

**CATHOLIC CHARITIES OF LONG ISLAND
AND AFFILIATES**

CONFLICT OF INTEREST AND CONFIDENTIALITY POLICY

Revision Date: September 1, 2020

1. STATEMENT OF POLICY

The mission of Catholic Charities ("Agency") and Affiliates (collectively known as the "Organization") includes serving the people of Long Island through the services it provides. The Organization and the people responsible for its care have a responsibility to maintain the highest ethical standards in connection with the delivery of these services. These standards are embodied by integrity in all business transactions with the Organization, care for the population the Organization serves and loyalty to its mission.

Members of the Board of Trustees, officers, employees, and volunteers serving on any advisory boards or stewardship committees relating to any entity associated with the Agency or its affiliates, must avoid any conflict of interest or appearance of conflict of interest. This Conflict of Interest and Confidentiality Policy applies to members of Boards of Trustees, officers, benefit eligible employees (those scheduled to work 28 or more hours a week), and volunteers serving on any advisory boards or stewardship committees of all entities of the Organization. Non benefit eligible employees (those scheduled to work less than 28 hours a week) have been specifically excluded from the requirements of this policy as it has been determined because of their limited involvement with Catholic Charities, they are not in a position to either make or influence any decision that might be cause a conflict of interest.

Members of the Agency or its affiliates' Board of Trustees, directors, officers, committee members, benefit eligible employees, or volunteers shall not derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the organization. Each individual shall disclose any personal interest that he or she may have in any matter pending before the organization and shall refrain from participation in any decision on such matter.

Members of the Agency or its affiliates' Board of Trustees, directors, officers, committee members, benefit eligible employees, volunteers and certain consultants, who are also officers, board members, committee members, or staff members of a contractor, vendor, or supplier of or to the Agency or its affiliates, shall immediately identify his or her affiliation with such agency or agencies. Further, in connection with any committee or board action specifically directed to that agency, he/she shall not participate in the decision affecting that agency and the decision must be made and/or ratified by the majority of the remaining Board.

Any member of the Agency or its affiliates' Board of Trustees, directors, officers, committee members, employees, volunteers and certain consultants, shall refrain from obtaining any list of vendors and/or contributors, and using any clients for personal or private solicitation purposes at any time during the term of their affiliation.

This policy is intended to comply with Internal Revenue Code section 4958 regarding excess benefit transactions and the regulations thereunder. This policy is also intended to supplement but not replace any applicable state laws governing conflict of interest applicable to nonprofit and charitable corporations. This policy is intended to insure fair and ethical behavior in connection with our transactions.

2. DEFINITIONS

Interested Person – Any member of the Board of Trustees or Directors, officers, benefit eligible employees or volunteers serving on any advisory boards or stewardship committees relating to any entity associated with the Organization, who have a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity of the Organization, he or she is an interested person with respect to all entities of the Organization.

Financial Interest – A person has a financial interest if the person has, directly or indirectly through business investment or family,

- An ownership or investment interest which is greater than 30% in any entity with which the Agency or its affiliates has a transaction or arrangement, or
- A compensation arrangement with the Agency or its affiliates or with any entity or individual which the Agency or its affiliates has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Agency or its affiliates is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Chief Executive Officer of Catholic Charities of Long Island, in consultation with the Board of Trustees, determines that a conflict of interest exists under the procedures described in Section 3.

Family members – Family members include spouses, children, parents and siblings.

Not Participating in Decision Making (being excused from decision making) – This includes not being present during discussions and deliberations regarding transactions between the Organization and the organization for which the interested person has a financial interest.

3. CIRCUMSTANCES AND TRANSACTIONS WHICH MAY CREATE A CONFLICT OF INTEREST OR USING CONFIDENTIAL INFORMATION INAPPROPRIATELY

The following questions may help to identify circumstances and transactions that may create a conflict of interest.

Purchases/Contract Negotiations

- Do you negotiate or approve contracts or purchases on behalf of the Agency or its affiliates?
- Do you have an interest in any entity or business that provides goods or services to the Agency or its affiliates?
- Have you ever received money or other property from any entity or business providing goods or services to the Agency or its affiliates?

Conversion of Organization Assets

- Are there any circumstances in which you have used Agency or its affiliates' facilities or other assets for personal gain?

Use of Employees

- Are there any circumstances in which you have used Agency employees or its affiliates' employees to perform activities for an outside business or activity in which you have a personal interest or from which you anticipate receiving money or property?

Employment Contracts

- Do you have any responsibility for negotiating or approving employment contracts?

Confidential Information

- Do you have access to or otherwise possess confidential information regarding the Agency's and/or Affiliates transactions or business relationships that you might disclose to individuals outside of the organization?
- Is the disclosure of any confidential information in compliance with the Agency's and its Affiliates Policy on Information Technology usage?
- Do you have access to "Protected Health Information" as defined under regulations issued by the Department of Health and Human Services ("DHHS") pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 and includes the Privacy Rule (the regulations issued as "Standards for Privacy of Individually Identifiable Health Information"); the Electronic Transactions Standards (the regulations issued as "Electronic Transactions and Code Sets Standards"); and the Security Rule (the regulations issued as "Security and Electronic Signature Standards"? If so, are you following the internal procedures to safeguard the information in your custody?

4. IMPLEMENTATION AND PROCEDURES

The Organization will neither favor nor preclude doing business with any individual or with any firm whose representative functions as a member of any of its Board of Trustees or Directors or as an officer, employee, or volunteer serving on any advisory boards or stewardship committees of any entity associated with the Agency or its affiliates. However, such business relationships are to be entered into subject to the procedures and documentation as described in this section.

Duty to Disclose – An interested person must disclose the existence of his or her financial interest and all material facts to the Chief Executive Officer of the Agency and Board of Trustees.

Procedures and Documentation for Determining whether a Conflict of Interest Exists - Whenever any potential conflict of interest between the Agency or its affiliates and any individual becomes apparent or is disclosed, the potential conflict of interest is to be

reviewed by the Agency's Chief Executive Officer and the Board of Trustees or the governing Board of the Affiliate.

The interested person may present to the Chief Executive Officer of the Agency and Board of Trustees any additional material facts regarding their financial interest. After any discussion with the interested person, the Chief Executive Officer of the Agency will make a determination of whether a conflict of interest exists, after physical recusal of the interested person. The Chief Executive Officer of the Agency will be the final arbiter regarding the determination of whether a conflict of interest exists to ensure consistency and fidelity to the spirit of the Agency and its affiliates' policy.

The minutes of the Board of Trustees shall contain the names of the persons who disclosed or were otherwise found to have a financial interest in connection with an actual or potential conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present and the Chief Executive Officer's decision as to whether a conflict of interest existed. The names of the persons who were present for discussions and votes relating to the determination of the conflict of interest shall also be recorded.

Procedures and Documentation for Addressing the Conflict of Interest – Upon determination that a conflict of interest exists, an interested person may make a presentation to the Chief Executive Officer of the Agency and the Board of Trustees, but after such presentation, he or she shall leave the meeting during the discussion of, and vote on, the transaction or arrangement that results in the conflict of interest.

Prior to the vote on the transaction or arrangement which constitutes the conflict of interest, the Chief Executive Officer of the Agency and the Board of Trustees shall obtain appropriate comparability data in effort to determine that the proposed transaction or arrangement is in the Organization's best interest and for its own benefit and whether the transaction is fair and reasonable to the Organization and shall make the decision as to whether to enter into the transaction or arrangement in conformity with such determination.

The comparability data shall be maintained as part of the minutes of the Board of Trustees meeting along with a detailed record of the Board's deliberations including members of the Board who were present during the deliberations and members of the Board who voted on the transaction, in order to satisfy the rebuttable presumption of reasonableness standard described in the Treasury Regulation Section 53.4958-6.

5. VIOLATIONS OF THE CONFLICT OF INTEREST AND CONFIDENTIALITY POLICY

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination and reimbursement to the Agency or its affiliates for any losses or damages resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain his or her actions before any necessary disciplinary action is taken.

6. APPLICATION AND POLICY REQUIREMENTS

This conflict of interest and confidentiality policy is to be made known to all persons now serving or hereafter engaged to serve as members of the Board of Trustees, or as officers, benefit eligible employees or volunteer members of any advisory board or stewardship committee of any entity associated with the Organization and their acceptance evidenced by a signed annual declaration. Acceptance of the policy is a precondition to their affiliation with the Organization. It is the Agency's Chief Executive Officer (CEO)'s responsibility to distribute the annual declaration to all their members. All new members to Boards, or new officers and benefit eligible employees must also receive the declaration from the CEO.

The Internal Audit Office will monitor compliance with this policy. The Agency's CEO will be responsible for ensuring that all individuals to whom this Conflict of Interest and Confidentiality Policy applies receive a copy of the Policy and sign the Declaration annually. The Director of Human Resources will provide all employees to whom this Conflict of Interest and Confidentiality Policy applies have received a copy of the Policy and signed the Declaration and be responsible for ensuring that all Declarations collected by Human Resources are noted in the Reminder System for Conflicts of Interest. The Chief Executive Officer will oversee the distribution of the Declarations and Policy to Board and Board Committee Members; the Director of Housing will oversee the distribution of the Declarations and Policy to Board and Board Committee Members of the Housing Corporations.

The Agency may have an annual meeting to review the Conflict of Interest and Confidentiality Policy for the minutes and have the annual declaration read into those minutes. The CEO would then send those minutes along with a statement to the Internal Audit Office indicating their confirmation with the process. The Internal Audit Office does not need to know all the names of the employees and other individuals whom this policy applies in that annual certification process. The certification indicates that those records are available for review and inspection to the Internal Audit Office as necessary.

The policy and its signed declarations will be effective on all future transactions.

7. CONFIDENTIALITY

All Board members, officers, employees and volunteers must maintain strict confidentiality standards both during and after employment with or service to the Organization.

Any person who feels that he or she may be aware of an actual or potential conflict of interest should report all pertinent details to the Chief Executive Officer of the Agency. The identity of individual who relays the information will be kept completely confidential. The Chief Executive Officer of the Agency and the Board of Trustees will evaluate the potential conflict as described above in Section 3 and instruct the individual as to the proper course of action.

8. RESTRICTIONS

No funds or assets of the Agency or its affiliates, including the work time of any employee, will be contributed, loaned, or made available directly or indirectly to any political party or to the campaign of any candidate for federal, state or local office.

The Organization strongly encourages its employees to become involved in civic affairs. However, employees must recognize that their involvement and participation must be on an individual basis, on their own time, and at their own expense. Further, when an employee speaks on public issues, it must be made clear that comments or statements made are those of the individual and not the Organization.

9. INTERPRETATION OF THE POLICY

The Chief Executive Officer of the Agency and the Board of Trustees shall have the responsibility for investigation, interpretation, and recommendations regarding this policy.