



SUBJECT: Board Conflict of Interest Policy	DOCUMENT NO: CIMARE-F-02
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POLICY STATEMENT: Effective non-profit governance depends on deliberate, thoughtful, and fair decision making by the National Council. The ability to make good decisions is sometimes affected by other interests - personal or professional - of individual National Council Representatives and committee members. One cannot eliminate conflicts of interest - they are a regular part of organizational and personal life. The objective of this policy is to permit the Institute to *manage* potential conflicts of interest successfully, when they do occur.

DEFINITION:

A conflict of interest arises when a person able to influence a decision, whether by official vote or moral and/or intellectual persuasion, is liable to gain:

- a. Some personal advantage from the outcome of the decision in which they are involved, and/or some advantage for an organization with which the individual is directly involved; and
- b. A conflict of interest also arises when as individual National Council Representative or committee members outside duties, interests or obligations may or do differ fundamentally from his/her obligations as a member of the National Council, a committee or working group of the Institute.

ASSUMPTIONS:

1. No National Council Representative or committee member shall use his or her position, or the knowledge gained there from, in such a manner that a conflict between the interest of the Institute and his or her interests arises but is not disclosed.
2. When functioning as a National Council Representative or committee member, each person has a duty to place the interest of the Institute foremost in any dealings and has a continuing responsibility to comply with the requirements of this policy.
3. National Council Representatives and committee members are not eligible for employment or service contracts with the Institute during their tenure. If a National Council Representative or committee member wishes to apply for a position with the Institute, he/she must immediately withdraw from active participation on the National Council or committee. If the National Council Representative or committee member is the successful candidate, he/she must resign from the National Council or committee upon accepting the position.

4. Any National Council Representative or committee member who becomes aware of a potential conflict of interest with respect to any matter coming before the National Council, committee, or working group shall make this potential conflict known immediately in any discussion relating to the matter.
5. Decisions taken by the National Council, committees or working groups, regarding the management of a conflict of interest, must not only be fair, they must be seen to be fair.

PROCEDURE

When an actual, perceived, or potential conflict is identified by any person, the following action must be taken:

1. The National Council or committee member identifies the actual, perceived or potential conflict;
2. The National Council or committee member must fully disclose the conflict to the Chairperson and, where appropriate, to all National Council or committee members;
3. The Chairperson shall develop an appropriate response, including where necessary, disqualification from voting and discussion and any necessary remedial action. For example, if a vote may have been affected by a previously undeclared conflict of interest, it may be necessary to hold that vote again.
4. Where a potential conflict of interest is identified, the following options may be considered and combined as appropriate:
 - The National Council Representative or committee member with the conflict should not be involved in any aspect of the decision-making process.
 - He or she may be present and/or participate in discussions but refrain from voting.
 - He or she will absent him or herself from any discussions in connection with the matter in question.
 - He or she may participate in initial discussions and then be asked to leave for further discussions before the vote.
 - He or she may vote or be present for the vote, but the vote will be done by confidential ballot.
 - He or she may participate fully.

The National Council, committee or working group must agree in majority on the option or combination of options to be taken in any given conflict of interest situation.

5. Any National Council Representative or committee member may ask for a decision to be taken by secret ballot when dealing with a matter where there is a conflict of interest.
6. The official minutes of the meeting must record the potential conflict of interest and how it was avoided and/or dealt with.
7. When there is a failure to agree on whether a conflict of interest exists and/or how it is to be managed, the Chairperson (or if the potential conflict of interest involves him or her, the vice-chairperson) may seek legal counsel.

COMMON SENSE PROVISION

The application of any part of this policy shall rely heavily on the common sense of the group as a whole. Conflict of interest circumstances vary and the judgment and flexibility of the National

Council, committee, or working group must be preserved.

EXAMPLES

Some examples of situations which may indicate a conflict of interest are:

- Where a National Council Representative or committee member is in a position to influence the creation of employment or a service contract and then becomes a candidate for such a position or contract.
- Where a member of the National Council or committee influences the selection of a supplier of goods and/or services and the member has an ownership interest in that supplier.
- Where a National Council Representative or committee member uses the Institute's name and resources for personal benefit.
- Where a National Council Representative or committee member could influence the giving of a scholarship, funds or project approval which would benefit themselves or a family member, or an organization they are associated with as staff or volunteers.