessive entertainment, favors or payments which may reasonably be construed to constitute undue or otherwise improper influence;
- (e) breaching any fiduciary duty owed to the Diocese;
- (f) participating in any private transactions, which include transactions where the Diocese’s resources are transferred to an individual solely by virtue of the individual’s relationship with the Diocese/Parish/School/Institution and without regard to accomplishing the Diocese/Parish/School/Institution’s purposes;
- (g) exploiting opportunities for personal and private benefit that could otherwise benefit the Diocese/Parish/School/Institution.
- (h) taking direct action on behalf of the Diocese/Parish/School/Institution that may result in a material personal or private benefit or that may result in material adverse impact to a personal or private competitor.



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- (i) Competing with the Diocese/Parish/School/Institution.

#### **Duty to Disclose**

- (a) disclosure of actual, potential, or apparent Conflicts, directly or indirectly involving the Covered Individual (“Primary Conflicts”); and
- (b) disclosure of Conflicts of which the Covered Individual is aware which directly or indirectly involves another Covered Individual (“Secondary Conflicts”).

No Covered Individual shall be subject to any form of retaliation or discipline for disclosing an actual, potential, or apparent Secondary Conflict. The Diocese/Parish/School/Institution shall insure that Covered Individuals reporting Secondary Conflicts shall suffer no retaliation as a result of their involvement in the investigation, except in the case of intentional misconduct or bad faith, provided that the Diocese/Parish/School/Institution shall not be in any way restricted from taking action against a Covered Individual for a Covered Individual’s own violation of this Conflict of Interest policy. Any Covered Individual found to have intentionally or willfully falsely reported a Conflict or Secondary Conflict, or found to have failed to disclose a Conflict or Secondary Conflict of which the Covered Individual knew or should have known, or found to have reported a Conflict or Secondary Conflict in bad faith shall be subject to disciplinary action.

#### **Procedures for Addressing a Disclosed Conflict.**

- (iii) Committee or Advisory Board Members. A person who is a Covered Individual due to their membership on an advisory board or committee shall disclose all Conflicts to the advisory board or committee to which the Covered Individual belongs as well as to the Vicar General/Pastor/Principal/Director for the Diocese/Parish/School/Institution. If the advisory board or committee, with the approval of the Vicar General/Pastor/Principal/Director for the Diocese/Parish/School/Institution, finds that a Conflict in fact exists, the following procedure shall be followed:
- (i) The Covered Individual may make a presentation at the applicable meeting; but after such presentation, he or she shall leave the meeting during the discussion of, and vote on, the transaction or arrangement that results in the Conflict.
- (ii) 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.



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- (iii) After exercising due diligence, the board or committee shall determine whether the Diocese can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that will not give rise to a Conflict.
- (iv) If a more advantageous transaction or arrangement is not reasonably obtainable under circumstances that would not give rise to a Conflict, the board or committee shall determine by a majority vote of the disinterested board or committee members whether the transaction is fair and reasonable to the Diocese/Parish/School/Institution, and it shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

### **Conflict of Interest**

- (i) **Employees.** If a person is a Covered Individual due to his/her employment with the Diocese/Pastor/Principal, the Covered Individual shall disclose all Conflicts to the Vicar General/Pastor/Principal. The Vicar General/Pastor/Principal then shall undertake whatever steps he or she deems necessary to determine if a Conflict exists and, if so, what action is required.

### **Violation of Policy/Failure to Disclose Conflict.**

- (a) If any board, committee, or supervisor, in the case of an employee, has reasonable cause to believe that a Covered Individual has failed to disclose an actual or possible Conflict or Secondary Conflict, it or he/she shall inform the Covered Individual of the basis for such belief and afford the Covered Individual the opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the response of the Covered Individual, the Diocese may undertake such further investigation as may be warranted under the circumstances.
- (c) If the board, committee, or supervisor determines that a Covered Individual has in fact failed to disclose an actual or possible Conflict or Secondary Conflict, has intentionally or willfully falsely reported a Conflict or Secondary Conflict, or has reported a Conflict or Secondary Conflict in bad faith, the Diocese, may take appropriate disciplinary action against Covered Individuals who violate this Conflict of Interest Policy. This disciplinary action may include, but not be limited to, oral admonishment, written reprimand, reassignment, suspension, or termination of the Covered Individual.