Conflict of Interest Policy

A. PURPOSE
Officers, directors, and employees have an obligation to conduct business within guidelines that prevent actual, possible, and perceived conflicts of interest. The purpose of this policy is to protect The Episcopal Diocese of Arizona’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Diocesan officer, director, or employee including an officer, director, or employee of a mission congregation, or result in a possible excess benefit transaction, and to provide general direction concerning conflicts of interest. This policy is intended to supplement but not replace any federal and state laws applicable to the Diocese, including missions, governing conflicts of interest.

B. DEFINITIONS
For purposes of this policy, the following terms shall have the following meanings:

1. "Compensation" includes direct and indirect remuneration as well as gifts, personal advantages, special consideration, favors or promises.

2. The term “Spouse” is defined as an individual’s husband, wife, or domestic partner.

3. The term “Family” is defined as an individual’s Spouse, children, step-children, parents, step-parents, grandparents, grandchildren, siblings, nieces or nephews, any person who lives with the individual or is otherwise considered part of the individual’s immediate family, and/or persons related to an individual’s Spouse in the above-listed ways.

4. A "Conflict of Interest" is not necessarily prohibited, but must be reported as specified in sub-section C(2) of this policy so that a determination may be made whether the Conflict of Interest is prohibited. An officer, director, or employee has a Conflict of Interest if the person has, directly or indirectly (i.e., through business, investment, or family):
   a. An ownership, investment interest, or board membership in any entity with which the Diocese has a transaction or arrangement [or is engaged in a competing enterprise], or with which the Diocese is considering a transaction or arrangement;
   b. A compensation arrangement with any entity or individual which has a transaction or arrangement [or is engaged in a competing enterprise], or with which the Diocese is considering a transaction or arrangement;
   c. A potential ownership, investment interest in, board membership, or compensation arrangement with any entity with which the Diocese has

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a transaction or arrangement [or is engaged in a competing enterprise], or any entity or individual with which the Diocese or mission is considering a transaction or arrangement;

d. Any other financial interest or Compensation which could give rise to an actual, possible or perceived Conflict of Interest between the officer, director, or employee and the Diocese or mission; and

e. Any other non-financial interest (e.g., association or other relationship) that could give rise to an actual, possible, or perceived Conflict of Interest.

C. CONDUCT & PROCEDURES

1. Conduct
An officer, director, or employee must not:

a. Seek or accept Compensation that might reasonably be interpreted as an attempt to influence him or her in the performance of his or her Diocesan duties;

b. Participate as a voting member of any vestry, Bishop’s committee, council, committee, or board or sub-committee on matters pertaining to the individual’s Compensation or Compensation to be paid to his or her Family; and

c. Accept or engage in any outside employment or volunteer activity in violation of any Diocesan policy covering outside employment and volunteer work.

2. Duty to Disclose
As soon as an officer, director, or employee has knowledge of a Conflict of Interest, he or she must disclose the Conflict of Interest. The disclosure must be made in writing to his or her bishop and staff member responsible for the organization’s finances and the president of the diocesan council or diocesan standing committee, as appropriate, and any other individuals or committees involved in applicable decision-making with respect to the Conflict of Interest issue. The disclosure must include all material facts.

3. Procedures for Addressing Conflicts of Interest
After an officer, director, or employee discloses a Conflict of Interest (and all material facts), and provides any requested information, he or she shall excuse himself or herself from any meeting while the Conflict of Interest issue is discussed and, where applicable, voted upon. The diocesan council or diocesan standing committee, as applicable, in consultation with the diocesan chancellor shall decide if the Conflict of Interest is prohibited. In some instances, action may be held in abeyance, deferred or otherwise not determined. Whenever an interim decision must be made (i.e., when a Conflict of Interest issue must be decided on a temporary basis, until the next diocesan council or diocesan standing committee meeting), the chair or president of the diocesan council or diocesan standing committee shall poll the council or standing committee members. A vote of the majority of the entire council or standing committee members who have no Conflict of Interest in the transaction shall be decisive on the issue.

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4. Determining Whether a Prohibited Conflict of Interest Exists
If it is determined that a Conflict of Interest exists with respect to an existing or proposed transaction or arrangement, then:

• The president of the diocesan council or diocesan standing committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the existing or proposed transaction or arrangement;
• After exercising due diligence, the diocesan council or diocesan standing committee shall determine whether the Diocese can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest; and
• If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the diocesan council or standing committee shall determine by a vote of the majority of the entire diocesan council or standing committee members who have no Conflict of Interest in the transaction whether the transaction or arrangement is in the Diocese’s best interest, for the Diocese’s own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make a decision as to whether to continue, or enter into, the transaction or arrangement.

If it is determined that a Conflict of Interest exists with respect to any other matter, then the matter shall be referred to the diocesan council or standing committee, who shall decide upon the appropriate steps taken to minimize or eliminate the Conflict of Interest.

5. Violations of the Conflicts of Interest Policy
If the diocesan council or standing committee or duly-appointed committee of the diocese has reasonable cause to believe that an officer, director, or employee has knowingly failed to disclose a Conflict of Interest or an actual, possible, or perceived Conflict of Interest, it shall inform the officer, director, or employee of the basis for that belief and afford the officer, director, or employee an opportunity to explain the alleged failure to disclose.

If, after hearing the member’s response and after making further investigation as warranted by the circumstances, the diocesan council or standing committee or duly appointed committee of the diocese determines that the officer, director, or employee has knowingly failed to disclose a Conflict of Interest or an actual, possible, or perceived Conflict of Interest, the Diocese shall take appropriate disciplinary action, up to and including immediate termination from employment or other position with the Diocese.

Any other violations of this policy may subject an officer, director, or employee to disciplinary action, up to and including immediate termination from employment or other position with the Diocese.

D. QUESTIONS

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If you have any questions or concerns about conflicts of interest, please contact the Bishop or staff member responsible for the organization’s finances or the President of the Standing Committee.