CONFLICT OF INTEREST POLICY

General Statement

The officers, key employees, directors, trustees, members, committee members and advisory board members (collectively, “Officials”) of The Bridgeport Roman Catholic Diocesan Corporation and affiliated corporations and limited liability companies (collectively, the “Diocese”) are expected to conduct themselves honestly, ethically, and fairly, and in a manner which appropriately reflects the ethical values of the Diocese.

This document (this “Policy”) sets forth the policy and guidelines regarding the reporting of, and procedures relating to, possible conflicts of interest under Connecticut law as well as requirements for disclosing reportable relationships to the Internal Revenue Service if required.

Applicable Laws

The Diocese must operate within the laws and regulations of both federal and state government. Officials are expected to fulfill their responsibilities and conduct their activities on the Diocese’s behalf within the letter, spirit, and intent of applicable laws and regulations as reasonably interpreted by them, including with the advice of counsel.

Duty of Loyalty

Diocesan Officials owe a duty of loyalty to the Diocesan entities with which they are affiliated and shall not use such positions for personal gain. Diocesan Officials may, however, receive reasonable compensation for their work, as determined by the applicable governing body of such Diocesan entity, subject to the conflict of interest procedures set forth in this Policy. The Official’s duties of loyalty include, but are not limited to, the Official’s obligations to protect the confidences of the Diocese and to refrain from engaging in transactions that would create a conflict of interest or the appearance of a conflict of interest.

Confidentiality. In the course of carrying out their duties and responsibilities, Officials will be privy to information that was created, discovered, acquired or developed by or disclosed to the Diocese and is considered to be confidential and proprietary in nature. This information includes, but is not limited to, personnel information, donor and development data, business plans, strategic plans, financial statements and information, and lists and information about gifts and grants. Officials shall recognize that they have a legal and ethical duty not to disclose this information or other information identified by the applicable Diocesan entity as confidential, shall hold all such information in strictest

* A “key employee” for purposes of reporting on Form 990 is an employee of a Diocesan entity whose responsibilities, powers or influence over such entity are similar to that of an officer or director, who has management responsibilities for a segment of such entity’s activities that represent 10% or more of such entity’s overall activities, assets, income or expenses or who has authority, or shares authority, to control or determine 10% or more of such entity’s capital expenditures, operating budget, or compensation for employees. The applicable Diocesan entity will identify those employees who are key employees and make such individuals aware of their status under this Policy. Note that although certain of the Diocesan entities do not file Form 990s, this Policy applies to all key employees irrespective if their work does not require the employee to be reported in a Form 990.
confidence and shall agree not to release confidential and proprietary information to anyone outside of the Diocese except for authorized purposes or unless required by law.

**Conflict of Interest.** A conflict of interest arises in any transaction or arrangement effected or proposed to be effected by the applicable Diocesan entity if, at the time such entity becomes legally obligated to consummate the transaction, an Official has an interest in the transaction or arrangement. An Official may have a conflicting interest in a transaction or arrangement if any of the following apply:

- An Official is a party to the transaction or arrangement, whether personally or as a director, general partner, or other governing board member;
- An Official had knowledge and a material financial interest in the transaction or arrangement known to the Official; or
- An Official knew that a Family Member\(^\dagger\) or Related Person\(^\ddagger\) was a party to or had a material financial interest in the transaction or arrangement.

A material financial interest is a financial interest in a transaction that would reasonably be expected to impair the objectivity of the Official when participating in action on the authorization of the transaction or arrangement.

Some examples of situations in which a conflict of interest may be present include, but are not limited to, the following:

\(a\) An ownership or investment interest in any entity with which a Diocesan entity has a transaction or arrangement;
\(b\) A compensation* arrangement with a Diocesan entity or with any entity or individual with which a Diocesan entity has a transaction or arrangement;
\(c\) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which a Diocesan is negotiating a transaction or arrangement; or
\(d\) A potential ownership or investment interest in, or compensation arrangement with, any entity to which a Diocesan entity is considering making a grant or conferring other benefits or assistance.

\(^\dagger\) A Family Member is a spouse, living ancestor, sibling (whether by whole or half blood), child (natural or adopted), grandchild, great-grandchild, or spouses of siblings, children, grandchildren or great-grandchildren.

\(^\ddagger\) Generally, a Related Person includes:

(a) a person with whom you are living;
(b) a trust or estate in which a Family Member or anyone mentioned in (a) is a substantial beneficiary;
(c) any entity (other than a Diocesan entity) controlled by you or by a Family Member or any person mentioned in (a) or (b);
(d) any domestic or foreign business or nonprofit entity (other than a Diocesan entity) of which you are a director, or unincorporated entity of which you are a general partner or a member of governing body;
(e) any individual, trust or estate for whom or of which you are a trustee, guardian, personal representative or like fiduciary; or
(f) any person or entity that is controlled by your employer.
*Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Officials with questions as to whether a particular transaction, arrangement or relationship may result in a conflict of interest should in all cases disclose the potential conflict in accordance with this Policy.

Disclosure

To promote the sound administration of this Policy, all Officials shall receive and complete annually (and update as appropriate) a disclosure statement substantially in the form attached as Exhibit A. The disclosure statement will describe any transaction or arrangement known to the Official that could reasonably give rise to a conflict of interest as described above and any relationships required to be reported by a Diocesan entity to the Internal Revenue Service. Reportable relationships include certain business transactions, loans or grants (including salary advances) between any Diocesan entity and Officials, or between a Diocesan entity and Family Members or Related Persons of Officials. Examples of such business transactions include, but are not limited to, contracts of sale, lease, performance of services and participation in joint ventures if the interest of a Diocesan entity and the Official exceeds 10%.

In addition to submitting an annual disclosure statement, if an Official believes a potential conflict or reportable relationship arises at any time within the spirit of this Policy, such Official shall immediately disclose the situation (whether or not specifically addressed herein) in writing to the Responsible Officer (defined below). Should an apparent or potential conflict of interest arise or become apparent during a meeting of the board of directors or a meeting of any committee of the applicable Diocesan entity, program or operation, the applicable Official shall immediately disclose the situation.

The annual disclosure statements and any ongoing disclosures made pursuant to this Policy will be treated confidentially. Disclosure statements will be provided by and should be returned to the Responsible Officer. The Officer designated by the Bishop (“Responsible Officer”) shall be responsible for monitoring and advising the applicable Diocesan entity and the Bishop with respect to the information disclosed by Officials.

Procedure Relating to Conflicts of Interest

The Responsible Officer will work with Officials to identify pending transactions or arrangements that present a possible conflict of interest. In all cases, however, Officials are solely responsible for ensuring that any potential conflict of interest is disclosed and that a determination is made, by the Board of the applicable Diocesan entity or its committee, as to whether the situation presents an actual conflict of interest.

Officials who have declared or have been deemed to have a conflict of interest (“interested persons”) must refrain from participating in consideration of proposed transactions or arrangements, unless the Board of the applicable Diocesan entity or its committee requests
information or interpretations. Such participation in consideration includes informal discussions with one or more members of the Board of the applicable Diocesan entity, unless the conflict is disclosed.

A Diocesan entity shall make its decision as to whether to enter into a transaction or arrangement involving a conflict of interest in conformity with the following determination process.

   a) An interested person may upon invitation make a presentation at a Board (or its committee) meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest unless such recusal is waived by each of the disinterested directors present.

   b) In the context of a transaction or arrangement, the Responsible Officer or Board Chair, shall, if appropriate, appoint a disinterested director or committee of disinterested directors to investigate alternatives to the proposed transaction or arrangement.

   c) After exercising due diligence, the Board (or its committee) shall determine, if appropriate, whether the entity 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.

   d) If a more advantageous transaction or arrangement is not reasonably possible or appropriate under circumstances not producing a conflict of interest, the Board (or its committee) shall determine by a majority vote, but not fewer than two, of the disinterested directors, whether the transaction or arrangement is in such entity’s best interest and is fair and reasonable.

Records of Proceedings

The minutes of the applicable Board (or its committee) meeting shall contain:

   a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board’s (or its committee’s) decision as to whether a conflict of interest in fact existed.

   b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Compensation

An Official who is directly or indirectly compensated by a Diocesan entity shall observe the following procedures with respect to any Board or committee vote in which such officer or director is entitled to participate.
a) A voting member of the Board who receives compensation, directly or indirectly, for services is precluded from voting on matters pertaining to that member’s compensation.

b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, for services is precluded from voting on matters pertaining to that member’s compensation.

c) No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, is prohibited from providing information to the Board or any committee regarding compensation.

Violations

a) If the Board (or its committee) has reasonable cause to believe an Official has failed to disclose actual or possible conflicts of interest, it shall inform the Official of the basis for such belief and afford the Official an opportunity to explain the alleged failure to disclose.

b) If, after hearing the Official’s response and after making further investigation as warranted by the circumstances, the Board (or its committee) determines the Official has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action.

Political Activities

Officials should exercise caution whenever it may appear that they are engaging in certain political activities on behalf of a Diocesan entity, and should consult with the Bishop or his designee prior to any such activity. Officials should be aware that engaging in such activities could threaten a Diocesan entity’s tax-exempt status. Among these activities are the following:

a) engaging in substantial lobbying on a Diocesan entity’s behalf; and

b) engaging in any political campaign activity on a Diocesan entity’s behalf.

Administration

The Board of Trustees of the Bridgeport Roman Catholic Diocesan Corporation has the responsibility for maintaining and updating the policies set forth in this Policy. The Responsible Officer, as designated by the Bishop, is responsible for the implementation and adherence to the Policy. The Diocese’s legal counsel will be consulted on matters of interpretation as the Responsible Officer determines appropriate and shall be asked to review the Policy periodically for appropriate modifications.

The Diocesan entities may be responsible for extensive reporting to the Internal Revenue Service of relationships that may give rise to a conflict of interest. To promote the sound administration of each Diocesan entity’s policies, and to allow such entity to continue to meet any reporting
responsibilities, all Officials are asked to respond to an annual disclosure that helps identify possible conflicts of interest.

Please carefully consider whether any disclosures with respect to a Diocesan entity is appropriate. Please also keep in mind that each Official has an ongoing responsibility to disclose potential conflicts of interest as they may arise.

When in doubt, we urge you to err on the side of disclosure. If you have any questions, please contact the Legal Office of the Diocese at 203-416-1360.

Thank you for your cooperation in maintaining our high ethical standards.
EXHIBIT A

CONFLICT OF INTEREST POLICY

Annual Disclosure Statement

If Employee, state position: ___________________________________________________

If volunteer, state all directorships, trustees, committees and/or advisory boards on which you serve: _____________________________________________________________________________________________

1. Have you, or to your knowledge has a Family Member§ or a Related Person,** directly or indirectly, (i) maintained any business transactions with, or received any loans from, a Diocesan†† entity, or (ii) received any compensation, grants, gifts or other benefits from a Diocesan entity, or any person seeking to do or doing business with a Diocesan entity. Examples of a business transaction may include a purchase or sale, lease, contractual arrangement, performance of services or participation in a joint venture.

( ) Yes   ( ) No

If so, please describe the nature of the business transaction, compensation arrangement, or any other benefit, and the identities of each of the parties involved. If the applicable arrangement concerns a Related Person, please describe how the person or entity is related to you. If more than one relationship must be disclosed, please number the relationships.

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

§ A Family Member is a spouse, living ancestor, sibling (whether by whole or half blood), child (natural or adopted), grandchild, great-grandchild, or spouses of siblings, children, grandchildren or great-grandchildren.

** A Related Person includes:
   (a) a person with whom you are living;
   (b) a trust or estate in which a Family Member or anyone mentioned in (a) is a substantial beneficiary;
   (c) any entity (other than a Diocesan entity) controlled by you, by a Family Member, or any person mentioned in (a) or (b);
   (d) any domestic or foreign business or nonprofit corporation (other than a Diocesan entity) of which you are a director, or unincorporated entity of which you are a general partner or a member of the governing body;
   (e) any individual, trust or estate for whom or of which you are a trustee, guardian, personal representative or like fiduciary; or
   (f) any person or entity that is controlled by your employer.

†† Diocesan or the Diocese means The Bridgeport Roman Catholic Diocesan Corporation and affiliated corporations and limited liability companies.
2. To the best of your knowledge, do you have a business‡‡ or family relationship with any other current director, officer or employee of a Diocesan entity?

( ) Yes    ( ) No

Please describe the exact nature of any family relationships or business relationships or transactions, and the parties involved. If more than one relationship or transaction must be disclosed, please number the relationships and transactions.

__________________________________________________________________________
                                                                                   
__________________________________________________________________________
                                                                                   
__________________________________________________________________________
                                                                                   
__________________________________________________________________________

3. Do you, or to your knowledge, does a Family Member, serve as an officer, employee, or member of the governing body of an entity which has in the past year applied, or which you anticipate may apply, for funding from or engage in a business transaction with a Diocesan entity?

( ) Yes    ( ) No

Please list the applicable entity or entities, and the position held by you or your Family Member:

__________________________________________________________________________
                                                                                   
__________________________________________________________________________
                                                                                   
__________________________________________________________________________
                                                                                   
__________________________________________________________________________

‡‡ A business relationship is defined as:
1. 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.
2. 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), directly or indirectly, in one or more contracts of sale, lease, license, loan, performance of services, or other transaction involving transfers of cash or property valued in excess of $10,000 in the aggregate during the organization’s tax year. Indirect transactions include transactions with an organization with which one person is associated as a trustee, director, officer, key employee, or greater than 35% owner.
3. 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 Diocesan entity, 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 can be ownership through multiple tiers of entities.
In signing this statement, I understand that the Diocesan entities are charitable organizations that, in order to maintain their respective exempt status under the Internal Revenue Code, must engage primarily in activities which accomplish one or more tax-exempt purposes and do not confer a private benefit upon me or related persons.

I agree to exercise particular caution whenever it may appear that I am engaging in political activities that may be associated with a Diocesan entity, and will consult with the Responsible Officer designated by the Bishop prior to any such activity. Additionally, I acknowledge that I have a duty of loyalty that encompasses my responsibility not to disclose confidential information of a Diocesan entity. In light of this acknowledgment, I agree to hold confidential all information acquired pertaining to the Diocese in the strictest confidence.

_________________________________
Name (please print)

_________________________________  _________________________________
Date      Signature

Thank you for your cooperation in completing this disclosure form. Please return the form and/or refer any questions to:

Responsible Officer, Conflict of Interest
c/o Legal Department
The Bridgeport Roman Catholic Diocesan Corporation
238 Jewett Ave
Bridgeport, CT 06606

203-416-1360
amccrory@diobpt.org