

Conflict of Interest Policy

A conflict of interest is a transaction or relationship that presents or may present a conflict between a member or an employee's obligation to the Diocese of Indianapolis (and the diocesan Parishes and Missions) and that person's personal, business or other third party interests.

This policy is designed to help identify situations that present potential conflicts of interest and to provide a procedure that will allow a transaction to be treated as valid and binding even though a member may have a conflict of interest with respect to the transaction. The policy is intended to comply with IC 23-17-13-2 of the Indiana Nonprofit Corporations Act governing conflicts of interest for directors of nonprofit corporations.

I. Relationships:

A. Personal Relationships:

It is best practice to avoid dual relationships whenever possible. Dual relationships in a church setting occur when clergy attempt to relate to a person on two levels at the same time. This can happen when clergy attempt to relate to an individual both personally and professionally (i.e., as cleric and parishioner, and at the same time in some other role such as supervisor and parish employee.) Dual relationships may diminish the effectiveness of ministry.

To avoid dual relationships:

- Parishioners should not be in paid staff positions if at all possible.
- A clergy spouse, partner or family member should not serve on parish staff as a lay employee, a convention delegate, or as a parish officer or Vestry/Bishop's Committee member in the parish where the related clergy person serves.
- Do not allow more than one member of a family to serve on Vestry/Bishop's Committee.

B. Business Relationships:

All conflicts of interest are not necessarily harmful to the diocese or a church; however, full disclosure of actual and potential conflicts should be considered by the Executive Council/Vestry/Bishop's Committee. The interested member(s) should be excused from participating in discussions and voting on the matter. Any deviation from the policy should be approved and documented.

Example:

A contract or financial transaction between the diocese or a church and an entity to which a member, clergy, officer, or family member has a material financial interest

or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, conservator or other legal representative.

II. Procedures to Disclose and Address Personal & Business Relationships:

A. Disclosure of Conflict

Prior to board or committee action on employment, a contract, or transaction all interested persons in attendance with any actual or possible conflicts of interest shall disclose his or her personal or financial interest and all material facts. Such disclosure shall be reflected in the minutes of the meeting.

B. Addressing Conflict

1. An interested person may make a presentation at the board 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 resulting in the conflict of interest. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
2. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
3. 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. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
4. If the board 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. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action such as request divestment of conflicted interest or dismissal from the board of directors.

5. In the case of dual relationships the employer shall defer to the Personnel Policy of the organization which should already cover complaint procedures, confidentiality and other employee expectations. The diocesan policy on the web site may be modified for parish use. (The vestry could request a disinterested person or committee, such as the Canon to the Ordinary or the diocesan PP&C Committee, to investigate alternatives to the proposed transaction or arrangement.)

Review of policy

To ensure The Episcopal Diocese of Indianapolis operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax exempt status, periodic reviews shall be conducted.

The Personnel Policy & Compensation Committee shall review this policy annually on behalf of the Executive Council. Any changes to the policy shall be communicated immediately to officers of the Diocese, Clergy, Wardens, Vestries and Bishop's Committee.

I have reviewed, and agree to abide by, the Conflict of Interest Policy of the Episcopal Diocese of Indianapolis currently in effect.

Signature: _____ Date: _____

Name: _____