



POLICY: CONFLICTS OF INTEREST FOR BOARD OF DIRECTORS

This policy applies to all officers and members of the Board of Directors of Catholic Charities, Inc. (“agency”).

Members of the Board of Directors and Officers have a clear fiduciary obligation to the agency in connection with their service in such capacities. At all times, they shall act in a manner consistent with such fiduciary obligations and shall exercise particular care that no detriment to the interests of the agency (or appearance of such detriment) may result from a conflict between Catholic Charities, Inc., interests and any personal interests which the individual Director or Officer may have.

A conflict of interest can arise whenever a Director or Officer or a member of his or her family: (1) has an existing or potential interest which impairs or might appear to impair his or her independent judgment in the discharge of the Director’s or Officer’s responsibilities to Catholic Charities, Inc. or (2) may receive a material benefit from knowledge of information which is confidential to Catholic Charities, Inc..

The “family” of a board member includes his or her (1) spouse, (2) ancestors, (3) siblings (whether whole or half-blood), (4) children (whether natural or adopted), (5) grandchildren, (6) great-grandchildren, and (7) the spouses of the persons listed in items (3) through (6).

It is sometimes difficult to define what might be considered a potential conflict, and persons who are covered by this Policy are encouraged to err on the side of disclosure. However, the following examples of potential conflicts of interest should be considered:

1. Official relationships¹ with any suppliers of any goods or services to the agency.
2. Official relationships² with any purchasers of any goods or services from the agency.
3. Official relationships² with any lenders to, or borrows from, the agency.
4. Family relationships with employees of the agency.

¹ In this context, “official relationship” means serving as an officer, director, employee, partner, proprietor, or owner of 10% or more of the interest of an entity which does business with CATHOLIC CHARITIES.

Reference

COA ETH 2.01, 2.02, 2.03



5. Any situation where a person covered by this Policy, or his or her family member, could receive any material economic benefit directly or indirectly on account of a business transaction with the agency.

PROCEDURES:

Disclosing and Resolving Potential Conflicts

If a Director or Officer believes that he or she may have a conflict of interest with respect to any particular transaction, he or she shall promptly and fully disclose the potential conflict to the Executive Director and the Chairperson of the Board.

A. Director Matters. If the Executive Director and the Chairperson determine that there is a potential conflict with respect to a Director, the conflict shall be reported to the full Board, and the affected Director shall answer any questions about the matter that other Board members may have. If the particular transaction requires a vote of the Board, or of one of its committees, the affected Director shall be counted for purposes of a quorum, but he or she shall not vote on the matter, and shall not be present for the discussion or vote on the matter. The minutes shall reflect the fact that the Director did not vote on the matter and was not present for the discussion or vote on the matter.

B. Officer Matters. If either the Executive Director or the Chairperson determines that there is a potential conflict concerning a particular transaction with respect to an Officer of the agency, they shall exercise their best judgment about the appropriate course to follow, which may include:

- 1) the joint approval of the transaction by the Executive Director and Chairperson despite the conflict if they are reasonably certain that the interests of Catholic Charities, Inc. will be served thereby, or
- 2) referral of the issue to legal counsel for advice, or
- 3) referral of the issue to the appropriate committee of the Board of Directors or to the full Board for decision,

However, in all cases where either the Executive Director or the Chairperson determines that there is in fact a conflict of interest concerning a particular transaction involving an Officer of Catholic Charities, Inc., the full Board shall be notified of the resolution of the issue and the affected Officer shall answer any questions about the matter that Board members may have.



C. Determination of No Conflict. If both the Executive Director and the Chairperson of the Board determine that there is no conflict of interest with respect to a particular transaction involving a Director or Officer of Catholic Charities, Inc. , they need not notify the Board of Directors, but they shall keep a record of the decision which shall be available to Board members upon request.

- a. Potential Conflict of Either Executive Director or Chairperson. In any case in which the potential conflict with respect to a particular transaction involves either the Executive Director or the Chairperson, the affected party shall notify the other, and the conflict shall then be reported to the full Board, and the Executive Director or Chairperson, as the case may be, shall answer any questions about the matter that other Board members may have. If the particular transaction requires a vote of the Board, or one of its committees, the Executive Director or Chairperson, as the case may be, shall be counted for purposes of a quorum, but he or she shall not vote on the matter and shall not be present for the discussion or vote on the matter. The Minutes shall reflect the fact that the Executive Director or Chairperson, as the case may be, did not vote on the matter and was not present for the discussion or vote on the matter.

Annual Statement Regarding Conflicts of Interest

Each continuously serving member of the Board of Directors shall **annually** (no later than December 31) sign, date and submit a statement with the Chairperson of the Board setting forth any conflicts of interest which exist, or which might reasonably be expected to exist, within the upcoming year.

The statement shall disclose as fully as possible the nature of potential conflicts and the nature of the Director's or Officer's interest in the potential transactions. All of such statements shall be reviewed by the Executive Director and Chairperson in accordance with the procedures set forth above, and may be circulated to members of the Board of Directors. Each Director and each Officer shall agree to answer any questions about potential conflicts that Board members may have. The signed statement will be retained in the office of the Executive Director.



CONFLICT OF INTEREST DISCLOSURE STATEMENT

(to be signed by all newly elected board members)

I, the undersigned, being a Director or Officer² of Catholic Charities, Inc. (“CATHOLIC CHARITIES”), hereby state that to the best of my knowledge, directly or indirectly:

1. I do not have an Official Relationship as defined in the Policy on Conflicts of Interest for Directors and Officers (“Policy”) with any person or entity that transacts business with CATHOLIC CHARITIES;
2. I do not transact any business with CATHOLIC CHARITIES;
3. I do not loan money to, or borrow money from, CATHOLIC CHARITIES;
4. I do not receive benefits from CATHOLIC CHARITIES with an aggregate value over \$1,000 which is not compensation that is directly related to my duties at CATHOLIC CHARITIES.
5. No member of my “family,” as defined in the Policy, is employed by CATHOLIC CHARITIES or engages in the activities described in items 1 through 4 above.
6. Neither I nor any family member of mine has a family relationship or business relationship with any director, officer, or key employee of CATHOLIC CHARITIES. “Business relationships” between two persons include the following:
 - A. One person is employed by the other in a sole proprietorship or by an organization with which the other is associated as a trustee, director, officer, key employee, or greater-than-35% owner.
 - B. One person is transacting business with the other (other than in the ordinary course of either party’s business on the same terms as are generally offered to the public), which directly or indirectly, involves transfers of cash or property valued in excess of \$10,000 in the aggregate during the organization’s tax year. “Indirect transactions” are transactions with an organization with which the one person is associated as a trustee, director, officer, key employee, or greater-than-35% owner.

² For purposes of this Disclosure, the organization’s top management official (i.e., the person having ultimate responsibility for implementing the decisions of the governing body or for supervising the management, administration, or operation of the organization) and top financial official (i.e., the person having ultimate responsibility for managing its finances) are deemed officers.



C. The two persons are each a director, trustee, officer, or greater-than-10% owner in the same business or investment entity. "Ownership" is measured by stock ownership (either voting power or value) of a corporation, profits or capital interest in a partnership or limited liability company, membership interest in a nonprofit organization, or beneficial interest in a trust. Ownership includes indirect ownership (e.g., ownership in an entity that has ownership in the entity in question); there may be ownership through multiple tiers of entities.

List below any exceptions to the above statements. However, you are not required to list any transactions or relationships which have been specifically disclosed in the two year period preceding your execution of this Statement that were either i) determined not to constitute a conflict of interest, or ii) approved in accordance with the Policy, unless there has been a material change in the circumstances surrounding such transaction. Pursuant to the Policy, respondents are strongly encouraged to err on the side of disclosure.

I have read and understand the Policy, and I agree to comply with it. I agree that if any situations arise that suggest an actual or potential conflict of interest, I will immediately notify the Chairperson of the Board and Executive Director of such circumstances and make full disclosure thereof. I agree to answer any questions the Board may have, and to provide any additional information that the Board may request, with respect to the subject matter hereof.

Board Member Signature

Date

Board Member Printed Name



ANNUAL CONFLICT OF INTEREST STATEMENT

Per Agency Policy No. 01.030 of the Catholic Charities Administrative Manual, revised August 2014, I have read and understand the Board of Directors Conflict of Interest policy and I agree to comply with it. I agree that if any situations set forth in the policy arise that suggest an actual or potential conflict of interest I will immediately notify the Chairperson of the Board and Executive Director of such circumstances and make full disclosure thereof.

I agree to answer any questions the Board may have, and to provide any additional information that the Board or agency legal Counsel may request, with respect to the subject matter thereof.

Board Member Signature

Date

Board Member Printed Name