



Diocese of Gary Conflict of Interest Disclosure Policy and Procedures Effective May 7, 2008

Purpose

As employees and volunteers, we are called to be good stewards and maintain high ethical standards. This policy is intended to set forth standards for behavior to avoid potential conflicts of interest that could compromise the objectivity that is essential for effective decision-making and damage the reputation of the individuals involved and the Diocese of Gary.

Application

This policy applies to:

- All lay employees of Diocese of Gary agencies, including Catholic Charities.
- Members of the Diocesan Finance Council and Advisory Boards of all Diocesan agencies.

Definition

A *conflict of interest* refers to a situation in which financial or personal considerations may compromise or have the appearance of compromising the judgment and objectivity of an employee or volunteer.

Types of Conflicts of Interest

There are five basic types of conflicts of interest, each of which will be explained in the sections that follow:

- 1 Business interests or investments
- 2 Gifts, payments or favors
- 3 Employment of relatives
- 4 Confidential information
- 5 Compensation arrangements

Business Interests or Investments

Employees and volunteers must disclose:

- Any business, investment or ownership interest in any entity with which the Diocese has (or is negotiating) any transactions or arrangements.
- Any compensation received (or offer of compensation) from any entity with which the Diocese has (or is negotiating) any transaction or arrangements.

Employees and volunteers must also disclose if their family members have any business interests or compensation as described above.

Disclosure must:

- Occur as soon as possible.
- Include all relevant information.
- Be made in writing on the attached form.
- Be submitted to the Office of Human Resources.

The Manager of Human Resources, in consultation with appropriate parties, will determine if the disclosed situation is permissible or not with respect to Diocesan policies and recommend a plan to either manage, reduce, or eliminate the conflict.

Gifts, Payments and Favors

No employee or volunteer may offer, exchange, or accept gifts, payments, or favors, either directly or indirectly, from any individual or organization which is conducting or soliciting business with the Diocese. "Gifts, payments and favors" include, but are not limited to gifts of objects or money, vacations, and loans. The term "indirect" includes the offering or acceptance of gifts, payments and favors by a relative, a person acting on behalf of the employee, or a business entity in which the employee or volunteer has an interest.

This policy does not preclude the offering or accepting of Christmas remembrances, thank-you gifts, business meals, or occasional gifts of nominal value, the sum total of which may not exceed fifty (\$50.00) from any organization in a calendar year. Any exceptions to this policy require the prior knowledge and consent of the employee's supervisor.

Employment of Relatives

In order to retain the objectivity that is essential to effective decision-making, relatives are not to hire or supervise one another or check, review, and/or process work of one another. Supervisors may further restrict the employment of relatives where close proximity might disrupt optimal performance of functions.

A relative, for this purpose, is defined as: husband, wife, father, mother, stepfather, stepmother, child, stepchild, grandparent, grandchild, in-law, brother, sister, niece, nephew, aunt, or uncle.

The purpose is to prevent situations in which an employee's family situation may create a conflict-of-interest with his or her job duties. Any exceptions to this policy require the prior approval of the supervisor and the Manager of Human Resources.

Confidential Information

Employees and volunteers often become aware of confidential information concerning Diocesan matters, other employees or volunteers, and persons who are served by the various programs of the Diocese. Such information should be kept private and should not be used for personal gain or in a manner that would harm the Diocese or any employee, volunteer, or person served by the Diocese.

Compensation Arrangements

As followers of Jesus Christ, we need to model good stewardship in the use of our resources, including our compensation practices. Also, as a tax-exempt organization, donations we receive must be used in the best interests of the people we serve, not for the personal benefit of our employees, vendors, or contractors. Therefore, all compensation arrangements (salaries, benefits, “perks”, contracts for goods and services, etc.) must be reasonable, within approved budgets, and comparable to the “going rate” in the marketplace among similar organizations to provide a just wage for the services provided.

Failure to Follow Policy

Failure to follow this policy will be grounds for disciplinary action, including possible termination of employment or removal from council or volunteer positions.

Whistle Blower Policy

The purpose of this policy is to protect those individuals who want to raise issues of illegal, dishonest, or unethical behavior with the assurance of not becoming a target of subsequent recrimination. This formal policy has been implemented in the spirit of the initiatives of the Sarbanes-Oxley Act that was signed into law in July, 2002. This law prohibits publicly traded companies from taking any adverse employment action against an employee because of his/her protected whistleblowing activities, but some of the concepts are appropriate for non-profit organizations as well.

A “whistleblower” is defined by this policy as an employee of a parish, school, or other associated entity who reports an activity that he/she reasonably believes to be illegal or dishonest or reports unethical behavior to one or more of the parties specified in this Policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.

"Dishonest" or "unethical" is defined as violating some objective and publicly identifiable standard of conduct, not merely the reporter's subjective opinion. Examples of illegal or dishonest activities are violations of federal, state or local laws; billing for services not performed or for goods not delivered; or other fraudulent financial reporting. Examples of dishonest and unethical behavior include violations of employer policies in the respective Personnel Policy Handbook or similar published policies.

If an employee has knowledge of or a concern of illegal, dishonest, or fraudulent activity or of unethical behavior, the employee is to contact: his/her immediate supervisor or Manager of Human Resources.

An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Whistleblower protections are provided in two important areas - confidentially and against retaliation. To the extent practical under the circumstances, the confidentially of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and employer policy and to provide accused individuals their legal rights of defense. The employer and associated

entities will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, poor work assignments and threats of physical harm for making a report. Any whistleblower who believes he/she is being retaliated against must contact their immediate supervisor or the Manager of Human Resources immediately either through written or verbal communication, i.e., signed written letter, in-person visit, etc. The right of a whistleblower for protection against retaliation does not include immunity from personal complicity in wrongdoing or any other misconduct.

We appreciate your efforts to maintain high ethical standards and avoid conflicts of interest.

**Saint Paul Conflict of Interest Disclosure
Statement**

I have received a *copy of the Conflict of Interest Disclosure Policy and Procedures of the Diocese of Gary. I have read and understand the policy, and I agree to follow the policy's directives and procedures. _____

*I have read the Conflict of Interest Disclosure Policy on line at the parish website.
[Check One] _____

I understand that the Diocese of Gary is a 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.

Disclosure of Possible Conflict of Interest

Please check one:

____ I have no known actual or potential conflicts of interest at this time.

____ Below is description of an actual or potential conflict of interest.

Please include as much information as possible and attach a separate sheet, if necessary.

Sign _____

Print Name _____

Job or Volunteer Role _____

Date _____

Please return signed copy to:
Saint Paul Catholic Church, 1855 Harrison Blvd, Valparaiso, IN 46385