

## **1.5 CONFLICT OF INTEREST**

### **Policy Goals**

The goal of this policy section is to guide BACI members, directors, employees and persons served in recognizing and avoiding conflicts of interest, if possible, or dealing with them if they are unavoidable.

### **What is Conflict of Interest?**

We recognize that people have ties of varying strengths to other people, businesses and organizations, and that these ties create relationships and obligations that must be fulfilled. Under most conditions, people can keep their relationships and obligations separate enough that they do not interfere with each other; however, situations can occur where relationships and obligations compete and this creates a conflict of interest.

Conflict of interest occurs when a Director or employee of a not-for-profit organization participates in discussions or decision-making about a matter which may benefit that Director or employee, regardless of the size of the benefit. The conflict must result in direct or indirect benefit to the Director or employee, or someone with whom that individual has a close personal relationship.

An appearance of conflict of interest occurs when Directors or employees, related persons or organizations, receive personal gain but it is not clear if this occurred because of their position with BACI or at the expense of BACI.

In this Policy, references to a conflict of interest include an appearance of conflict of interest, unless stated otherwise. In the context of BACI and the services we provide, a conflict of interest may occur at either the Board of Directors level or the employee level.

### **Avoiding Conflicts of Interest**

We realize that conflicts of interest cannot always be anticipated or avoided, and that people are sometimes put into these situations without their knowledge or participation. We also realize that unanticipated conflicts of interest can develop – despite people acting in good faith and with the best of intentions – and that a conflict of interest can appear where none actually exists. However, we expect members, directors, employees, the people we serve and families, to watch for, anticipate, and avoid conflicts of interest to the best of their ability.

### **Keys to avoiding a conflict of interest are:**

1. Thinking about the possible short- and long-term effects of actions before they are taken.
2. Assessing how an action will appear to people both outside of the situation and outside of BACI.

3. Appraising whether a proposed action is ethical and legal. This may involve consulting someone outside of the decision-making process.
4. Consulting with people who understand the situation and who can be trusted to give an honest opinion – one which is as unbiased as possible.
5. Communicating the proposed action, its intended effect, and the circumstances that require it to those who are most directly concerned and affected.

### **Declaration of a Conflict of Interest**

If a conflict of interest or an apparent conflict of interest does occur, we expect members, directors, employees and, if possible, people we serve and families to acknowledge and declare:

1. That they have, or may have, a conflict of interest.
2. The nature and extent of the conflict of interest.
3. The nature and amount of benefit that may be received – either directly or indirectly.

### **Regulations for Directors**

1. Directors shall disclose to the Board any possible conflict of interest in any matter before the Board.
2. The disclosure should be in writing but may be verbal to the Board. In either instance, full particulars shall be recorded in the minutes.
3. The disclosure of interest shall occur prior to any Board discussion of decision with regard to a matter in which a Director has an interest.
4. A Director with an interest in a matter before the Board shall not vote or participate in discussions pertaining to the interest either in or outside of Board meetings and shall not be counted in the quorum for these decisions at a meeting at which board action shall be taken on the conflict of interest.
5. The minutes of all actions taken on such matters shall clearly reflect that these requirements have been met.
6. A Director shall not be eligible to bid on contracts put to public tender.

Where a Director has not complied with these regulations under the provisions of the *Societies Act*, they shall account to the Board for profit made or benefit gained as a consequence of BACI entering into or performing the

proposed contract or transaction. The Board may require a Director's resignation if they have not followed BACI policy with respect to a conflict of interest.

### **Regulations for Employees**

1. Employees shall disclose to the CEO any possible conflict of interest in decision-making relating to the operation of BACI. If an employee or their immediate family has an interest in an association or business that conducts affairs with, or competes for, resources with BACI, that employee has a conflict of interest that they must disclose.
2. Disclosure must be in writing and be recorded in the individual's personnel file.
3. Disclosure shall be made before discussions of, or decision-making around, the matter in which the employee has an interest.
4. An employee with a conflict of interest in a matter before BACI shall not partake in discussions or decision-making with respect to that issue.
5. An employee shall not be eligible to bid on contracts put to public tender.
6. Employees shall not participate in the hiring or direct supervision of a person with whom they have a close personal relationship.
7. Should an employee indirectly supervise a person with whom they have a close personal relationship, clear guidelines shall be established to ensure that the direct supervisor has authority and autonomy to fulfill their supervisory role.
8. Employees will not accept gifts that create or appear to create a favored position for a person we serve or an association that conducts affairs with BACI.
9. Employees or Contractors being hired into agency positions must disclose the names of any close friends or relatives working for the agency.

Where an employee has not complied with these regulations, they shall account to the CEO regarding profit made, or benefits gained, as a consequence of BACI entering into or performing the proposed contract or transaction. An employee who contravenes BACI's policy regarding conflict of interest may face disciplinary measures up to and including dismissal

Any potential conflicts of interest, as outlined above, specifically related to the CEO, must be submitted to the Board of Directors and documented in writing.

**Linking Policy:**

- 1.8 Code of Ethics
- 1.12 Corporate Responsibility Policy
- 5.1 Financial Governance Policy