

ARCHDIOCESE OF WASHINGTON

PARISH EXAMPLE: TRANSACTION WITH POTENTIAL CONFLICT OF INTEREST

The husband of a member of the parish council owns ABC Florist shop. The parish buys its flowers from ABC.

What must be done under the *Archdiocesan Conflict of Interest Policy*?

The member of the parish council discloses on her Annual Conflict of Interest Statement that a member of her family holds an interest in ABC Florist.

This statement (as well as those of all other covered persons) is maintained by the pastor and shared with the parish finance council.

Before flowers are purchased, competitive bids are received from two other florists that cover the different types of purchases the parish typically makes. The “interested” member of the parish council may not be involved in obtaining/analyzing the competitive bids.

If ABC Florist’s prices are equal to or less than the competitive bid prices, the purchases may be made from ABC Florist. (There may be rare circumstances where a higher-cost proposal may be in the best interests of the entity. If this is the case, the transaction may be completed with the higher bidder only after documenting the rationale for paying the higher price and the approval of the pastor and finance council.)

If the pastor and finance council determine it is in the best interest of the parish to use ABC, the minutes of that meeting should reflect that intention and the supporting information on the competitive prices. The rationale for vendor selection should either be part of the minutes themselves or attached to the minutes as an exhibit.

This process does not have to be repeated for each purchase as long as ABC Florist’s prices stay the same. However, the competitive bidding process should be re-performed periodically, at least every three years.