

ARCHDIOCESE OF WASHINGTON

CORPORATION EXAMPLE: TRANSACTION WITH POTENTIAL CONFLICT OF INTEREST

The husband of a member of the Board is a senior manager with ABC Advisors. ABC provides the Corporation with investment advice.

Given this circumstance, what must be done under the *Archdiocesan Conflict of Interest Policy*?

The member of the Board would have disclosed on her Annual Conflict of Interest Statement that a member of her family holds a position of influence at ABC Advisors.

This Statement (as well as those of all other covered persons) would be provided to the Finance Committee Chair.

Before investment advisors are hired, competitive bids are received from 2 other investment advisors outlining costs for the services to be provided to the Corporation. The 'interested' member of the Board may not be involved in obtaining/analyzing the competitive bids.

If ABC Advisor's prices are equal to or less than the competitive bid prices, ABC Advisors may be engaged to provide services.

If the Finance Committee determines it is in the best interest of the Corporation to use ABC, the minutes of that meeting should reflect that intention and the supporting information on the competitive prices should be maintained either by listing in the minutes or by attaching as an exhibit to the minutes.

This process does not have to be repeated as long as ABC Advisor's prices do not rise dramatically. However, the competitive bidding process should be re-performed periodically, at least every three years.