

GOVERNANCE

Title: CONFLICT OF INTEREST	Number 4.5
Effective Date: May 27, 2004	Supersedes:

Policy Statement: Board Members shall act at all times in the best interests of the Association rather than particular interests or constituencies. This means setting aside personal self-interest and performing their duties in transaction of the Association's affairs in such a manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board. No Board Member shall directly or indirectly receive any profit from his/her position as such, provided that Board Members may be paid reasonable expenses incurred by them in the performance of their duties. The pecuniary interests of immediate family members or close personal or business associates of a Board Member are considered to also be the pecuniary interests of the Board Member.

Procedure:

Purpose

The objective of these guidelines is to permit the Association to manage potential conflicts of interest successfully, when they do occur.

Definition of Conflict of Interest

Board Members are considered to be in a conflict of interest whenever they themselves, or members of their family, business partners or close personal associates, may personally benefit either directly or indirectly, financially or otherwise, from their position on the Board.

A conflict of interest may be "real", "potential" or "perceived"; the same duty to disclose applies to each.

Full disclosure in itself, does not remove a conflict of interest.

Principles for Dealing with Conflict of Interest

- a. The Board Member must openly disclose a potential, real or perceived conflict of interest as soon as the issue arises and before the Board or its Committees deal with the matter at issue.
- b. If the Board Member is not certain he/she is in a conflict of interest position, the matter may be brought before the Board for advice and guidance.
- c. If there is any question or doubt about the existence of a real or perceived conflict, the Board will determine by vote if a conflict exists. The person potentially in conflict shall be absent from the discussion and vote.
- d. It is the responsibility of other Board Members who are aware of a real, potential or perceived conflict on interest on the part of a fellow Board Member to raise the issue for clarification, first with the Board Member and, if still unresolved, with the President.
- e. The Board Member must abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and unless otherwise decided by the Board, must leave the meeting room for the duration of any such discussion or vote.

f. The disclosure and decision as to whether a conflict exists shall be duly recorded in the minutes of the meeting. The time the person left and returned to the meeting shall also be recorded.

Examples of Conflict of Interest

a. Any circumstance that may result in a personal or financial benefit to the Board Member or his family, business associate or friend. This includes, but is not limited to, accepting any payment for services rendered to the Association, including contracted work or honoraria; accessing financial or other resources for personal use, i.e. supplies, equipment, etc.;

b. Personal interests which conflict with the interests of the Association;

c. Seeking, accepting or receiving any personal benefit from a supplier, vendor or any individual or organization doing or seeking business with the Association;

d. Being a member of the board or staff of another organization which might have material interests that conflict with the interests of the Association or its Members; and, dealing with matters on one board which might materially affect the other Board;

e. Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a family member, business associate or friend of the Board Member.

Failure to Comply

Failure to disclose a conflict of interest constitutes a breach of trustee responsibility and is subject to the provisions of the Bylaws respecting discipline and removal of an officer, director or committee member.

The application of any part of these guidelines will rely heavily on the common sense of the group as a whole. Conflict of interest situations vary and the judgment and flexibility of the Board, committee or membership must be preserved.