

Governance Policies and Procedures



Policy Name:	Conflict of Interest Policy
Policy Number:	001
Policy Type:	Role of the Board
Approval Date:	July 16, 2022
Previous Approval Date:	October 23, 2017
Date for Review:	Every 3 Years

Purpose

The purpose of the CFLA-FCAB Conflict of Interest Policy is to provide guidance to Board and Committee members about how to manage potential conflicts of interest.

It should be noted that as a Federation, participants involved in Board and Committee discussions and business will usually have an affiliation with a Member association.

Board and Committee members will need to balance competing interests.

Definition – Conflict of Interest

A conflict of interest is a situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another. Typically, this relates to situations in which the personal interest of an individual or organization might adversely affect a duty owed to make decisions for the benefit of a third party.¹

Personal Conflicts of Interest

Board and Committee members will declare and refrain from participating in discussions related to issues where they or their family members have a financial or business interest in the topic being discussed.

Personal conflict of interest situations may include, but not be limited to the following:

- participation in decision-making about an issue affecting the employment or remuneration for self or family member (e.g. consultancy, speaker, investigator, the investment or deposit of funds);
- membership in an interest group seeking to influence Board policy;
- personal holdings in any company which provides products or services related to the subject matter under discussion by the Board, and
- acceptance of gifts, accommodation or travel from a company which has or seeks to establish a close working relationship with the Board.

¹ https://en.wikipedia.org/wiki/Conflict_of_interest

Scope of Policy as Related to Member Associations

Because CFLA-FCAB is a Federation of associations, by definition many Board and Committee members will have interests in their own association, as well as, the Federation's. With the CFLA-FCAB model of collaboration, the goal is to strengthen Member associations, along with building a strong Federation. Therefore, the Federation's Conflict of Interest Policy will limit where a Board or Committee member must declare a conflict of interest.

Conflicts of interest related to Member associations will be limited to:

- Issues where there is an actual or a strong potential perception that there will be a direct financial benefit to the Member association;
- Issues where there is an actual or a strong potential perception that a Member association could be seen as receiving preferential treatment, and
- Issues where CFLA-FCAB's direction will conflict with the interests of the Member association.

Principles for Managing Conflicts of Interest

The following principles will help guide Board and Committee members when faced with potential conflicts of interest.

- Encourage members to be honest and proactive about declaring potential conflicts of interest as defined by the Conflict of Interest Policy.
- Support members to engage in discussions where Member associations are concerned, and focus on creating situations and making decisions that create positive outcomes for all concerned, rather than withdrawal from the discussion.
- If a member identifies a conflict of interest, the Board or Committee Chair will decide the appropriate action to avoid the conflict of interest.