

190208: Sample Conflict of Interest Policy

Policy on Conflict of Interest

_____ Church in _____, New York (together with all affiliates, the “Church”) is a New York religious corporation. The Vestry and officers of the Church have legal and fiduciary duties relating to the proper management of conflicts of interests and appearances of conflicts of interest.

1. **Definitions.**

As used in this Policy:

a. An “**affiliate**” of the Church means any entity controlled by, in control of (excluding the Episcopal Diocese of Albany), or under common control with, the Church;

b. “**Clergy**” means any ordained person who is employed by, or voluntarily serves the Church;

c. “**Conflict of Interest**”. For purposes of this Policy, an actual or possible “conflict of interest” arises in any transaction, agreement or other arrangement involving a Related Party and the Church, which would or might ultimately benefit the Related Party’s personal interests to the detriment or compromise of the Church’s interests. Conflicts of interest or appearances thereof are not limited to financial interests, but include affiliations or other divided loyalties which may influence a decision or appear to cause favoritism in a matter involving the Church. All related party transactions, and actual or possible conflicts of interest shall be addressed and resolved in accordance with the procedures outlined below.

d. A “**key employee**” means any Church employee who is in a position to exercise substantial influence over the affairs of the Church;

e. A “**related party**” means (i) any Vestry member, officer or key employee of the Church or any affiliate of the Church; (ii) any relative of any Vestry member, officer or key employee of the Church or any affiliate of the Church; or (iii) any entity in which any individual described in the foregoing clauses (i) and (ii) has a thirty-five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent;

f. A “**related party transaction**” means any transaction, agreement or any other arrangement in which a related party has a financial interest and in which the Church or any affiliate of the Church is a participant.

g. A “**relative**” of an individual means his or her (i) spouse, ancestors, brothers or sisters (whether whole or half blood), children (whether natural or adopted),

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grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great grandchildren; or (ii) domestic partner as defined in Section 2994-a of the New York State Public Health Law.

2. Policy: It is the policy of the Church that at all times and in all matters, all members of the Vestry, officers, committee members, clergy and key employees of the Church:

a. Shall exercise utmost good faith in the performance of their duties and fulfillment of their responsibilities to the Church;

b. Shall act in the best interest of the Church;

c. Shall not use their positions with the Church, or any confidential information obtained therefrom to their personal or personal advantage;

d. Shall not be influenced in the discharge of their duties to the Church by any personal or financial interest or relationship they may have;

e. Shall not seek or accept, on behalf of self or any other person, any financial advantage or gain that may be offered because or as a result of their affiliation with the Church;

f. Shall disclose any possible conflict of interest they may have or might be perceived to have by others concerning any matter; g. Shall not take any part in any decision or attempt to influence any decision, whether directly or indirectly, relating to any matter for which they may have or might be perceived to have a conflict of interest; and

h. Shall maintain full confidentiality of information obtained as a result of their service to the Church as a member of the Vestry, officer, committee member, clergy and/or key employee of the Church.

3. Procedures. In furtherance of this Policy, all Vestry members, officers, and key employees shall disclose to the Vestry each conflict of interest and each known potential conflict, and shall also disclose in good faith the material facts concerning each related party transaction. All disclosures of actual or possible conflicts of interest or related party transactions shall be made in writing contemporaneously with the occurrence giving rise to such disclosure.

All decisions by the Church regarding such related party transactions and conflicts of interest shall be undertaken only at meetings of the Vestry. A member of the Vestry involved or proposing to be involved in a related party transaction or who has or may have a conflict of interest may be counted for purposes of establishing a quorum.

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No person involved or proposing to be involved in a related party transaction or who has or may have a conflict of interest (each, an “Affected Person”) may be present at or participate in Vestry or committee deliberation or vote on any matter giving rise to any conflict of interest or related party transaction; provided that, as set forth below, the Vestry may request that a related party present information concerning a related party transaction at a Vestry meeting prior to the commencement of deliberations or voting relating thereto. No Affected Person may make any attempt to influence improperly the deliberation or voting of members of the Vestry on any matter giving rise to any conflict of interest or related party transaction.

In the case of conflicts of interest, the existence and resolution of the conflict shall be documented in the Church’s records, including in the minutes of any meeting at which the conflict was discussed or voted upon.

In the case of related party transactions, the Church shall not enter into any such transaction unless the transaction is determined by the Vestry to be fair, reasonable and in the best interest of the Church at the time of such determination.

With respect to any related party transaction involving the Church and in which a related party has a substantial financial interest, the Vestry shall: (i) prior to entering into the transaction, consider alternative transactions to the extent available; (ii) approve the transaction by not less than a majority vote of the members present at the meeting; and (iii) contemporaneously document in writing the basis for Vestry approval, including its consideration of any alternative transactions. No related party may participate in deliberations or voting relating to the transaction in which such related party has an interest; provided that the Vestry may request that a related party present information concerning a related party transaction at a Vestry meeting prior to the commencement of deliberations or voting relating thereto.

1. **Annual Statement.** Prior to the initial election of any Vestry member, and annually thereafter, such Vestry member shall complete, sign and submit to the Secretary of the Vestry a written statement in substantially the form attached to this Policy. The Secretary of the Vestry shall provide a copy of all completed statements to the Chair of the Audit Committee. The Secretary shall keep such written statements in the records of the Church.
2. **Confidentiality.** Each vestry member, officer, committee member, member of the clergy and key employee shall exercise care not to disclose confidential information acquired in connection with disclosures of actual or potential conflicts of interests or related party transactions, which might be adverse to the interests of the Church, and shall not utilize any information relating to such disclosures for their personal profit or advantage of themselves or their related parties.

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- 3. Enforcement of the Policy.** Any Vestry member, officer, committee member, member of the clergy or key employee who knowingly violates this Policy is subject to censure, suspension, removal or dismissal. In the event of an unknowing violation of the policy, the Vestry or Rector may take such steps as is deemed necessary to address the violation consistent with the spirit of this Policy.

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As a Vestry member, officer, key employee, or member of _____ Church in _____, New York (the “Church”), I acknowledge receipt of the attached Policy on Conflict of Interest and undertake to comply with it.

I do not currently have any conflict of interest, or circumstance that might be perceived to be a conflict of interest, as described in the Policy, or any situation referred to in the Policy, including any transaction in which the Church is a participant and in which I might have a conflicting interest, except for the following:

To the best of my knowledge, the following entities of which I am an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee have a relationship with the Church:

If any matter comes before the Vestry, where a relationship exists of the type described in the Policy, I will immediately disclose the relationship to the Vestry and withdraw from the meeting during deliberation and voting on the matter.

Date:

Name (printed):

Signature