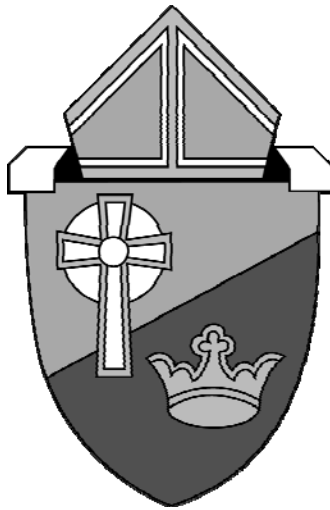


Code of Ethics Policy of the Diocese of Charlotte



**Effective August 15, 2004
Revision Date July 1, 2009**

**The Diocese of Charlotte
1123 South Church Street
Charlotte, NC 28203
(704) 370-6299**

August 15, 2004

My Dear Brothers and Sisters in Christ:

Please accept my sincere gratitude for the very generous way in which you offer your time, talent and gifts in serving the people of Western North Carolina. It is through the prayers, efforts, dedication and collaboration of priests, deacons, religious, seminarians, lay employees and volunteers that we are able to serve those entrusted to our care. We know that as clergy, religious and laity of the Diocese of Charlotte, we have a responsibility to uphold the highest of moral, professional and ethical standards.

As clergy, religious, seminarians, lay employees and volunteers, we all share in the mission of the Church to continue the work of Jesus Christ. This is both a great privilege and an awesome responsibility. Those who publicly represent the Church, whether by office, employment or appointment, have a special obligation because they have accepted positions of trust. Because of this, the Church must be exemplary. Clergy, religious, seminarians, lay employees and volunteers should and will be held accountable for their behavior.

In order to maintain the highest level of accountability, this Code of Ethics Policy is adopted to assist in developing and implementing uniform guidelines for appropriate behavior while exercising ministerial and professional undertakings. It is not intended to address every situation that may arise, rather, it is intended to create a structure for addressing a variety of circumstances that, if not appropriately addressed, may create a risk of incidents, allegations, claims or lawsuits. As we read the code, we must remember that it is more than a set of standards. It is a way of connecting our values, ideals and moral responsibilities with the work that we do every day.

It is my sincere desire that all who are involved in the mission of the Church will exemplify the ethics and integrity lived and taught by Jesus, and that all those we serve will see in us His compassion and love.

Sincerely yours in Christ,

Most Reverend Peter J. Jugis, J.C.D.
Bishop of Charlotte

PREAMBLE

Priests, deacons, religious, seminarians, pastoral ministers, administrators, lay employees and volunteers (Church Personnel) in our parishes, agencies, schools and organizations must uphold Christian values and conduct. The *Code of Ethics Policy of the Diocese of Charlotte* (Code) provides a set of standards for conduct in certain situations and is designed to deter wrongdoing and to promote honest and ethical conduct.

The public and private conduct of clergy, religious, seminarians, lay employees and volunteers can be a source of inspiration and motivation, but it can also scandalize and undermine the faith of the people that are served. Church Personnel must at all times be aware of the responsibilities that accompany their work. It is essential therefore, that anyone who undertakes a position of ministry, employment or leadership in the diocese, be ever mindful of the trust that has been placed in him or her. The faithful discharge of the responsibilities that accompany our work requires constant and prayerful reflection since all of us must be sustained by God's goodness and grace.

Responsibility for adherence to the Code rests with each individual. This responsibility requires each of us to periodically take a personal inventory. It is hoped that the Code will assist us in this task. Church Personnel who disregard this Code will be subject to remedial action. This action can take several forms, from a verbal warning to removal, depending on the nature and circumstances of the offense.

While no policy can anticipate all of the challenges and situations that may arise, the Code communicates key guidelines and will assist in making decisions that are ethical and in accordance with applicable legal requirements, the Diocesan Sexual Misconduct Policy, the Diocesan Personnel Policies Handbook, and the Diocesan Financial Policies Handbook. All Church Personnel are encouraged to discuss any questions or concerns they have with their supervisor. Before beginning any ministerial, employment or volunteer functions, Church Personnel will read or have read to them, understand, and sign the proper acknowledgement of receipt form, and comply with this Code.

1. PRINCIPLES OF ETHICS AND INTEGRITY

- 1.1** Church Personnel will conduct themselves at all times in a manner that is consistent with the teachings and precepts of the Roman Catholic Church.
- 1.2** Church Personnel will exhibit the highest Christian ethical standards and personal integrity.
- 1.3** Church Personnel will continually and objectively examine their own actions and intentions to ensure that their behavior promotes the welfare of the diocese and exemplifies the moral tradition of the Church.
- 1.4** Church Personnel will establish clear, appropriate boundaries with anyone with whom they have a ministerial, business, professional or social relationship.
- 1.5** Church Personnel will provide an environment that is free from physical, psychological, emotional, written or verbal intimidation or harassment.
- 1.6** Church Personnel will conduct their relationships with others that are free of deception, manipulation and/or exploitation.
- 1.7** Church Personnel will not sexually abuse or harass a minor child.
- 1.8** Church Personnel will report any suspected sexual abuse of a minor child as required by the diocesan Sexual Misconduct Policy.
- 1.9** Church Personnel will not take unfair advantage of a counseling relationship for their personal benefit.
- 1.10** Church Personnel will not use their position to exercise unreasonable or inappropriate power, influence or authority.
- 1.11** Church Personnel will not accept or confer an office, position, assignment or compensation, which may present the appearance of favoritism or a conflict of interest.
- 1.12** Church Personnel will be responsible stewards of diocesan resources, human and financial, observing both canon and civil law, and making decisions concerning the disposition of resources that reflect Catholic social teaching.
- 1.13** Church Personnel will not make false accusations against another, or reveal the faults and failings to anyone who is not in a position that necessitates a need to know.

- 1.14** Church Personnel will share concerns about suspicions of inappropriate behavior with the appropriate supervisory or management individual.
- 1.15** Accountability: The Diocese and all its parishes, schools and organizations are responsible to its stakeholders, which includes donors and others who have placed their trust in the Church. To uphold this trust, all Church personnel will:
- Promote good stewardship of all Church resources, including donations, grants, program fees, and all financial support.
 - Use all Church resources only for Church related purposes. Church resources are never to be used for personal purposes, even if it is intended to be temporary.
 - Use all Church resources in a prudent-like manner, avoiding unnecessary and excessive spending and wastefulness.
 - Use Church credit cards, vendor relationships and lines of credit only for Church related purposes. They are never to be used for personal transactions, even if it is intended that Church funds will not be used for payment.
 - Comply with all applicable laws and regulations.
 - Not be a party to any fraud or embezzlement, or neglect their duty to safeguard all Church assets.

2. GUIDELINES FOR WORKING WITH MINOR CHILDREN

- 2.1** Church Personnel are not to possess any sexually explicit or morally inappropriate materials on church, school or diocesan property, or in the presence of minor children. Such materials include, but are not limited to, videos, films, pictures, recordings, drawings, posters, cards, calendars, clothing, computer software and/or games.
- 2.2** Church Personnel are not to engage in sexually oriented conversations with minor children, except in the context of sharing the Church's teaching on human sexuality. Church Personnel are never to discuss their own sexual activities with minor children.
- 2.3** Church Personnel are not to take photographs of minor children who are unclothed or dressing, for example in a locker room or bathing facility, nor shall they permit such photographs to be taken by others.
- 2.4** Church Personnel are not to speak to minor children in a manner that is, or could be construed by an observer as derogatory, demeaning, threatening, intimidating or humiliating, and are not to use profane or foul language in the presence of minor children.

- 2.5** Church Personnel are not to use tobacco products, alcoholic beverages, illegal drugs, or any substance prohibited by law, nor are they to be under the influence of any alcoholic beverage or illegal drugs, when working with minor children. Church Personnel may administer medications to minor children if written permission from parents or legal guardians is given.
- 2.6** Church Personnel are not to sleep in the same bed, hotel or motel room, sleeping bag, tent or cabin with a minor child unless the Church Personnel is the parent, legal guardian or sibling of the minor child.
- 2.7** Church Personnel are not to share showering, bathing, changing or dressing facilities with minor children. When the good of the minor child requires that they be accompanied by an adult to/in any of these locations, the time alone with the minor child should be minimal and another adult should be made aware of the circumstances.
- 2.8** Church Personnel are not to take an overnight trip alone with a minor child who is not an immediate family member.
- 2.9** Clergy and religious are not to allow minor children to be overnight guests in their residence or private accommodations with the exception of an occasional visit from immediate family members. Other Church Personnel are not to provide shared or private accommodations in any diocesan facility, private residence, hotel or motel room, or any other place where there is no other adult supervision present.
- 2.10** When providing transportation for minor children, Church Personnel are to be validly licensed and authorized, ordinarily have written permission from parents or legal guardians, and are to transport minors directly to their approved destination, with no unauthorized stops or deviations unless it is a valid emergency.
- 2.11** At the end of any activity, Church Personnel are to release minor children in their care only to parents, legal guardians, or other persons designated in writing by parents or legal guardians.
- 2.12** Church Personnel should schedule one-on-one counseling sessions or meetings with minor children at times and locations that promote accountability and meet accepted standards of propriety.
- 2.13** Activities and programs for minor children are not to be administered by only one adult. During all activities and programs, facilities should be monitored.
- 2.14** Church Personnel are not to use physical discipline in any way for the

behavior management of minor children. No form of physical discipline is acceptable. This includes spanking, hitting, pinching, or any other physical force as correction or retaliation for inappropriate behavior.

- 2.15** Church Personnel are to immediately report the unusual or uncontrollable behavior of minor children to parents or legal guardians.
- 2.16** As a general rule, volunteers for programs involving working with minor children in parishes should be registered members of the parish for at least six months before being placed in a volunteer position. After careful consideration, exceptions may be made for parents of minor children in the specific programs in which their child or children are participating.
- 2.17** Reference checks should be conducted on employees and volunteers who transfer within the diocese before allowing them to participate in any program involving working with minor children.

3. PHYSICAL CONTACT WITH MINOR CHILDREN

- 3.1** Appropriate affection between Church Personnel and minor children is important for a child's development, and is a positive part of church life and ministry. However, touching must be based on the need of the minor child and not the adult, completely non-sexual, never in private, and otherwise appropriate.
- 3.2** Though not all-inclusive, the following examples are regarded as appropriate forms of affection:
- side hugs
 - shoulder to shoulder or temple hugs
 - pats on the shoulder or back
 - handshakes
 - high fives or hand slapping
 - arms around shoulders
 - holding hands while walking small children
 - kneeling or bending down for hugs with small children
 - holding hands during prayer
- 3.3** Though not all-inclusive, the following examples are forms of affection that are not to be used:
- lengthy or inappropriate hugs or embraces
 - kisses on the mouth
 - holding children over two years old on the lap
 - touching the chests, knees, legs, bottoms or genital areas of

- showing affection in isolated areas or private rooms
 - sleeping in bed with a minor child
 - wrestling or tickling minor children
 - any type of massage given to or received from a minor child
 - comments or compliments that relate to body development or physique
 - any form of unwanted affection
- 3.4** No one should be permitted to develop and/or start new programs for minor children without proper review and approval by the proper authority. Requests to develop new programs should be submitted in writing and must include provisions for adequate adult supervision.

4. CONDUCT FOR PASTORAL COUNSELORS AND SPIRITUAL DIRECTORS

- 4.1** Pastoral Counselors and Spiritual Directors are not to step beyond their competence in counseling situations and are to refer people being counseled to other professionals when appropriate.
- 4.2** While counseling a minor child, if a Pastoral Counselor or Spiritual Director discovers that there is a serious threat to the welfare of the minor, and that communication of confidential information to a parent or legal guardian is essential to the minor child's health and well-being, the Pastoral Counselor or Spiritual Director should disclose only the information necessary to protect the health and well-being of the minor child.
- 4.3** Pastoral Counselors and Spiritual Directors are to carefully consider the possible consequences before entering into a counseling relationship with someone with whom they have a pre-existing relationship.
- 4.4** Pastoral Counselors and Spiritual Directors will conduct all counseling sessions in appropriate settings and at appropriate times. No session is to be conducted in private living quarters.
- 4.5** Pastoral Counselors and Spiritual Directors are to avoid situations that might present a conflict of interest between a counselor and a person being counseled, including even the appearance of a conflict of interest.
- 4.6** Pastoral Counselors and Spiritual Directors are not to engage in sexual intimacies with anyone they counsel. This includes consensual and non-consensual contact, forced physical contact and inappropriate sexual comments.

- 4.7** Pastoral Counselors and Spiritual Directors are not to engage in sexual intimacies with individuals who are close to the person being counseled, i.e. relatives and close friends.
- 4.8** Pastoral Counselors and Spiritual Directors assume the full burden of responsibility for establishing and maintaining clear, appropriate boundaries in all counseling and counseling-related relationships.
- 4.9** Pastoral Counselors and Spiritual Directors are to maintain a log of the times and places of sessions with each person being counseled.
- 4.10** Pastoral Counselors and Spiritual Directors should discuss the nature of confidentiality and its limitations with each person being counseled. Information that is disclosed during the course of counseling or advising is to be confidential, except for compelling professional reasons or as required by law.
- 4.11** If there is a clear and imminent danger to the person being counseled, or to others, the Pastoral Counselor or Spiritual Director may disclose only the information necessary to protect the parties affected and to prevent harm. Before disclosure is made, if feasible, the Pastoral Counselor or Spiritual Director should inform the person being counseled about the disclosure and the potential consequences.
- 4.12** With the exception of knowledge gained in the Sacrament of Penance, knowledge that arises from counseling sessions may be used in teaching, writing homilies, or other public presentations only when effective measures are taken to absolutely safeguard both the individual's identity and the confidentiality of the disclosures.
- 4.13** In accordance with the norm of canon law, the sacramental seal is inviolable, therefore, it is absolutely forbidden for a confessor to betray the confidence of a penitent in any way and for any reason. This is applicable whether the penitent is living or dead.

5. HARASSMENT

- 5.1** Church Personnel are to provide an environment that is free from sexual, psychological or physical harassment. This includes but is not limited to:
- physical or mental abuse
 - unwelcome sexual advances or touching
 - sexual comments and jokes
 - requests for sexual favors used as a term or condition of

- requests for sexual favors used as the basis for an employment decision
- displaying or wearing offensive material
- derogatory racial, religious, age, ethnic, physical or mental condition insults or slurs

5.2 Harassment can be a single, severe incident or a persistent pattern of behavior where the intent or the effect is to create a hostile, offensive or intimidating environment.

6. POLICY ON CONFLICTS OF INTEREST/PRIVATE INURNMENT, NEPOTISM, OUTSIDE EMPLOYMENT

6.1 Identifying a Private Inurnment or Private Benefit Problem: In brief, "private inurnment" is the *payment* or diversion of an exempt organization's assets to its officials, officers, directors, employees, relatives, friends, major donors, or others in a special relationship to the organization who can influence or control the policy or the day-to-day activities of the organization *for less than full and adequate consideration*. It is a broad concept that can exist in a variety of transactions under a variety of circumstances. Private inurnment also extends to the use of organizational assets for "private benefits" such as sales, leasing, construction contracts, service transactions, etc., at other than fair market value or the exploitation of the exempt organization *for the benefit of a private business* (e.g., "sweetheart deals," promotional schemes, and/or giveaways to private individuals or businesses). Thus, under IRS regulations, a private benefit is similar to, but broader than, private inurnment.

To avoid material private inurnment or benefit in the types of transactions described above, the particular diocesan entity must enter into transactions for its benefit, rather than for a private party's benefit, and exercise due diligence to ensure that the proposed transaction is fair and reasonable such that under the circumstances the organization could not have obtained a more advantageous arrangement with reasonable effort. In addition to screening proposed transactions through the applicable councils and boards, care should be taken to follow diocesan policies and procedures pertaining to the signing of contracts.

6.2 Conflicts of Interest: A conflict of interest may exist when persons employed by the diocese (i.e., the Central Administration, parishes, schools, agencies, and/or affiliated entities), or volunteers with influence over certain activities or transactions including those serving on advisory or consultative boards, councils or committees have a direct or indirect

financial interest, as defined below.

- 6.3** Financial Interest: A person has a "financial interest" if the person has, directly or indirectly, through business, investment, or family (including spouses; brothers or sisters; spouses of brothers or sisters; ancestors; children, grandchildren, and great grandchildren; and spouses of children, grandchildren, and great grandchildren), any one of the following:
- An ownership or investment interest in any entity with which the diocese has a transaction or arrangement;
 - A compensation arrangement with the diocese or with any entity or individual with whom the diocese has a transaction or arrangement;
 - A potential ownership or investment interest with, or compensation arrangement with, any entity or individual with whom the diocese is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.
- 6.4** Church Personnel are to avoid situations that might present a conflict of interest.
- 6.5** Church Personnel are not to take advantage of anyone to whom they are providing ministry or service in order to further their own personal, religious, political, business or economic interests.
- 6.6** Church Personnel are not to solicit, accept or give any personal gifts, favors, or things of value which could influence, or which could be construed as influencing any decision or obligation to the performance of one's duties.
- 6.7** Relatives of Church Personnel, or of relatives of various diocesan boards, may be hired as employees only if they will not be working under the line of supervisory authority of a relative or the advisory authority of the board. Generally, relatives include spouses, children, siblings, grandparents and grandchildren.
- 6.8** No member of any diocesan board is to knowingly take any action or make any statement that is intended to influence any undertaking of a parish, school, agency, department or institution of the diocese in such a way as to confer any benefit on such member or anyone in the member's family or business.
- 6.9** No member of any diocesan board, his/her family members, employer, business or business associates, is to solicit business or favors from any diocesan parish, school, agency, department or institution of the

diocese.

- 6.10** No member of any diocesan board is to vote in connection with any decision that may constitute a conflict of interest.
- 6.11** Outside employment is permitted as long as Church Personnel notify their supervisor of that fact and satisfactorily perform their job responsibilities. If an individual with an outside job does not perform his/her job requirements satisfactorily, he or she may be asked to terminate the outside employment.
- 6.12** Whenever a diocesan entity is considering conducting business with any person employed by the diocese (i.e., the Central Administration, parishes, schools, agencies, and/or affiliated entities) or any volunteer, or his/her family member, his/her business, or any entity in which he/she has an investment, the diocesan entity must solicit bids from at least two other sources and may not select the person/entity with the financial interest unless that person/entity is the lowest bidder.
- 6.13** Duty to Disclose: In connection with any actual or potential conflict of interest, an interested person must disclose the existence and nature of his or her financial interest and all material facts. Reports should be made to the pastor, principal, vicar general/chancellor, attorney, or chief financial officer. Reports made to pastors and principals are to be reported to the vicar general/chancellor. Reports should include relevant information that is discernible.
- 6.14** Investigation: The person to whom said report was made shall be responsible for a thorough and expeditious investigation of the actual/potential conflict of interest. Proposed decisions on the disposition of a case are to be discussed with the vicar general/chancellor or his designee. The results of all confirmed conflicts of interest and the final resolution shall be reported to the diocesan Finance Council.
- 6.15** Subsequent Conflicts and Disclosures: Notwithstanding previous disclosure of actual or potential conflicts of interest, an individual shall make a new disclosure of conflicts when any matter involving the conflict of interest arises for discussion or action. In the event that an individual is uncertain whether an actual or potential conflict of interest exists, the individual should make disclosure of the circumstances that may give rise to an actual or potential conflict.
- 6.16** Confidential or Privileged Information: Information known to be confidential that is acquired by individuals in the course of employment or association with the diocese and its affiliated entities shall be used

only for the benefit and purposes of the diocese. Individuals shall neither disclose confidential information outside the scope of their authorized duties nor utilize their position or association with the diocese for personal identification or advantage, although there may be instances, based on the use of careful discretion and judgment, where incidental use of the association with the diocese may be appropriate.

7. POLITICAL ACTIVITY

- 7.1** The Diocese of Charlotte encourages individual participation in civic affairs. However, Church Personnel are not to engage in political activities in a manner that may create the appearance that such activity is by or on behalf of the diocese.
- 7.2** Church Personnel are not to make any contribution to any candidate for public office or political committee on behalf of the Diocese of Charlotte or in a manner that may create the appearance that the contribution is on behalf of the diocese.
- 7.3** Church Personnel are not to use any parish, school or agency facilities, financial resources, or personnel to endorse or oppose a candidate for public office.
- 7.4** Church Personnel are to clearly communicate that they are not acting on behalf of the Diocese of Charlotte if identified as an official or employee of the diocese while engaging in political activities in an individual capacity.

8. WHISTLEBLOWER POLICY

- 8.1** The Diocese of Charlotte requires all representatives of the Church, including clergy, religious, directors, and other volunteers, and lay employees, to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. All representatives of the Church must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

The objectives of the Whistleblower Policy are to establish policies and procedures for:

- The submission of concerns regarding questionable financial or legal matters, violations and suspected violations of the Code of Conduct, Code of Canon Law and other concerns by the stakeholders of the Church, on a confidential basis;
- The receipt, retention, and treatment of complaints received by

- The protection of anyone reporting concerns from retaliatory actions.

8.2 Reporting Responsibility - Each representative of the diocese has an obligation to report in accordance with this Whistleblower Policy any reasonably perceived violation of: (a) federal, state or local laws, rules and/or regulations; (b) the diocese's Code of Ethics; (c) the diocesan sexual misconduct policy; (d) diocesan personnel policies; (e) diocesan financial policies, including questionable or improper accounting or auditing matters; as well as gross mismanagement, waste, fraud, embezzlement, neglect of duty; and actions that threaten or are viewed as harmful to the health, safety and welfare of others and any other financial, legal or canonical concerns (hereinafter collectively referred to as Concerns).

Reports of Concerns should be made to the pastor, principal, vicar general/chancellor, attorney, or chief financial officer. Reports made to pastors and principals are to be reported to the vicar general/chancellor. All Concerns are to be reported as soon as possible. Reports of Concerns should include all relevant information about the suspected act, including any material evidence that exists.

8.3 Investigation - The person to whom said report was made shall be responsible for a thorough and expeditious investigation of the reported Concern.

Proposed decisions on the disposition of a case are to be discussed with the vicar general/chancellor or his designee. The results of all reported and confirmed Concerns and the final resolution shall be reported to the diocesan Finance Council.

8.4 No Retaliation - This Whistleblower Policy is intended to encourage and enable stakeholders to raise Concerns within the Organization for investigation and appropriate action. With this goal in mind, no stakeholder who, in good faith, reports a Concern shall be subject to retaliation or, in the case of an employee, adverse employment consequences. Moreover, anyone who retaliates against someone who has reported a Concern in good faith is subject to discipline up to and including dismissal from their position within the Church.

8.5 Acting in Good Faith - Anyone reporting a Concern must act in good faith and have reasonable grounds for believing the information disclosed is a legitimate matter of Concern. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and

may result in discipline, up to and including dismissal from their position with the Church. Such conduct may also give rise to other actions, including civil lawsuits.

- 8.6** Confidentiality - Reports of Concerns, and investigations pertaining thereto, shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Disclosure of reports of Concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of the violators' position in the Church. Such conduct may also give rise to other actions, including civil lawsuits.

9. CONFIDENTIALITY

- 9.1** Church Personnel, regardless of their work or volunteer responsibility, are to keep significant information on a confidential basis and are not to discuss it with anyone who is not directly involved.
- 9.2** Sacramental records are to be regarded as confidential. When compiling and/or publishing statistical information from these records, great care is to be taken to preserve the anonymity of individuals. Only those who are authorized to access these records and supervise their use are to have access to them.
- 9.3** Individual contribution records of parishes are to be regarded as private and are to be kept confidential.

10. REPORTING ETHICAL MISCONDUCT

- 10.1** Church Personnel are to hold each other accountable for maintaining the highest ethical and professional standards. When it appears that any Church Personnel has violated this Code, or any other religious, legal, moral, professional or ethical principle, the matter is to be reported to that entity's management authority or the Chancery.
- 10.2** All reports of possible violations of this Code will be treated in confidence as much as the diocese's duty to investigate and the law allow. If confidentiality cannot be maintained, the individual reporting the violation will be so advised.
- 10.3** All reported violations of this Code will be investigated, and if needed, appropriate action will be taken based on the nature of the violation and diocesan policy.

10.4 Retaliation against a person who suspects and reports a violation of this Code in good faith will be treated as an individual violation of this Code.