DATE: April 15, 2011

TO: Priests of the Diocese of Knoxville and all in Possession of a Diocesan Handbook on Ministry, Policy and Procedure

FROM: Deacon Sean K. Smith, Chancellor

RE: Diocesan Handbook Update #13 on Diocese of Knoxville Conflict of Interest Policy

Enclosed in this packet are materials for updating your Diocesan Handbooks. Items for this update are as follows:

1. **Table of Contents**
   Replace existing Table of Contents at the front of the handbook with revised Table of Contents (dated April 15-2011) enclosed.

2. **Section 27: Diocese of Knoxville Conflict of Interest Policy**
   This is the recently approved Diocese of Knoxville Conflict of Interest Policy promulgated by Bishop Stika for the Diocese of Knoxville. Please insert this document under tab 27 (Diocese of Knoxville Conflict of Interest Policy).

After making the above changes/updates, indicate on this memo “Posted,” date and initial, and then file this memo after the Table of Contents at the front of the handbook. This procedure will ensure that any user of the handbook can determine if it is up-to-date by reviewing the posted changes at the front of the handbook. **You will be receiving the hardcopies of these materials for updating your Diocesan Handbooks by mail next week.**
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Conflict of Interest Policy

A conflict of interest may exist when the interests of an individual are or could be perceived as competing with the best interests of the diocese. In particular, conflicts of interest may arise for council members, clergy, staff, and certain volunteers of the Diocese of Knoxville. They may involve money, business, duty to other organizations, or special benefits.

Following are some examples of actual or potential conflicts.

- The diocese does business exclusively with an individual, his/her relative or a business associate without seeking other providers.
- The diocese offers employment to someone in exchange for some benefit.
- A supervisor supervises a relative.
- Someone obtains a benefit or advantage not otherwise available except for his or her relationship with the diocese.
- An individual’s responsibility to the diocese conflicts with his or her duty to some other business or organization.
- Someone uses for his or her personal benefit confidential information obtained through his or her relationship with the diocese or membership on an advisory body.

Whether these are actually conflicts of interest depends on the facts.

Each individual is required to complete a questionnaire at the start of his or her voluntary or paid position with the diocese, with annual updates thereafter. He or she remains under obligation to disclose any actual or potential conflicts of interest as soon as they become known.

- If an individual serves on a council, the disclosure will be reviewed by the council chair.
- If an individual is the council chair, the bishop will review his or her disclosure statement.
How actual or potential conflicts of interest will be determined

If an actual or potential conflict of interest appears to exist between the Diocese of Knoxville and an employee, finance, pastoral or other council member or volunteer, the diocese will postpone taking an action until the action has been reviewed by disinterested members as described below.

- If an employee has an actual or potential conflict of interest, his/her department director will first review and attempt to resolve the matter with the employee. If the matter is not resolved, the bishop will make a decision. Depending on the issue, the bishop may consult other appropriate people such as the vicar(s) general, finance officer and/or chancellor.

- If an individual (volunteer or council member) has an actual or potential conflict of interest, the matter will be reviewed and decided by the bishop. Depending on the issue, the bishop may consult other appropriate people such as the vicar(s) general, finance officer and/or chancellor.

If the conflict is financial in nature:

- If an employee or individual (volunteer or council member), or his or her relative or business associate has an actual or potential conflict relating to a financial arrangement, all or some of the following may participate in determining the resolution: The bishop, vicar(s) general, finance officer, chancellor and chair of the finance council. The individual with an actual or potential conflict may or may not be present during the discussion of the matter, at the discretion of those reviewing the matter.

- After review, members of the finance council should consider whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a disinterested party.

- Members of the finance council, at a meeting with a quorum, may approve a proposed transaction upon finding that it is in the best interests of the diocese to do so. The meeting minutes shall reflect when a conflict disclosure is made, what the conflict is, when a vote is taken, and whether the interested party participated in or abstained from the vote.
Failure to Disclose

- If an individual fails to disclose information or refuses to complete the disclosure statement, the chancellor will contact that person and request an explanation.

- If, after discussion, it is determined that the individual has either failed to disclose a conflict or has failed to complete the disclosure, the chancellor, in consultation with the bishop, will take appropriate disciplinary action.

Promulgated by: 

Most Reverend Richard F. Stika  
Bishop of Knoxville  

Attested by:  

Deacon Sean K. Smith  
Chancellor  

Date: 4/15/11  

APRIL 15, 2011
Diocese of Knoxville
Conflict Of Interest Policy

Annual Affirmation of Compliance and Disclosure Statement

I have received and carefully read the Conflict of Interest Policy for council members, staff, and volunteers of Diocese of Knoxville and have considered not only the literal expression of the policy but also its intent. I hereby agree that I understand and agree to comply with the Conflict of Interest Policy. I further understand that Diocese of Knoxville is a church organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Except as otherwise indicated in the Disclosure Statement and attachments, if any, I hereby state that I do not, to the best of my knowledge, have any conflict of interest that may be seen as competing with the interests of Diocese of Knoxville, nor does any relative or business associate of mine. If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose the circumstances to the director of the relevant department of Diocese of Knoxville or to the chairperson of the finance council.

I further certify that the information set forth in the Disclosure Statement and attachments, if any, is true and correct to the best of my knowledge, information, and belief.

________________________________________
Name (Please print)

________________________________________
Signature  Date

27.1.1
CONFLICT OF INTEREST POLICY
APRIL 15, 2011
Disclosure Statement

Please complete the questionnaire below, indicating any actual or potential conflicts of interest. If you answer "yes" to any of the questions, please provide a written description of the details of the specific action or transaction in the space allowed. Attach additional sheets as needed.

Financial Interests - A conflict may exist where an individual, his/her relative or business associate, directly or indirectly benefits or profits as a result of a decision made by or business entered into by the diocese.

Answers should take into consideration the past twelve months:

Has the diocese contracted to purchase or lease goods, services, or property from you, or from any of your relatives or business associates?

If yes, please describe: ____________________________

______ No

______ Yes

Has the diocese purchased an ownership interest in, or invested in, a business entity owned by you or by any of your relatives or business associates?

If yes, please describe: ____________________________

______ No

______ Yes

Has the diocese offered employment to you, or to any of your relatives or business associates, other than a person who was already employed by the diocese?

If yes, please describe: ____________________________

______ No

______ Yes

Have you, or have any of your relatives or business associates, been provided with a gift, gratuity, or favor, of a substantial nature, from a person or entity which does business, or seeks to do business, with the diocese?

If yes, please describe: ____________________________

______ No

______ Yes
Have you or any of your relatives or business associates been gratuitously provided use of the facilities, property, or services of the diocese?  
☐ Yes  
☐ No

If yes, please describe: ________________________________________________________________

________________________________________________________

Other Interests – Conflicts of interest can be other than financial. If someone receives a non-financial benefit or advantage due to his or her relationship with the diocese, or when his or her duty or responsibility conflicts with a duty or responsibility owed to some other organization.

Answers should take into consideration the past twelve months:

Did you obtain preferential treatment by the diocese for yourself, or for any of your relatives or business associates?  
☐ Yes  
☐ No

If yes, please describe: ________________________________________________________________

________________________________________________________

Did you make use of confidential information obtained from the diocese for your own benefit or for the benefit of a relative, business associate, or other organization?  
☐ Yes  
☐ No

If yes, please describe: ________________________________________________________________

________________________________________________________

Did you manipulate an opportunity that you believed to be of interest to the diocese in order to enable yourself, a relative, business associate, or other organization to benefit inappropriately?  
☐ Yes  
☐ No

If yes, please describe: ________________________________________________________________

________________________________________________________