

**Diocese of Davenport  
Board of Education**

**Series: 200: Board of Education**

**POLICY 211.1**

**Conflict of Interest Policy for Board of Directors**

Policy Adopted: November 20, 2025

Policy Promulgated: December 3, 2025

Diocesan Board of Directors commonly have a range of professional and personal associations and interests in both for-profit and nonprofit organizations. Diocesan schools welcome the energy and expertise directors bring to a school from those associations and interests. At the same time, directors have a fiduciary duty to make decisions and to contribute to discussions based on the best interests of the school, and not on any personal decisions and to contribute to discussions based on the best interests of the school, and not on any personal interest or any other relationship or official duties, regardless of whether they involve financial matters. This policy provides guidance to assist a director in avoiding actual or potential conflicts of interest, and describes Diocesan school's mandatory initial, annual, and ad hoc conflict of interest disclosure processes for directors.

The purpose of this policy and the disclosure process is to allow the Diocese to evaluate objectively all board director associations and interests, and to provide guidance and management where necessary so that even the potential for the appearance of a conflict can be avoided.

**Definitions**

**A. Conflict of Interest**

Means a situation in which the interests of a board director and the interests of a Diocesan school diverge or appear to diverge. Conflicts often arise when there is the potential for a board director, a board director's family members, or a board director's friends to benefit personally as a result of the board director's involvement in a Diocesan school activity or decision. Conflicts may also arise when a board director has non-Diocesan school interests or duties that could influence the board director's actions on behalf of a Diocesan school. Accordingly, conflicts are not necessarily financial in nature. Actual impropriety is not necessary for a conflict of interest to arise. The appearance or potential for a conflict can be just as damaging as actual self-dealing.

**B. Family Member**

Means a board director's spouse, child (including an adopted or step-child), parent, parent-in-law, sibling, niece or nephew, legal guardian, or household member.

**C. Position of Authority**

Includes service as a director or officer, in a Diocesan school for-profit or non-profit entity, whether or not one is compensated.

To assure a Diocesan school's constituents of the integrity of its endeavors, board directors must avoid situations in which their financial or other ties to outside entities could, or do, present an actual, potential or apparent conflict of interest.

Board directors also must avoid actions or situations that might, or do, result in or create the appearance of using their association with Diocesan school for private gain, according unwarranted preferential treatment to any outside

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individual or organization, losing independence or impartiality, or adversely affecting a Diocesan school's reputation or public confidence in its integrity. Below are areas where conflicts of interest may arise.

A conflict of interest is presumed to arise when a Diocesan school has a business relationship or is considering a transaction with a board director or a board director's family member or an outside entity (including a religious, educational, or non-profit entity) in which the board director or family member has a financial interest or a position of authority.

A conflict of interest becomes material, and thus requires greater care and management, when it is sufficiently serious that it might require a board director to refrain from voting on, and at times from discussion of, the matter of consideration.

**D. Appropriation of Diocesan School Opportunities**

If a board director becomes aware of a business, investment, or other potentially valuable opportunity that rightfully belongs to the Diocesan school and not to the board director individually or another entity with which the board director is affiliated, the board director shall bring the opportunity to the attention of the Board.

**E. Use or Disclosure of Confidential Information**

Board directors may not use confidential information acquired as a result of service to a Diocesan school for any purpose unrelated to Diocesan school business, or provide such information to any third party, without the consent of the Board. Wrongful use of Diocesan school information includes, but is not limited to, use or disclosure of information to engage, invest, or otherwise participate in any business, project, venture, or transaction other than through the Diocesan school.

**F. Acceptance of Gifts**

Board directors shall not accept or encourage gifts, meals, favors, or gratuities, other than of nominal or de minimis value, for themselves or family member, from any individual or entity that to the trustee's knowledge has, or seeks to have, a business relationship with the Diocesan school.

**G. Initial, Annual, and Ad Hoc Disclosures**

Upon joining the Board, and annually thereafter, all board directors shall submit to the Pastor of the affiliated parish an initial conflict of interest disclosure statement and questionnaire setting forth their associations and interest in other entities, as well as any known actual or potential conflicts of interest. On an ad hoc basis, board directors shall disclose to the Pastor any actual or potential conflicts of interest as soon as they arise.

Initial and annual disclosures are made using the online Board of Directors Conflict of Interest Disclosure Statement and Questionnaire. Ad hoc disclosures are made in writing to the Pastor.

A board director's knowing failure to disclose a conflict of interest or knowing refusal to submit the completed initial or annual disclosure statement and questionnaire, may be grounds for removal from the Board, subject to the Bylaws.

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**H. Initial Review**

The Pastor will refer issues regarding conflict of interest to the Bishop who shall review all disclosures as they are submitted.

The Bishop or his designee determines that a board director has a material conflict of interest in a matter before the Board or one of the Board's committees, the Bishop or his designee may decide to:

- Exclude the board director from participation in the discussion and the vote.
- Permit the board director to participate in the discussion but not the vote.
- Permit the board director to participate in the discussion and the vote.

When the Bishop finds that a material conflict of interest exists, he shall approve the transaction or arrangement only upon a finding that the transaction or arrangement is in the Diocesan school's best interests. Consistent with the Bylaws of the Diocesan School, if the number of disinterested board directors present does not constitute a quorum, the Board shall postpone consideration of the matter involving a material conflict of interest until a quorum of disinterested board members is available.