

CONFLICT OF INTEREST POLICY

The Diocese of Rhode Island

We are required annually to file Form 990 with the Internal Revenue Service, and the form we file is available to the public. To complete Form 990 fully and accurately, we need each officer, director and employee to disclose the information requested in this Part II.

A "conflict of interest," for purposes of Form 990, arises when a person in a position of authority over an organization, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

A questionnaire and signed statement are required annually.

Article I: Purpose

This conflict of interest policy is designed to foster public confidence in the integrity of The Diocese of Rhode Island (the "Diocese") and to protect the Diocese's interest when it is contemplating entering a transaction (defined below) that might benefit the private interest of a director, a corporate officer, management or financial official, employee or volunteer with responsibility for diocesan funds.

Article II: Definitions

The following are considered insiders for the purposes of this policy:

1. Each member of the Diocesan Council and Standing Committee as the two entities governing funds and property.
2. Any employee of the Diocese and any agency or organization the Diocese hinds and controls.
3. Any consultant or program/service provider who receives over \$5,000 a year from the Diocese
4. Any member of an advisory board or committee that has responsibility for the solicitation and/or disbursement of funds or services that benefit individuals — e.g., Episcopal Charities Board, the Episcopal Conference Center Board, the Congregational Development Commission, the Investment Commission, etc.

Interest means any commitment, investment, relationship, obligation, or involvement, financial or otherwise, direct or indirect, that may influence a person's judgment, including receipt of compensation from the Diocese, a sale, loan, or exchange transaction with the Diocese.

A conflict of interest is present when, in the judgment of the Bishop, Diocesan Council or Standing Committee, an insider's stake in the transaction is such that it reduces the likelihood that an insider's influence can be exercised impartially in the best interests of the Diocese.

Transaction means any transaction, agreement, or arrangement between an insider and the Diocese, or between the Diocese and any third party where an insider has an interest in the transaction or any party to it. Transaction does not include compensation arrangements between the Diocese and a director, officer, or other insider that are wholly addressed under any compensation policy adopted by the bishop, Diocesan Council or the Standing Committee.

Article III: Procedures

1. Duty to Disclose

Each insider shall disclose to the Bishop, Diocesan Council or Standing Committee all material facts regarding his or her interest in the transaction, promptly upon learning of the proposed transaction. Employees, consultants and program/service providers shall disclose to the Bishop who will have jurisdiction under this policy; members of advisory boards or committees shall disclose to Diocesan Council which shall have jurisdiction and members of Diocesan Council and Standing Committee shall report to their constituent group which shall have jurisdiction.

2. Determining Whether a Conflict of Interest Exists

With regard to an insider, the Bishop, Diocesan Council or Standing Committee shall determine if a conflict of interest exists. The insider(s) and any other interested person(s) involved with the transaction shall not be present during the Board's discussion or determination of whether a conflict of interest exists, except as provided in Article IV below.

3. Procedures for Addressing a Conflict of Interest

The Bishop, Diocesan Council or Standing Committee shall follow the procedures set forth in Article IV in order to decide what measures are needed to protect the Diocese's interests in light of the nature and seriousness of the conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate.

Article IV: Review by the Bishop, Diocesan Council or Standing Committee

The Bishop, Diocesan Council or Standing Committee may ask questions of and receive presentation(s) from the insider(s) and any other interested person(s) but shall deliberate and vote on the transaction in their absence. The Bishop, Diocesan Council or Standing Committee shall ascertain that all material facts regarding the transaction and the insider's conflict of interest have been disclosed to the Bishop, Diocesan Council or Standing Committee and shall compile appropriate data, such as comparability studies, to determine fair market value for the transaction.

After exercising due diligence, which may include investigating alternatives that present no conflict, the Bishop, Diocesan Council or Standing Committee shall determine whether the transaction is in the Diocese's best interest, for its own benefit, and whether it is fair and reasonable to the Diocese; the Bishop or the majority of disinterested members of Diocesan Council or Standing Committee then in office may approve the transaction.

Article V: Records of Proceedings

The Bishop shall render a decision regarding employees, consultants and program/service providers and place a memo detailing the minutes of that decision in that person's file at the Diocesan office. Any meeting of the Diocesan Council or Standing Committee pursuant to this policy shall contain the name of each insider who disclosed or was otherwise determined to have an interest in a transaction; the nature of the interest and whether it was determined to constitute a conflict of interest; any alternative transactions considered; the members of the Diocesan Council or Standing Committee who were present during the deliberations on the transaction, those who voted on it, and to what extent interested persons were excluded from the deliberations; any comparability data or other information obtained and relied upon by the Board and how the information was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

Article VI: Annual Disclosure and Compliance Statements

Each employee of the Diocese, each member of Diocesan Council and Standing Committee, shall annually sign a statement on the form attached, that:

- affirms that the person has received a copy of this conflict of interest policy, has read and understood the policy, and has agreed to comply with the policy; and
- discloses the person's financial interests and family relationships that could give rise to conflicts of interest.

Consultants and program/service providers shall do the same as part of any agreement they have with the diocese.

Article VII: Violations

If the Bishop, Diocesan Council or Standing Committee has reasonable cause to believe that an insider of the Diocese has failed to disclose actual or possible conflicts of interest, including those arising from a transaction with a related interested person, it shall inform such insider of the basis for this belief and afford the insider an opportunity to explain the alleged failure to disclose. If, after hearing the insider's response and making further investigation as warranted by the circumstances, the Bishop, Diocesan Council or Standing Committee determines that the insider has failed to disclose an actual or possible conflict of interest, the Bishop, Diocesan Council or Standing Committee shall take appropriate disciplinary and/or corrective action.

Article VIII: Annual Reviews

To ensure that the Diocese operates in a manner consistent with its status as an organization exempt from federal income tax, the Bishop, Diocesan Council or Standing Committee shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.

THE DIOCESE OF RHODE ISLAND
CONFLICT OF INTEREST DISCLOSURE STATEMENT

1. Do you or a family member have an ownership or financial interest in, or serve as a director or officer of an organization doing or currently seeking to do business with The Diocese of Rhode Island?
Yes No

2. Do you or a family member receive compensation, consulting fees, gifts or honorarium from an organization doing or currently seeking to do business with The Diocese of Rhode Island?
Yes No

3. Do you make or are you in a position on behalf of The Diocese of Rhode Island to make purchases from an organization in which you or a family member has and ownership or financial interest, derive compensation or consulting fees, receive gifts or serve as a director or officer?

Yes No

4. Do you participate, directly or indirectly in The Diocese of Rhode Island negotiations or are you in a position to influence such negotiations with an organization, including third party payer, in which you or a family member has an ownership or financial interest, derive compensation or consulting fees, receive gifts or serve as a director or officer?
Yes No

5. Do you or a family member have ownership or financial interest, derive compensation or consulting fees (in excess of \$5,000 per year), receive gifts or serve as a director or officer of an organization that competes with The Diocese of Rhode Island?
Yes No

6. If you answered "Yes" to any of the foregoing questions, can you describe why your situation does not represent a Conflict of Interest for you?

7. If you answered "Yes" to any of the foregoing questions and you believe an actual Conflict of Interest exists do you have any suggestions for eliminating or minimizing the conflict?

I acknowledge and am in accordance with the letter and spirit of the Conflict of Interest Policy of The Diocese of Rhode Island.

Date

Signature

Print Name