

Governance Policies and Procedures



Policy Name:	Conflict of Interest Policy
Policy Number:	002
Policy Type:	Role of the Board
Approval Date:	October 26, 2018
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 (COI) 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, their family members, or their representative organization have a financial or business interest in the topic being discussed

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 getting preferential treatment
- Issues where CFLA-FCAB's direction will conflict with the interests of the member association

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

Principles for Managing Conflicts of Interest

The following principals will help guide the board or committees when faced with potential conflicts of interest.

- Encourage members to be honest and proactive about declaring potential Conflicts of Interest as defined by the 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 withdraw from the discussion.
- Members who have identified that a Conflict of Interest exists will abstain from voting on the issues that have been identified.

Process

At the beginning of each meeting, participants will be given the opportunity to declare any conflicts of interest or perceived conflicts of interest as to any matter to be discussed at the meeting or any matters that have come to their attention since the last meeting. The declarations will be documented in the meeting minutes. Board and committee members are also encouraged to declare a Conflict of Interest at any time during a meeting should one arise as a result of the discussion.

Deemed Conflict. In the event a Board or committee member does not identify or disclose a conflict of interest, the Board or committee member may, deem a member in conflict by majority vote.

Attendance at Board Meetings where Conflict. In the event a director discloses a conflict of interest or is deemed by the board to have a conflict of interest, the board may require the director to leave a board meeting while the issue on which such director has the conflict of interest is discussed. Where the board does not require a director to leave a board meeting, the director will be included in determining quorum.

Declaration of Affiliation. Following the Annual General Meeting of the Federation in each year, each board member shall complete a Declaration of Affiliation, which shall list the board memberships, volunteer roles, business/employment relationships and other information the Board may deem appropriate that could identify potential conflicts of interest to the work of the Federation.