

Board Policy Standards

Policy Type: Board Governance

Policy Title: Conflict of Interest

Policy Objective: To provide direction regarding conflict of interest to staff, members of the Board of Directors and committee members and assist them in avoiding conflict of interest situations.

Policy Statement: No member of the Board of Directors, or any of its Committees, shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the organization. No staff members shall derive any personal profit or gain beyond normal contractual work arrangements. All employees, member of the Board of Directors and committee members must arrange their affairs, in public and in private, to prevent any real, perceived or potential conflict of interest.

Policy Application:

1) A conflict of interest exists where a staff member, Director, a partner, business associate or close family member of the Director:

i) is a party to a material contract or a proposed material contract with the organization, or

ii) is a Director or officer of another organization or has a material interest in any company or person who is a party to a material contract or proposed material contract with the organization, or

iii) is directly involved in an issue under discussion, or associated with an issue under discussion in a substantive way and stands to benefit or personally gain from the decision made, or

iv) assists a third party in its dealings with the organization, where such assistance could result in favourable or preferential treatment being accorded to that third party by the organization.

2) Upon becoming aware that such a conflict exists, staff must report it to the Executive Director as soon as possible. IN the case of the Executive Director, he/she shall report it to the National President. Directors of the Board and committee members shall report any such conflict to the National President.

- 3) In all cases, the underlying principle is that conflicts of interest will be resolved in favour of the organization.
- 4) The resolution of the conflict of interest may require a party to withdraw from a discussion or a meeting, refrain from voting on an issue, or remove or terminate the conflict or potential conflict by whatever means necessary, possibly including relinquishment of office or position with the organization.
- 5) Provided that the conflict of interest is disclosed as soon as possible, not material contract entered into or action taken by the organization with knowledge of the conflict of interest is void or voidable.
- 6) If a conflict of interest is discovered after a decision is made that might have been affected by knowledge of that conflict, the decision is not void or voidable, provided that the decision was made fairly and on reasonable grounds.
- 7) Where a conflict of interest is disclosed in a timely manner and in accordance with this policy, a material contract may be entered into, a decision made, or an action taken by the organization that allows the conflict of interest (or potential conflict of interest) to continue. For example, the organization may hire or contract to family members provided such conflict of interest has been disclosed by the affected employee.
- 8) If a Board member knowingly fails to disclose a conflict of interest, the organization reserves all rights it may have at law to have any contract entered into or any action taken set aside, revoked, or rescinded. In addition, the offending Board member may be requested to resign.
- 9) With regard to the acceptance of gifts, a board member may not solicit or accept gifts in the exchange for future considerations. A Board member cannot accept gifts other than incidental gifts, customary hospitality, or other benefits of nominal value, without the approval of the Executive Director (in the case of staff), or the National President (in the case of Directors or committee members).
- 10) With regard to confidentiality, a Board member may not take advantage of or use to their benefit, any information not generally available to the public that a Board member obtains in the course of a Board member's official duties for the organization, or disclose such information to a partner, business associate, industry member or close family member. Similarly, a Board member may not disclose confidential information obtained through the course of Board member duties and responsibilities for the organization without proper authorization.

Associated Documents

None

Policy Name: Conflict of Interest

Edition: 2015

Accepted by Board of Directors: August 2, 2006

Policy Number: 2006-7

Issue Date: August 2, 2006