



Diocesan Council for The Society of St. Vincent de Paul of Phoenix
Conflict of Interest Policy
FY 2023-2024

1 Purpose

The purpose of this Conflict of Interest Policy is to protect the Diocesan Council for The Society of St. Vincent de Paul Diocese of Phoenix (“the Society”) and its tax-exempt status when the Society is contemplating entering into a transaction or arrangement that involves certain individuals that have a special relationship with the Society, either directly or through family or business relationships. The law imposes a fiduciary duty on the Society’s directors and members which carries with it a broad and unbending duty of loyalty to the Society. The directors and members have the responsibility of administering the Society’s affairs honestly and prudently and of exercising their best care, skill and judgment for the Society’s sole benefit. As such, they shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the Society or knowledge gained therefrom for improper private benefit. The interests of the Society must be the first priority in each director’s and member’s decisions and actions. This policy is intended to supplement but not replace applicable laws governing conflicts of interest for nonprofits.

2 Definition of Interested Person and Conflict of Interest

2.1 Interested Person

An “Interested Person” shall include:

- a) any director, officer, member of a committee with board-delegated power, or key employee of the Society (an employee with decision-making authority);
- b) a substantial contributor to the Society;
- c) any family member of the individuals described above¹; and
- d) any corporation, trust, or other entity in which persons described above hold more than 35 percent of the total combined voting power.

2.2 Conflict of Interest

A “Conflict of Interest” exists in any transaction or arrangement involving the Society which directly or indirectly benefits an Interested Person.

3 Annual Statements

3.1 Annual Affirmations

Each director, officer, member of a committee with board-delegated power or key employee of the Society shall annually sign a statement which affirms that such person:

- a) has received a copy of this policy;

¹ A person’s family is limited to: (i) spouse; (ii) brothers or sisters (by whole or half-blood); (iii) spouses of brothers or sisters (by whole or half-blood); (iv) ancestors; (v) children; (vi) grandchildren; (vii) great-grandchildren; and (viii) spouses of children, grandchildren, and great-grandchildren.



- b) has read and understands the policy;
- c) has disclosed on the annual statement all known potential Conflicts of Interest that may arise or have arisen; and
- d) agrees to comply with the policy.

3.2 Recordkeeping

The Society's Board of Directors shall maintain a record of other known potential conflicts of interest that may arise or have arisen with Interested Persons not otherwise disclosed under Section 3.1.

4 Procedures for Addressing Conflicts of Interest

4.1 Loyalty to the Society

The Society must be careful in undertaking transactions with Interested Persons to ensure that the transaction is in the best interest of the Society and that the Interested Person is not receiving an improper private benefit. This may include, but is not limited to, those transactions involving Interested Persons with decision-making authority in the Society.

4.2 Duty to Disclose and Recuse from Discussion and Vote

Interested Persons with decision-making authority in the Society have a duty to disclose the existence of a potential perceived or actual conflict of interest in any proposed transaction or arrangement under consideration by the Society. After disclosure of the interest and all material facts related thereto by the Interested Person, including any initial questioning by the independent individuals on the board or committee, the Interested Person with the conflict of interest shall recuse himself or herself and is not permitted to participate in any discussion or vote on the transaction or arrangement.

4.3 Investigation and Due Diligence Analysis

The Society has a duty to investigate alternatives to any proposed transaction or arrangements involving Interested Persons to determine whether the proposed action is in the best interest of the Society. If appropriate, the President of the Board may appoint a disinterested person or committee to perform this investigation. After exercising due diligence, the board or committee shall determine whether the Society can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

4.4 Decision-Making Process

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 members whether the transaction or arrangement is in the Society's best interest and whether the transaction is fair and reasonable to the Society and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4.5 Contemporaneous Reporting

The acts taken to comply with this policy, including the disclosure of the conflict of interest investigation thereafter, explanation of the decision-making process, including the explanation of why the proposed action is or is not in the best interest of the Society, and the individuals voting on the proposed transaction, shall be contemporaneously recorded in writing by the Society in the minutes of the meeting, together with any comparability data or other supporting documentation.



5 Violations of the Conflicts of Interest Policy

If the board or committee has cause to believe that a director, officer, member of a committee or key employee has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and provide an opportunity to explain the alleged failure to disclose. If, after hearing the response and making such further investigation as may be warranted in the circumstances, the independent board or committee determines that he or she has in fact knowingly failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including suspension or removal from his or her position with the Society.

6 Compensation and Avoiding Excess Benefits

6.1 Duty to Recuse for Compensation

An Interested Person who receives compensation, directly or indirectly, from the Society for services, whether as an employee or an independent contractor, is precluded from voting on matters pertaining to his/her compensation or any benefits provided by the Society to the individual.

6.2 Review of Compensation Arrangements

All compensation arrangements between the Society and an Interested Person shall be reviewed at least every other year by the Society to assure that compensation is reasonable and is the result of arms-length bargaining. Decisions regarding compensation shall be made only after the board or an appropriate independent committee examines relevant financial information regarding compensation received by similarly situated individuals for similar services performed. A copy of such relevant comparable financial information, including a description of how the data was obtained, shall be maintained as a part of the records of the board or appropriate committee making such compensation decision.

END OF POLICY



**Diocesan Council for The Society of St. Vincent de Paul of Phoenix
Conflict of Interest Annual Statement
FY 2023-2024**

This Conflict of Interest Annual Statement is intended to provide a means for an Interested Person to identify and disclose conflicts of interest as outlined in the attached Society Conflict of Interest Policy. All definitions of parties and terms are as defined in Part 2 of the Conflict of Interest Policy.

**Attach a separate sheet detailing any known potential conflict of interest.
Check (✓) the box below each applicable statement to confirm and attest and sign below.**

I have received a copy of the Conflict of Interest Policy.

Agree

I have read and understand the Conflict of Interest Policy.

Agree

I have attached a complete list of all known potential Conflicts of Interest that may arise or have arisen.

Agree

-Or-

Check the box below to indicate you have *no known* potential Conflicts of Interest that may arise or have arisen.

None

Pursuant to the purposes and intent of the Society's Conflict of Interest Policy, I hereby agree to comply with the policy and have fully and accurately completed this annual statement. I further agree to report to the Board President any change in the responses to each of the above questions which may result from changes in circumstances.

Signature _____

Printed Name _____

District # _____ **Conference/Parish** _____

Title _____

Are you a board member: Yes ___ No ___

Date _____